

EMPRESAS COPEC S.A.



CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2018

IFRS	-	International Financial Reporting Standards
IAS	-	International Accounting Standards
NIFCH	-	Chilean Financial Reporting Standards
IFRIC	-	International Financial Reporting Interpretations Committee
US\$	-	United States dollars
ThUS\$	-	Thousands of US dollars
MUS\$	-	Millions of US dollars
MCh\$	-	Millions of Chilean Pesos
COP\$	-	Colombian pesos
S./	-	Peruvian nuevo sol



INDEPENDENT AUDITORS' REPORT

Santiago, March 8, 2019

Dear Shareholders and Directors
Empresas Copec S.A.

We have audited the accompanying consolidated financial statements of Empresas Copec S.A. and affiliates, which comprise a consolidated statement of financial position as of December 31, 2018 and 2017, the corresponding consolidated statements of income by function, consolidated comprehensive income, consolidated changes in equity and consolidated cash flow for the years ending on these dates, and the corresponding notes to the consolidated financial statements.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). This responsibility includes the design, implementation and maintenance of relevant internal controls for the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We have not audited the financial statements of the affiliates Compañía de Petróleos de Chile Copec S.A., Pesquera Iquique Guanaye S.A. and Sociedad Nacional de Oleoductos S.A., whose financial statements reflect total net assets and net income representing 28.17% and 27.47% in 2018 and 27.44% and 45.46% in 2017, respectively, of the consolidated totals as of December 31, 2018 and 2017 and for the years then ended. We also did not audit the financial statements of the associated companies Metrogas S.A. and Aprovisionadora Global de Energía S.A. These investments were accounted for using the equity method, and include net assets and net income representing 0.60% and 4.26% in 2018 and 0.80% and 7.29% in 2017, respectively, of the consolidated totals as of December 31, 2018 and 2017 and for the years then ended. The statements mentioned above were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for these companies, is based solely on the report of these auditors. We conducted our audit in accordance with generally accepted auditing standards in Chile. Those standards require that we plan and perform our work to obtain reasonable assurance that the consolidated financial statements are free of material misstatement.



Santiago, March 8, 2019

Empresas Copec S.A.

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express such an opinion. An audit also includes evaluating the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, based on our audit and the reports of other auditors, the consolidated financial statements referred to above present fairly, in all material aspects, the financial position of Empresas Copec S.A. and affiliates as of December 31, 2018 and 2017, and the results of their operations and cash flows for the years then ended, in accordance with International Financial Reporting Standards.

A handwritten signature in blue ink, appearing to read "Renzo Corona Spedaliere".

Renzo Corona Spedaliere
Chilean ID Number: 6.373.028-9

A handwritten signature in blue ink, appearing to read "Empresas Copec S.A.".

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Consolidated Classified Statements of Financial Position - Assets

	Note	12.31.2018 ThUS\$	12.31.2017 ThUS\$
Assets			
Current assets			
Cash and cash equivalents	3.1	1,713,803	1,341,704
Other financial assets, current	3.2 a	219,843	187,155
Other non-financial assets, current	9	164,240	150,315
Trade and other receivables, current	3.3	1,970,882	1,730,807
Related party receivables, current	17.1	50,289	41,582
Inventory	6	1,742,757	1,503,467
Biological assets, current	7	319,021	311,349
Current tax assets	8	104,430	87,448
Total current assets other than assets or groups of assets classified as held for sale or distribution among the owners		6,285,265	5,353,827
Non-current assets or disposal groups classified as held for sale		18,439	10,306
Non-current assets or disposal groups held for distribution to owners		0	0
Non-current assets or disposal groups classified as held for sale or for distribution to owners		18,439	10,306
Total current assets		6,303,704	5,364,133
Non-current assets			
Other financial assets, non-current	3.2 b	83,847	94,026
Other non-financial assets, non-current	9	153,225	138,248
Trade receivables, non-current	3.3	28,399	32,078
Related party receivables, non-current	17.1	7,867	8,135
Equity method investments	20	1,156,742	995,512
Intangible assets other than goodwill	10	1,047,549	825,284
Goodwill	11	432,729	395,378
Property, plant and equipment	12	10,553,211	10,490,816
Biological assets, non-current	7	3,336,339	3,459,146
Investment properties	14	40,583	44,217
Deferred tax assets	15a	343,080	327,242
Total non-current assets		17,183,571	16,810,082
Total assets		23,487,275	22,174,215

The attached notes 1 to 31 form an integral part of these consolidated financial statements.

Consolidated Classified Statements of Financial Position - Liabilities

	Note	12.31.2018 ThUS\$	12.31.2017 ThUS\$
Equity and liabilities			
Liabilities			
Current liabilities			
Other financial liabilities, current	3.4	1,144,023	968,688
Trade and other payables, current	16	1,744,426	1,748,042
Related party payables, current	17.2	8,848	10,047
Other provisions, current	18	19,763	21,420
Tax liabilities, current	8	177,436	41,334
Employee benefits provisions, current	19	11,155	11,900
Other non-financial liabilities, current		304,656	272,781
Total current liabilities other than liabilities included in asset disposal groups held for sale		3,410,307	3,074,212
Liabilities included in asset disposal groups classified as held for sale		0	0
Total current liabilities		3,410,307	3,074,212
Non-current liabilities			
Other financial liabilities, non-current	3.4	6,321,044	5,626,681
Other payables, non-current		6,811	1,049
Related party payables, non-current		0	0
Other provisions, non-current	18	90,230	68,953
Deferred tax liabilities	15a	2,164,801	2,181,279
Employee benefit provisions, non-current	19	111,463	117,940
Other non-financial liabilities, non-current		188,719	190,648
Total non-current liabilities		8,883,068	8,186,550
Total liabilities		12,293,375	11,260,762
Equity			
Share capital	22	686,114	686,114
Retained earnings (accumulated losses)	22	11,202,802	10,598,425
Share premium		0	0
Treasury shares		0	0
Other equity interests		0	0
Other reserves	22	(1,179,787)	(886,214)
Equity attributable to owners of the parent company		10,709,129	10,398,325
Non-controlling interests	22	484,771	515,128
Total equity		11,193,900	10,913,453
Total liabilities and equity		23,487,275	22,174,215

The attached notes 1 to 31 form an integral part of these consolidated financial statements.

Consolidated Statements of Income by Function

	Note	12.31.2018 ThUS\$	12.31.2017 ThUS\$
Net Income (loss)			
Operating revenue	23	23,970,069	20,353,315
Cost of sales	24	(19,804,796)	(16,907,433)
Gross margin		4,165,273	3,445,882
Distribution costs	24	(1,344,531)	(1,246,840)
Administrative expenses	24	(1,066,232)	(988,235)
Net Operating Income		1,754,510	1,210,807
Other income, by function	24	188,258	144,651
Other expenses, by function	24	(147,845)	(368,702)
Other gains (losses)		11,634	(11,509)
Financial income	25	47,333	46,518
Financial costs	25	(370,619)	(402,649)
Share of profits (losses) at associates and joint ventures accounted for using the equity method	20	62,301	101,971
Exchange differences	26	(32,468)	26,453
Gain (loss) on indexed assets and liabilities		(16,649)	(8,477)
Gain (loss) arising from the difference between the prior book value and the fair value of financial assets reclassified at fair value		0	0
Net income (loss) before tax		1,496,455	739,063
Income tax expense	15b	(377,695)	(79,684)
Net income (loss) from continuing operations		1,118,760	659,379
Net income (loss) from discontinued operations		0	0
Net income (loss) for the period		1,118,760	659,379
Net income (loss) attributable to			
Net income (loss) attributable to owners of the parent company		1,070,698	639,322
Net Income (loss) attributable to non-controlling interests		48,062	20,057
Net income (loss) for the period		1,118,760	659,379
Earnings per share			
Basic earnings per share			
Basic earnings (losses) per share from continuing operations		0.8237065	0.4918414
Basic earnings (losses) per share from discontinued operations		0.0000000	0.0000000
Basic earnings (losses) per share		0.8237065	0.4918414
Diluted earnings per share			
Diluted earnings per share from continuing operations		0.0000000	0.0000000
Diluted earnings (losses) per share from discontinued operations		0.0000000	0.0000000
Diluted earnings (losses) per share		0.0000000	0.0000000

The attached notes 1 to 31 form an integral part of these consolidated financial statements.

Consolidated Statements of Comprehensive Income

	12.31.2018 ThUS\$	12.31.2017 ThUS\$
Statement of Comprehensive Income		
Net income (loss) for the period	1,118,760	659,379
Components of other comprehensive income that will not be reclassified to net income for the period, before taxes		
Other comprehensive income, before taxes, from revaluation gains (losses)	0	0
Other comprehensive income, before taxes, from actuarial gains (losses) on defined-benefit pension plans	2,679	2,532
Other comprehensive income from revaluation of defined-benefit pension plans, before tax	0	0
Participation in other comprehensive income of associates and joint ventures accounted for using the equity method that will not be reclassified to net income for the period, before taxes	(1,657)	12,088
Other comprehensive income that will not be reclassified to net income for the period, before taxes	1,022	14,620
Components of other comprehensive income that may be reclassified to net income		
Gain (loss) from foreign currency translation adjustments, before taxes	(332,982)	109,398
Reclassification adjustments for foreign currency translations, before taxes	0	0
Other comprehensive income before taxes from exchange differences on translation	(332,982)	109,398
Financial assets available for sale		
Gain (loss) for new valuations of financial assets held-for-sale, before taxes	(368)	352
Reclassification adjustments for foreign currency translations, before taxes	0	0
Other comprehensive income before taxes, financial assets held-for-sale,	(368)	352
Cash flow hedges		
Gain (loss) on cash flow hedges, before tax	34,603	25,584
Reclassified cash flow hedges, before tax	(15,286)	(16,965)
Adjustments for amounts transferred to initial book values of hedged items	0	0
Other comprehensive income before taxes, from cash flow hedges	19,317	8,619
Other comprehensive income, before taxes, from gains (losses) on investments in equity instruments	(1,940)	(2,343)
Other comprehensive income, before taxes, from revaluation gains (losses)	10,758	(856)
Other comprehensive income, before taxes, from actuarial gains (losses) on defined-benefit pension plans	(1,709)	(3,053)
Participation in other comprehensive income of associates and joint ventures accounted for using the equity method	14,087	0
Other comprehensive income, before taxes	(292,837)	112,117
Income tax relating to components of other comprehensive income that will not be reclassified to net income for the period		
Income tax related to defined benefit pension plans in other comprehensive income	0	0

	12.31.2018 ThUS\$	12.31.2017 ThUS\$
Income tax related to components of other comprehensive income		
Income tax related to foreign currency translation adjustments of other comprehensive income	0	0
Income tax related to investments in equity instruments of other comprehensive income	176	(2,086)
Income tax related to financial assets held-for-sale of other comprehensive income	63	(95)
Income tax related to cash flow hedges of other comprehensive income	(5,618)	(1,772)
Income tax related to changes in revaluation surpluses in other comprehensive income	0	0
Income tax related to defined benefit pension plans in other comprehensive income	(22)	643
Reclassification adjustments to income tax related to components of other comprehensive income	0	209
Total income tax relating to components of other comprehensive income (loss)	(5,401)	(3,101)
Other comprehensive income (loss)	(297,216)	123,636
Total comprehensive income	821,544	783,015
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent company	777,125	762,581
Comprehensive income attributable to non-controlling interests	44,419	20,434
Total comprehensive income	821,544	783,015

The attached notes 1 to 31 form an integral part of these consolidated financial statements.

Consolidated Statements of Changes in Equity

CURRENT YEAR - 12/2018 (ThUS\$)	Common shares		Legal and statutory reserves	Financial assets available for sale reserve	Foreign currency translation reserves	Defined benefit plan reserves	Hedge reserves	Other miscellaneous reserves	Total other reserves	Retained Earnings (Accumulated Losses)	Total Equity Attributable to Parent Company Shareholders	Non-controlling interests	Total equity
	Share capital	Share premium											
Opening balance as of January 1, 2018	686,114	0	3	(4)	(1,318,279)	(28,047)	16,695	443,418	(886,214)	10,598,425	10,398,325	515,128	10,913,453
Increase (decrease) due to changes in accounting policy	0	0	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) due to error corrections	0	0	0	0	0	0	0	0	0	0	0	0	0
Opening balance restated	686,114	0	3	(4)	(1,318,279)	(28,047)	16,695	443,418	(886,214)	10,598,425	10,398,325	515,128	10,913,453
Changes in equity													
Comprehensive income													
Net Income (loss)	0	0	0	0	0	0	0	0	0	1,070,698	1,070,698	48,062	1,118,760
Other comprehensive income	0	0	0	(305)	(326,532)	979	18,222	14,063	(293,573)	0	(293,573)	(3,643)	(297,216)
Comprehensive income	0	0	0	(305)	(326,532)	979	18,222	14,063	(293,573)	1,070,698	777,125	44,419	821,544
Shares issued	0	0	0	0	0	0	0	0	0	0	0	0	0
Dividends	0	0	0	0	0	0	0	0	0	(462,374)	(462,374)	0	(462,374)
Increase (decrease) for other contributions by the owners	0	0	0	0	0	0	0	0	0	0	0	0	0
Decrease (increase) for other distributions to the owners	0	0	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) for transfers and other changes	0	0	0	0	0	0	0	0	0	(3,947)	(3,947)	(74,776)	(78,723)
Increase (decrease) for transactions with treasury shares	0	0	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) for changes in interests in affiliates that do not involve loss of control	0	0	0	0	0	0	0	0	0	0	0	0	0
Total changes in equity	0	0	0	(305)	(326,532)	979	18,222	14,063	(293,573)	604,377	310,804	(30,357)	280,447
Closing balance as of December 31, 2018	686,114	0	3	(309)	(1,644,811)	(27,068)	34,917	457,481	(1,179,787)	11,202,802	10,709,129	484,771	11,193,900

The attached notes 1 to 31 form an integral part of these consolidated financial statements.

PREVIOUS PERIOD - 12/2017 (ThUS\$)	Common shares		Legal and statutory reserves	Financial assets available for sale reserve	Foreign currency translation reserves	Defined benefit plan reserves	Hedge reserves	Other miscellaneous reserves	Total other reserves	Retained Earnings (Accumulated Losses)	Total Equity Attributable to Parent Company Shareholders	Non-controlling interests	Total equity
	Share capital	Share premium											
Opening balance as of January 1, 2017	686,114	0	3	(261)	(1,431,364)	(28,148)	9,900	440,397	(1,009,473)	10,278,553	9,955,194	530,306	10,485,500
Increase (decrease) due to changes in accounting policy	0	0	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) due to error corrections	0	0	0	0	0	0	0	0	0	0	0	0	0
Opening balance restated	686,114	0	3	(261)	(1,431,364)	(28,148)	9,900	440,397	(1,009,473)	10,278,553	9,955,194	530,306	10,485,500
Changes in equity													
Comprehensive income													
Net Income (loss)	0	0	0	0	0	0	0	0	0	639,322	639,322	20,057	659,379
Other comprehensive income	0	0	0	257	113,085	101	6,795	3,021	123,259	0	123,259	377	123,636
Comprehensive income	0	0	0	257	113,085	101	6,795	3,021	123,259	639,322	762,581	20,434	783,015
Shares issued	0	0	0	0	0	0	0	0	0	0	0	0	0
Dividends	0	0	0	0	0	0	0	0	0	(320,542)	(320,542)	0	(320,542)
Increase (decrease) for other contributions by the owners	0	0	0	0	0	0	0	0	0	0	0	0	0
Decrease (increase) for other distributions to the owners	0	0	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) for transfers and other changes	0	0	0	0	0	0	0	0	0	1,092	1,092	(35,612)	(34,520)
Increase (decrease) for transactions with treasury shares	0	0	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) for changes in interests in affiliates that do not involve loss of control	0	0	0	0	0	0	0	0	0	0	0	0	0
Total changes in equity	0	0	0	257	113,085	101	6,795	3,021	123,259	319,872	443,131	(15,178)	427,953
Closing balance as of December 31, 2017	686,114	0	3	(4)	(1,318,279)	(28,047)	16,695	443,418	(886,214)	10,598,425	10,398,325	515,128	10,913,453

The attached notes 1 to 31 form an integral part of these consolidated financial statements.

Consolidated Statements of Cash Flow, Direct Method

	Note	12.31.2018 ThUS\$	12.31.2017 ThUS\$
Statement of cash flow			
Cash flows from (used by) operating activities			
Proceeds from operating activities			
Proceeds from sales of goods and services		25,565,970	21,961,558
Proceeds from royalties, installments, commissions and other operating income		0	0
Proceeds from contracts for brokerage or trading		0	0
Proceeds from premiums and claims, annuities and other benefits arising on policies underwritten		3,457	3,622
Other proceeds from operating activities		377,202	369,584
Payments for operating activities			
Payments to suppliers for goods and services		(22,561,015)	(19,180,370)
Payments for brokering or trading contracts		0	0
Payments to and on behalf of employees		(1,029,977)	(960,034)
Payments for premiums and claims, annuities and other policy obligations		(10,624)	(12,974)
Other payments for operating activities		(287,726)	(210,671)
Dividends paid		0	0
Dividends received		10,562	12,677
Interest paid		(192,391)	(272,264)
Interest received		29,123	35,254
Income taxes received (paid)		(198,754)	(140,935)
Other proceeds (payments)		3,989	(11,373)
Net cash flows from (used in) operating activities		1,709,816	1,594,074
Cash flows from (used in) investing activities			
Cash flows from the loss of control of affiliates or other businesses		0	6,555
Payments to obtain control of affiliates or other businesses		(605,923)	0
Payments to purchase non-controlling interests		(259,442)	(16,804)
Proceeds from the sale of equity or debt instruments of other entities		282,770	1
Other payments to acquire equity or debt instruments of other entities		0	(27,612)
Proceeds from sale of joint ventures		0	0
Payments to acquire interests in joint ventures		0	0
Loans to related companies		(801)	(690)
Proceeds from sales of property, plant and equipment		99,557	11,326
Acquisitions of property, plant and equipment		(1,059,982)	(831,427)
Proceeds from sales of intangible assets		0	0
Acquisitions of intangible assets		(73,499)	(53,791)
Proceeds from other long-term assets		6,463	2,426
Acquisitions of other long-term assets		(222,029)	(179,184)
Proceeds from government subsidies		0	0
Cash advances and loans to third parties		(10,755)	(2,012)
Proceeds from the repayment of third party advances and loans		60,599	675
Payments related to futures, forward, options and swap contracts		(40,063)	0
Proceeds from futures, forward, options and swap contracts		0	2,273
Proceeds from related companies		3,258	4,495
Dividends received		70,998	60,779
Interest received		4,399	4,980
Income taxes received (paid)		0	0
Other proceeds (payments)		(58,810)	2,563
Net cash flows from (used in) investing activities		(1,803,260)	(1,015,447)

	12.31.2018 ThUS\$	12.31.2017 ThUS\$
Cash flows from (used by) financing activities		
Proceeds from share issues	0	0
Proceeds from issuing other equity instruments	0	0
Payments to acquire treasury shares	(762)	0
Payments for other equity interests	0	0
Proceeds from long-term loans	1,836,154	1,315,795
Proceeds from short-term loans	1,307,968	511,560
Total proceeds from loans	3,144,122	1,827,355
Loans from related companies	0	18,690
Loan repayments	(2,081,461)	(2,009,393)
Repayment of finance lease liabilities	(10,804)	(2,524)
Loan repayments to related companies	0	(18,690)
Proceeds from government subsidies	(485)	(1,210)
Dividends paid	(419,319)	(309,922)
Interest paid	(119,790)	(68,760)
Income taxes received (paid)	0	0
Other proceeds (payments)	(690)	1,866
Net cash flows from (used in) financing activities	510,811	(562,588)
Increase (decrease) in cash & cash equivalents before effect of exchange rate variations	417,367	16,039
Effect of exchange rate variations on cash and cash equivalents		
Effect of exchange rate variances on cash and cash equivalents	(45,263)	36,247
Net increase (decrease) in cash and cash equivalents	372,104	52,286
Cash and cash equivalents at the start of the year	3.1 1,341,699	1,289,413
Cash and cash equivalents at the end of the year	3.1 1,713,803	1,341,699

The attached notes 1 to 31 form an integral part of these consolidated financial statements.

NOTE 1. CORPORATE INFORMATION

Empresas Copec S.A. is a financial holding company that operates in a variety of business sectors through its affiliates and associates. Since its inception in 1934, the Parent Company has distributed liquid fuels. This business was transferred to a new affiliate in October 2003.

Empresas Copec S.A. group currently has two large specialist areas: natural resources and energy. The natural resources area covers the Company's businesses in the forestry, fishing and mining industries. The energy area covers the Company's businesses in distributing liquid fuel, liquid petroleum gas and natural gas, as well as electricity generation. All of these sectors are strongly linked to the growth and development of the country.

The Company's main affiliates and associates include Celulosa Arauco y Constitución S.A. (Arauco), Compañía de Petróleos de Chile Copec S.A. (Copec S.A.), Abastible S.A., Sociedad Nacional de Oleoductos S.A., Metrogas S.A., Corpesca S.A., Orizon S.A., Pesquera Iquique-Guanaye S.A., Inmobiliaria Las Salinas Ltda., Minera Camino Nevado Ltda. and Alxar Internacional SpA. The Group includes the affiliates Terpel and Inversiones del Nordeste in Colombia, Mapco in the USA, Solgas in Peru, and Duragas in Ecuador through Copec S.A. and Abastible S.A., and the associate Tafisa in Spain/Portugal/Germany/South Africa through Arauco, and several other related international companies.

Empresas Copec S.A. is the group's Parent Company and is a publicly held corporation registered in the Securities Registry under No. 0028. The Company is regulated by the Chilean Financial Markets Commission (FMC, formerly the Superintendence of Securities and Insurance). The Company's legal address is 150, El Golf Avenue, 17th floor, Las Condes, Santiago, Chile. Its Chilean identification number is 90,690,000-9.

Empresas Copec S.A. is controlled by Antarchile S.A., which holds 60.82% of the Company's shares. Antarchile S.A. is a publicly held corporation that is registered in the Securities Registry under No. 0342 and is regulated by the Chilean Financial Markets Commission (FMC, formerly the Superintendence of Securities and Insurance).

The final controllers of Empresas Copec S.A. and AntarChile S.A. are Ms. Maria Nosedá Zambra de Angelini (who died on April 15, 2018), Mr. Roberto Angelini Rossi and Ms. Patricia Angelini Rossi, who exercise control in the following manner:

- (i) Through Inversiones Angelini y Cía. Ltda., which owns 63.4015% of AntarChile S.A.
- (ii) Mr. Roberto Angelini Rossi through statutory control of Inversiones Golfo Blanco Ltda., which directly owns 5.77307% of AntarChile S.A. and Ms. Patricia Angelini Rossi, through the statutory control of Inversiones Senda Blanca Ltda., which directly owns 4.329804% of AntarChile S.A.

The consolidated financial statements were prepared on a going concern basis.

The consolidated financial statements as of December 31, 2018 were approved by the Board of Directors at its Extraordinary Meeting 2,639 held on March 8, 2019, and their publication was approved on the same date. The financial statements of the affiliates were approved by their respective Boards of Directors.

The consolidated financial statements as of December 31, 2017 were approved by the Board of Directors at its Extraordinary Meeting 2,619 held on March 19, 2018, and their publication was approved on the same date. The financial statements of the affiliates were approved by their respective Boards of Directors.

Capital Management

Capital management refers to managing the Company's equity. The purpose of the capital management policies of the Empresas Copec S.A. Group is:

- To safeguard the Company's normal operations and secure the long-term continuity of the business;
- To secure financing for new investments in order to maintain sustained growth over time;
- To maintain an appropriate capital structure, in accordance with economic cycles that affect the business and the nature of the industry;
- To maximize the Company's value, providing investors with an adequate return on their investment.

Capital requirements are tailored to meet the Company's financing needs, while at the same time taking care to maintain appropriate liquidity levels and to comply with the financial covenants established in its debt contracts. The Company manages its capital structure based on prevailing economic conditions in order to mitigate risks from adverse market conditions and take advantage of any opportunities that may arise to improve its liquidity position.

The financial structure of Empresas Copec S.A. and its affiliates as of December 31, 2018 and 2017 was as follows:

	12.31.2018	12.31.2017
	ThUS\$	ThUS\$
Equity	11,193,900	10,913,453
Interest-bearing loans	2,389,993	2,026,598
Finance leases	156,103	136,456
Bonds	4,842,578	4,390,836
Total	18,582,574	17,467,343

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board ("IASB"), which have been adopted wholly, explicitly and without reserve.

These consolidated financial statements are presented in thousands of US dollars and have been prepared on the basis of the accounting records of Empresas Copec S.A., its affiliates and associates.

2.1 Bases of presentation

These consolidated financial statements for Empresas Copec S.A. and affiliates, include the consolidated statements of financial position as of December 31, 2018 and 2017, the corresponding consolidated statements of net income by function and comprehensive income for the years ended December 31, 2018 and 2017 respectively; and the consolidated statements of changes in equity and cash flows for the years ended December 31, 2018 and 2017.

During the preparation of the consolidated financial statements, certain accounting estimates have been used to quantify some assets, liabilities, income and expenses. In addition, Management is required to apply its judgment when applying the accounting policies of the Empresas Copec Group. The areas that involve a greater degree of judgment or complexity or in which the assumptions and estimates are significant for the consolidated financial statements are described in Note 5.

New accounting pronouncements.

At the date these consolidated financial statements were issued, the following accounting pronouncements had been issued by the IASB, relating to new standards, interpretations and amendments. Those that are not yet mandatory as of the reporting date, have not been adopted early.

Recent accounting pronouncements

a) The following standards, interpretations and amendments are mandatory for the first time for financial periods beginning on January 1, 2018.

Standards and amendments	Contents	Publication date
IFRS 9	Financial instruments Replaces the guidelines for IAS 39. This final version includes financial asset and liability classification and measurement requirements. It also includes an expected credit losses model that replaces the incurred loss model used currently. The part relating to hedge accounting within this final version of IFRS 9 had already been published in November 2013.	January 1, 2018
IFRS 15	Revenue from contracts with customers It establishes the principles applicable to information disclosures in financial statements in relation to the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.	January 1, 2018
IFRIC 22	Foreign currency transactions and advance consideration This Interpretation applies to a foreign currency transaction (or part of it) when an entity recognizes a non-financial asset or liability that arises from the payment or collection of an advance payment before the entity recognizes the related asset, expense or income.	January 1, 2018
IFRS 1	IFRS adoption for the first-time Suspending short-term exceptions for first time adopters with respect to IFRS 7, IAS 19 and IFRS 10	January 1, 2018
IFRS 2	Share based payments Clarifies the measurement of share-based payments settled in cash and the accounting of changes to such payments when they are settled with equity instruments.	January 1, 2018
IFRS 15	Revenue from contracts with customers Introduces clarifications to the guidelines and provides examples related to the transition to the new standard.	January 1, 2018
IFRS 4	Insurance contracts Introduces two approaches: overlapping and temporary exemption of IFRS 9.	January 1, 2018
IAS 40	Investment properties It clarifies the requirements for transfers to or from investment properties.	January 1, 2018
IAS 28	Investments in associates and joint ventures Related to measuring the associate or joint venture at fair value.	January 1, 2018

IFRS 9 "Financial Instruments"

IFRS 9 became effective as from January 1, 2018, and replaced IAS 39. It has not significantly affected the Consolidated Financial Statements of Empresas Copec. The Company carried out a detailed assessment of the standard's three aspects and its impact on the consolidated financial statements, which is summarized as follows:

i) Classification and measurement

As required by IFRS 9, Empresas Copec introduced new classifications for its financial assets based on two concepts: the characteristics of contractual cash flows for a financial asset and the Group's business model, whose objective is achieved through receiving contractual cash flows and selling financial assets. This new approach replaced the four classification categories described by IAS 39 with the following three categories:

- Amortized Cost, if financial assets are held under a business model whose objective is to receive contractual cash flows
- Fair Value with changes in other comprehensive income, if the financial assets are held under a business model whose objective is to receive contractual cash flows and sell financial assets
- Fair Value with changes in profit and loss. This is a residual category that includes financial instruments that are not held under either of the two business models described above, including those held for trading and those designated at fair value upon initial recognition.

The measurement of financial liabilities under IFRS 9 is predominantly the same as the accounting treatment in IAS 39 with limited changes, where the majority of these liabilities are measured at amortized cost, and a financial liability can be designated at fair value through profit or loss, if certain requirements are met. However, the standard introduced new provisions for liabilities designated at fair value through profit or loss, as in certain circumstances changes in fair value related to a change in "credit risk" is recognized in other comprehensive income.

Management reviewed and assessed the financial assets of the Group as of January 1, 2018, based on the facts and circumstances at that date and concluded that the new classification requirements do not affect the accounting of its financial assets. Loans and receivables are held to receive contractual cash flows that only represent principal and interest repayments. Therefore, they meet the criteria to be measured at amortized cost under IFRS 9. IFRS 9 requires that an expected credit losses model is used to measure the impairment of financial assets, compared to an incurred losses model under IAS 39. This means that impairment is generally recorded in advance under IFRS 9, compared to the previous model. The new impairment model applies to financial assets measured at amortized cost or measured at fair value with changes in other comprehensive income, except for investments in equity instruments. Impairment provisions are based on:

- Expected credit losses expected over the next 12 months, or
- Expected credit losses throughout the life of the asset, if on the presentation date of the Consolidated Financial Statements, a significant increase in the credit risk of a financial instrument has arisen since initial recognition.

IFRS 9 also establishes a simplified approach to measure the loss adjustment for an amount equal to the expected credit loss during the lifetime of the asset for trade receivables, contractual assets or leasing receivables. Empresas Copec chose to apply this policy for the indicated financial assets.

ii) Hedge accounting

IFRS 9 introduced a new model for hedge accounting, which aimed to closely align the accounting with corporate risk management and establish a principles-based approach.

The new approach better reflects risk management in the financial statements, allowing more items to be eligible as hedged items: a risk component for non-financial items, net positions and aggregate exposures (i.e., a combination of a non-derivative and a derivative exposure).

The most significant changes with regard to hedging instruments, compared to the hedge accounting method used in IAS 39, relates to deferring the time value of an option, the forward points of forward contracts and the monetary base differential in other comprehensive income, until such time as the hedged item impacts the statement of net income.

IFRS 9 eliminated the quantitative requirement of effectiveness testing referred to in IAS 39. Therefore, the results could be within the range 80%-125%, bringing the effectiveness evaluation into line with risk management by demonstrating the financial relationship between the hedging instrument and the hedged item, and offers the possibility to rebalance the hedging relationship if the risk management objective remains unchanged. However, retrospective ineffectiveness must continue to be valued and recognized in the statement of net income.

The Group applied the new requirements of IFRS 9 on the date of its adoption, which was January 1, 2018.

IFRS 9 has affected the Group's Consolidated Financial Statements as of January 1, 2018 as follows:

Assets (net of hedges)	ThUS\$
Balance as of December 31, 2017 under IAS 39	48,333
Amounts restated through reserves	(2,627)
Balance as of January 1, 2018 under IFRS 9	45,706

Impairment of trade receivables	ThUS\$
Balance as of December 31, 2017 under IAS 39	(67,831)
Amounts restated through retained earnings.	(4,869)
Balance as of January 1, 2018 under IFRS 9	(72,700)

IFRS 15 - Revenue from Contracts with Customers

The Group has applied IFRS 15 with effect from January 1, 2018 using the amended retrospective method, recognizing the cumulative effect of its initial application as an adjustment to the opening balance of retained earnings for 2018. However, no significant effects on the Consolidated Financial Statements of Empresas Copec have been identified.

This standard requires more detailed disclosures than the previous regulations, in order to provide more information regarding the nature, amount, timing and certainty of revenue and cash flows arising from contracts with customers.

IFRS 15 requires more extensive disclosures regarding revenue. However, IFRS 15 has not affected the financial situation or the financial performance of the Group.

The Group implemented a project during 2017, to identify and measure the potential effect of IFRS 15 on its consolidated financial statements. This project identified the operating revenue, the traditional business practices, performed an exhaustive evaluation of each type of contract with customers and identified the method used to register these revenues under the current regulations. Those contracts that contained key aspects of IFRS 15 or that were particularly relevant to the Company were specifically evaluated, such as: identifying contractual obligations, contracts with several obligations and recognition timing options, contracts with variable consideration, contracts with a significant financing component, analysis of principal versus agent, service guarantees and cost capitalization on complying with a contract.

Given the nature of the goods and services provided by the Group and the characteristics of its revenue, the consolidated financial statements as of January 1, 2018 were not significantly affected by the initial application of IFRS 15. Revenue and its recognition is described in Notes 23 and 29.

b) Standards, interpretations and amendments issued, but not yet mandatory and which have not been adopted early.

Standards and amendments	Contents	Mandatory application date for annual periods starting
IFRS 16	Arrendamientos Establishes the principles to recognize, measure, present and disclose leases.	January 1, 2019
IFRIC 23	Uncertainty over income tax treatments This interpretation clarifies how to apply the recognition and measurement requirements of IAS 12 when there is uncertainty regarding income tax treatment.	January 1, 2019
IAS 28	Investments in associates and joint ventures This amendment clarifies that companies that account for long-term interests in an associate or joint venture should use IFRS 9, when the equity method is not applied.	January 1, 2019
IFRS 9	Financial instruments It allows more assets to be measured at amortized cost.	January 1, 2019
IFRS 3	Business combinations The amendment clarifies that gaining control of a joint operation company is a business combination that is achieved in stages.	January 1, 2019
IFRS 11	Joint Arrangements The amendment clarifies that the entity that gains joint control of a joint operation company must not revalue its interest in the joint operation.	January 1, 2019
IAS 12	Income Taxes The amendment clarifies that the income tax consequences of dividends on financial instruments classified as equity must be recognized according to where the transactions or past events that generated those distributable gains were recognized.	January 1, 2019
IAS 19	Employee benefits Requires entities to use updated assumptions to determine the cost of the current service and the net interest rate for the remainder of the period following a plan amendment, reduction or liquidation.	January 1, 2019
IAS 23	Borrowing costs The amendment clarifies that if a specific loan remains outstanding after the qualifying asset is ready for its intended use or sale, that loan becomes part of general loans.	January 1, 2019
IAS 1 and IAS 8	Presentation of financial statements and accounting policies, changes in accounting estimates and errors It introduces a consistent definition of materiality in all IFRS and the Conceptual Framework for Financial Information, and clarifies the explanation for the definition of material. It incorporates some of the guides in IAS 1 on immaterial information.	January 1, 2020
IFRS 3	Definition of a business Revises the definition of a business	January 1, 2020
IFRS 17	Insurance contracts Replaces IFRS 4. Changes the accounting for all entities that issue insurance contracts and investment contracts	January 1, 2021
IAS 10 and IAS 28 - Amendments	Asset sale or contribution between an investor and an associate or joint venture	Undetermined

Empresas Copec believes that adopting the standards, amendments and interpretations described above in the future will not significantly affect the consolidated financial statements, except for IFRS 16.

IFRS 16 has not been applied to these Consolidated Financial Statements, as it is applicable to annual periods that begin on or after January 1, 2019.

IFRS 16 - Leases - incorporates important changes in accounting for tenants by requiring similar treatment to financial leases for all leases that are currently classified as operational and expire in more than 12 months time. Therefore, generally an asset must be recognized that represents the right to use items subject to operating leases, and a liability must be recognized equal to the present value of the lease contract payments. The effects on the statement of net income is that monthly lease payments will be replaced by depreciation on the asset and a financial expense.

The Group will retroactively recognize the cumulative effect of leases at initial adoption of the standard on January 1, 2019, in a manner consistent with all those leases where it is the lessee. This alternative does not require the comparative information to be re-stated.

Arauco has chosen not to recognize a liability and an asset for occupation rights on leases of low-value or whose remaining contract term is 12 months or less.

The Group's preliminary estimates suggest that it will recognize assets for occupation rights with their corresponding leasing liabilities of approximately MUS\$640 based on currently available information.

2.2 Basis of consolidation

a) Affiliates

Affiliates are all entities (including special purpose vehicles) to which the Group is exposed to, or has rights to, variable returns arising from its involvement in the entity, and can affect such returns through its ability to direct the entity's business.. Affiliates are consolidated from the date on which control is transferred, and they are excluded from consolidation from the date on which control ceases.

The *acquisition method* is used to account for the acquisition of affiliates by the Group. Acquisition cost is the fair value of the assets delivered, the equity instruments issued and the liabilities incurred or assumed at the date of exchange. The identifiable assets acquired and the identifiable liabilities and contingencies assumed in a business combination are initially valued at fair value as of the acquisition date, regardless of the scope of minority interests. The excess of the acquisition cost over the fair value of the Group's share in the net identifiable assets acquired is recognized as goodwill. If the acquisition cost is less than the fair value of the net assets of the acquired affiliate, the difference is recognized directly as a gain in income, as negative goodwill.

Intercompany transactions and balances and unrealized gains on transactions between entities are eliminated. Unrealized losses are also eliminated, unless that transaction provides evidence that the asset transferred is impaired. The accounting policies of affiliates are amended, when it is necessary to ensure that Group policies have been consistently applied.

The consolidated financial statements include the consolidated figures of Abastible S.A. and affiliates, Celulosa Arauco y Constitución S.A. and affiliates, Compañía de Petróleos de Chile Copec S.A. and affiliates, Minera Camino Nevado Ltda. and affiliates, EC Investrade Inc., Pesquera Iquique-Guanaye S.A. and affiliates, Inmobiliaria Las Salinas Ltda., Sociedad Nacional de Oleoductos S.A. Inversiones Nueva Sercom Ltda. and Alxar Internacional SpA.

The direct and indirect shareholdings as of December 31, 2018 and 2017 are detailed as follows:

Chilean Identification Number	Company	Ownership interest			
		12.31.2018		12.31.2017	
		Direct	Indirect	Total	Total
91,806,000-6	ABASTIBLE S.A.	99.2023	0.0000	99.2023	99.1998
93,458,000-1	CELULOSA ARAUCO Y CONSTITUCION S.A.	99.9780	0.0000	99.9780	99.9780
99,520,000-7	COMPAÑIA DE PETROLEOS DE CHILE COPEC S.A.	99.9996	0.0004	100.0000	100.0000
76,160,625-5	MINERA CAMINO NEVADO LTDA.	99.9986	0.0014	100.0000	100.0000
91,123,000-3	PESQUERA IQUIQUE-GUANAYE S.A.	50.2198	31.7150	81.9348	81.9327
88,840,700-6	INMOBILIARIA LAS SALINAS LTDA.	99.9740	0.0260	100.0000	100.0000
81,095,400-0	SOCIEDAD NACIONAL DE OLEODUCTOS S.A.	0.0000	52.6857	52.6857	52.6857
76,306,362-3	INVERSIONES NUEVA SERCOM LTDA.	99.9740	0.0260	100.0000	100.0000
76,879,169-4	ALXAR INTERNACIONAL SpA	100.0000	0.0000	100.0000	0.0000
Foreign	EC INVESTRADE INC.	100.0000	0.0000	100.0000	100.0000

The following companies indirectly form part of these consolidated financial statements as of December 31, 2018 and 2017, as a result of consolidating financial information for consolidated affiliates:

Chilean Identification Number	Company	Ownership interest			
		Direct	12.31.2018 Indirect	Total	12.31.2017 Total
76,565,182-4	ABASTIBLE INTERNACIONAL SpA	0.0000	99.2004	99.2004	99.1998
79,927,130-3	ADM. CENTRAL DE ESTACIONES DE SERVICIOS LTDA.	0.0000	100.0000	100.0000	100.0000
79,689,550-0	ADM. DE ESTACIONES DE SERVICIOS SERCO LTDA.	0.0000	100.0000	100.0000	100.0000
77,614,700-1	ADM. DE SERVICIOS DE RETAIL LTDA.	0.0000	99.9000	99.9000	99.9000
79,927,140-0	ADM. DE SERVICIOS GENERALES LTDA.	0.0000	100.0000	100.0000	100.0000
77,215,640-5	ADM. DE VENTAS AL DETALLE LTDA.	0.0000	100.0000	100.0000	100.0000
96,547,510-9	ARAUCO BIOENERGIA S.A.	0.0000	99.9779	99.9779	99.9779
76,620,842-8	ARAUCO NUTRIENTES NATURALES SpA	0.0000	99.9779	99.9779	99.9779
76,000,605-K	ARCO ALIMENTOS LTDA.	0.0000	99.9999	99.9999	99.9999
85,840,100-3	COMPAÑIA DE SERVICIOS INDUSTRIALES LTDA.	0.0000	100.0000	100.0000	100.0000
96,668,110-1	COMPAÑIA LATINOAMERICANA PETROLERA S.A.	0.0000	60.0000	60.0000	60.0000
96,623,630-2	COMPAÑIA MINERA CAN CAN S.A.	0.0000	100.0000	100.0000	100.0000
76,188,354-2	COMPAÑIA MINERA LA MERCED S.A.	0.0000	100.0000	100.0000	100.0000
76,188,363-1	COMPAÑIA MINERA PASO SAN FRANCISCO S.A.	0.0000	100.0000	100.0000	100.0000
76,188,378-K	COMPAÑIA MINERA SIERRA NORTE S.A.	0.0000	100.0000	100.0000	100.0000
76,528,658-1	COMPLEMENTO FILIALES SpA	0.0000	100.0000	100.0000	100.0000
96,657,900-5	CONSORCIO PROTECCION FITOSANITARIA FORESTAL S.A.	0.0000	57.4774	57.4774	57.4774
76,068,320-5	ESTUDIOS Y DESARROLLOS DE GAS LTDA.	0.0000	99.2079	99.2079	99.1998
85,805,200-9	FORESTAL ARAUCO S.A.	0.0000	99.9779	99.9779	99.9779
93,838,000-7	FORESTAL CHOLGUAN S.A.	0.0000	98.5772	98.5772	98.5113
78,049,140-K	FORESTAL LOS LAGOS S.A.	0.0000	79.9823	79.9823	79.9823
76,107,630-2	GAS LICUADO MOTOR LTDA.	0.0000	99.2079	99.2079	99.1998
76,817,884-4	INMOBILIARIA SEÑORA ISIDORA SpA	0.0000	100.0000	100.0000	100.0000
76,320,907-5	INVERSIONES ALXAR S.A. (EX INV. CAN CAN S.A.)	0.0000	100.0000	100.0000	100.0000
96,563,550-5	INVERSIONES ARAUCO INTERNACIONAL LTDA.	0.0000	99.9779	99.9779	99.9779
76,528,663-8	INVERSIONES CIMOL SpA	0.0000	100.0000	100.0000	100.0000
79,990,550-7	INVESTIGACIONES FORESTALES BIOFOREST S.A.	0.0000	99.9779	99.9779	99.9779
96,510,970-6	MADERAS ARAUCO S.A. (EX PANELES ARAUCO S.A.)	0.0000	99.9779	99.9779	99.9779
96,929,960-7	ORIZON S.A.	0.0000	68.4141	68.4141	54.7312
76,375,371-9	SERVICIOS AEREOS FORESTALES LTDA	0.0000	99.9779	99.9779	99.9779
96,637,330-K	SERVICIOS LOGISTICOS ARAUCO S.A.	0.0000	99.9779	99.9779	99.9779
78,953,900-6	SERVICIOS Y TRANSPORTES SETRA.COM LTDA.	1.0000	98.2080	99.2080	99.2078
77,090,440-4	SOCIEDAD CONTRACTUAL MINERA VILA COLLO	0.0000	100.0000	100.0000	100.0000
79,904,920-1	TRANSPORTES DE COMBUSTIBLES CHILE LTDA.	0.0000	100.0000	100.0000	100.0000
79,874,200-0	VIA LIMPIA SpA.	0.0000	100.0000	100.0000	100.0000
-	AGENCIAMIENTO Y SERV. PROFESIONALES S.A.	0.0000	99.9779	99.9779	99.9779
-	ARAUCO ARGENTINA S.A.	0.0000	99.9589	99.9589	99.9589
-	ARAUCO AUSTRALIA S.A.	0.0000	99.9779	99.9779	99.9779
-	ARAUCO COLOMBIA S.A.	0.0000	99.9778	99.9778	99.9778
-	ARAUCO DO BRASIL S.A.	0.0000	99.9779	99.9779	99.9773
-	ARAUCO EUROPE COOPERATIEF U.A.	0.0000	99.9779	99.9779	99.9779
-	ARAUCO FLORESTAL ARAPOTI S.A.	0.0000	79.9823	79.9823	79.9823
-	ARAUCO FOREST BRASIL S.A.	0.0000	99.9779	99.9779	99.9779
-	ARAUCO INDUSTRIA DE PAINES LTDA.	0.0000	99.9772	99.9772	99.9779
-	ARAUCO MIDDLE EAST DMCC	0.0000	0.0000	0.0000	99.9775
-	ARAUCO PERU S.A.	0.0000	99.9779	99.9779	99.9779
-	ARAUCO WOOD PRODUCTS INC (USA)	0.0000	0.0000	0.0000	99.9779
-	ARAUCO WOOD CHINA COMPANY LIMITED.	0.0000	99.9779	99.9779	0.0000
-	ARAUCOMEX S.A. DE C.V.	0.0000	99.9779	99.9779	99.9779
-	CENTRO NACIONAL DE REPARACION COLGAS S.A.	0.0000	50.5145	50.5145	50.5145
-	COLGAS DE OCCIDENTE S.A. ESP.	0.0000	50.5919	50.5919	50.5919
-	COMERCIAL INDUSTRIAL NACIONAL S.A.	0.0000	50.5919	50.5919	50.5919
-	COMPAÑIA DE TRANSPORTES DE COLOMBIA S.A.	0.0000	50.5919	50.5919	50.5919
-	COMPAÑIAS ASOCIADAS DE GAS S.A. ESP ASOGAS	0.0000	50.5919	50.5919	50.5919
-	COPEC CANAL INC.	0.0000	100.0000	100.0000	100.0000
-	COPEC INVESTMENTS LTD.	0.0000	100.0000	100.0000	100.0000
-	COPEC OVERSEAS SpA	0.0000	100.0000	100.0000	100.0000
-	DURAGAS S.A.	0.0000	99.1901	99.1901	99.1998
-	EMPREENDIMIENTOS FLORESTAIS SANTA CRUZ LTDA.	0.0000	99.9559	99.9559	99.9577
-	FLAKEBOARD AMERICA LTD.	0.0000	0.0000	0.0000	99.9775
-	FLAKEBOARD COMPANY LTD.	0.0000	99.9775	99.9775	99.9775
-	FORESTAL NUESTRA SEÑORA DEL CARMEN S.A.	0.0000	99.9592	99.9592	99.9592
-	FORESTAL TALAVERA S.A.	0.0000	99.9730	99.9730	99.9730
-	GASAN DE COLOMBIA S.A. ESP.	0.0000	50.5145	50.5145	50.5145
-	GASES DE ANTIOQUIA S.A. ESP.	0.0000	50.5919	50.5919	50.5919
-	GASES DE SANTANDER S.A. ESP.	0.0000	50.5919	50.5919	50.5919
-	GREENAGRO S.A.	0.0000	99.9597	99.9597	99.9597
-	INVERSIONES DEL NORDESTE S.A.	0.0000	50.5920	50.5920	50.5919
-	LEASING FORESTAL S.A.	0.0000	99.9589	99.9589	99.9589
-	MADERAS ARAUCO COSTA RICA S.A.	0.0000	99.9779	99.9779	0.0000
-	MAHAL EMPREENDIMIENTOS E PARTICIPACOES S.A.	0.0000	99.9710	99.9710	99.9710
-	MAPCO EXPRESS INC	0.0000	100.0000	100.0000	100.0000
-	NORTESANTANDEREANA DE GAS S.A. ESP	0.0000	50.5820	50.5820	50.5820
-	NOVO OESTE GESTAO DE ACTIVOS FLORESTAIS S.A.	0.0000	99.9991	99.9991	99.9991
-	ORGANIZACION TERPEL S.A.	0.0000	58.5100	58.5100	58.5100
-	ORIZON FOODS LLC.	0.0000	68.4141	68.4141	0.0000
-	SAVITAR S.A.	0.0000	99.9629	99.9629	99.9629
-	SEMAPESA	0.0000	99.1978	99.1978	99.1978
-	SERVICIOS DEL NORDESTE S.A.	0.0000	50.5919	50.5919	50.5919
-	SOLGAS AMAZONIA S.A.	0.0000	99.0609	99.0609	99.0609
-	SOLGAS S.A.	0.0000	99.2000	99.2000	99.0609

b) Non-controlling interests

The Group applies the policy of considering transactions with non-controlling interests as transactions with independent third parties. When non-controlling interests are acquired, the difference between the acquisition price and the corresponding interest in the book value of the affiliate's net assets is recognized in equity. Gains or losses on the disposal of non-controlling shares, whilst control is retained, are recognized in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is valued at fair value through profit and loss. Fair value is the initial value when subsequently accounted for as an associate, joint venture or financial asset. The amounts previously recognized in other comprehensive income are reclassified to net income.

c) Joint ventures

As from January 1, 2013 the IASB issued IFRS 11 "Joint arrangements" that classifies joint agreements into two types, based on the rights and obligations of the parties to the agreement and considering the structure, legal form of the agreement, the contractual terms and other events and circumstances: 1) Joint ventures, where the parties have control over the agreement and rights over the net assets of the jointly controlled entity, which is accounted for using the equity method; and 2) Joint operations, where the parties have control over the transactions, rights over the assets and liabilities that relate to the agreement, in which the joint operator must acknowledge its assets, liabilities and transactions, including its stake in those that it jointly operates.

d) Associates

Associates are entities over which the Parent Company exercises significant influence but does not have control; this is generally the result of an ownership interest between 20% and 50% of the voting rights. Investments in associates are accounted for using the *equity method* and they are initially recognized at cost. The book value of these investments is increased or decreased to recognize the corresponding share in the profit or loss for the period and in the comprehensive income. Investments in associates include purchased goodwill (net of any accumulated impairment loss).

The share in the losses or gains subsequent to the acquisition of associates is recognized in income, and the share in other comprehensive income subsequent to the acquisition is recognized in other comprehensive income. When the Group's share in the losses of an associate is greater than or equal to its investment, including any unsecured accounts receivable, additional losses are not recognized, unless the Group has incurred legal obligations or made payments on behalf of the associate.

Unrealized gains on transactions between the Group and its associates are eliminated in proportion to the ownership interest in such associates. Unrealized losses are also eliminated, unless the transaction provides evidence of a loss due to the impairment of the transferred asset. The accounting policies of associates are amended when it is necessary to ensure that Group policies have been consistently adopted.

Investments in associates are detailed in Note 20.

2.3 Financial information of operating segments

IFRS 8 requires companies to adopt the "Management Approach" to disclose information about the results of their operating segments. In general, this is the information that Management uses internally to evaluate segment performance and to determine how to assign resources to segments. In this context Management means the Board.

A business segment is a group of assets and operations that supply products or services that are subject to risks and returns that differ from other business segments. A geographic segment provides products or services in a concrete financial environment that is subject to risks and returns that differ from other segments that operate in other financial environments.

The Company has chosen operating segments based on its main affiliates: Celulosa Arauco y Constitución S.A., Compañía de Petróleos de Chile Copec S.A., Abastible S.A., Sociedad Nacional de Oleoductos S.A. and Pesquera Iquique-Guanaye S.A.

Segment financial information is described in Note 29.

2.4 Transactions in currencies other than the functional currency

a) Functional currency and presentation currency

The entries included in the financial statements of each of the entities belonging to the Group are valued using the currency of the primary economic environment in which that entity operates ("functional currency"). The functional currencies of the Parent Company and the main affiliates and associates are presented in the table below:

Company	Functional currency
Empresas Copec S.A.	US dollar
Celulosa Arauco y Constitución S.A.	US dollar
Compañía de Petróleos de Chile Copec S.A.	Chilean pesos
Abastible S.A.	Chilean pesos
Pesquera Iquique- Guanaye S.A.	US dollar
Sociedad Nacional de Oleoductos S.A.	Chilean pesos
Metrogas S.A.	Chilean pesos
Aprovisionadora Global de Energía S.A.	US dollar
Inversiones Laguna Blanca S.A.	US dollar
Minera Camino Nevado Ltda.	US dollar
Alxar Internacional SpA	US dollar
Inmobiliaria Las Salinas Ltda.	Chilean pesos

The consolidated financial statements are presented in U.S. dollars, which is the functional currency of Empresas Copec S.A. Despite the operating revenue of the energy segment (functional currency Chilean peso) being 74.4% of the consolidated revenue, the affiliates of the forestry and fishing sectors, whose functional currency is the US dollar, represent 65.2% of the Company's consolidated assets, 74.2% of its liabilities, 57.1% of its gross margin and 70.8% of its EBITDA. These are predominantly export sectors, and consequently, the majority of their revenues are denominated in US dollars. Likewise, a significant portion of their costs are indexed to the US dollar, and their financial liabilities are also US dollar-denominated. Both sectors perform their accounting in US dollars.

Although the cost of labor and services is generally invoiced and paid in local currency, this expense is not as significant as raw materials and equipment depreciation, which are part of global markets and are predominantly influenced by the US dollar.

b) Transactions and balances

Transactions in currencies other than the functional currency are converted to the functional currency using the exchange rates prevailing as of the dates of the transactions. Losses and gains in foreign currency that arise from the settlement of these transactions and the conversion of foreign-currency-denominated monetary assets and liabilities to the period-end exchange rates are recognized in income, except when they are deferred to net equity, as is the case with cash flow hedges and net investment hedges.

Changes in the fair value of monetary securities denominated in foreign currencies that are classified as held for sale are categorized as exchange differences resulting from changes in the amortized cost of the security or other changes in the book value of the security. Exchange differences are recognized in income for the period, and other changes in the book value are recognized in net equity.

Exchange differences for non-monetary items such as equity instruments at fair value through profit and loss are presented as part of the gain or loss in fair value. Exchange differences from non-cash items, such as equity instruments classified as financial assets held-for-sale, are included in equity, in the revaluation reserve.

c) Group entities

The income and financial position of all of the entities belonging to Empresas Copec Group (none of which uses the currency of a hyperinflationary economy) that have a functional currency other than the presentation currency are converted to the presentation currency as follows:

- i. Assets and liabilities of each statement are converted at the exchange rate as of the reporting date;
- ii. The income and expenses of each account are converted at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of exchange rates as of the transaction dates, in which case the income and expenses are converted on the transaction dates); and
- iii. All resulting exchange differences are recognized in comprehensive income.

In consolidation, exchange differences arising from the conversion of a net investment in foreign entities, or from foreign-currency-denominated loans and other instruments designated as hedges for those investments, are recorded in net equity. When the investments are sold, the resulting exchange differences are recognized in income as part of the loss or gain on the sale.

Adjustments to goodwill and fair value that arise from the acquisition of a foreign entity, or an entity with a functional currency other than the US dollar, are treated as assets and liabilities belonging to the foreign entity and are converted at the exchange rate as of the reporting date.

d) Translation basis

Assets and liabilities denominated in Chilean pesos, Unidades de Fomento or UF, which is an indexed Chilean peso currency, and other currencies have been converted in US dollars at the exchange rate as of the closing date of the consolidated financial statements, as follows:

Exchange rates to the US dollar	12.31.2018	12.31.2017
Chilean peso (CLP)	694.77	614.75
Argentinean pesos (A\$)	37.74	18.57
Brazilian real (R\$)	3.87	3.31
Unidad de Fomento (UF)	0.025	0.023
Euro (€)	0.87	0.82
Colombian pesos (COP\$)	3,239.45	2,984.77
Peruvian nuevo sol	3.37	3.24

2.5 Property, plant and equipment

Property, plant and equipment mainly includes forestry lands, production and storage plants, retail sales branches, service stations, offices and construction works in progress. These items are presented at historical cost less the corresponding depreciation.

Historical cost includes expenses that are directly attributable to the acquisition of the asset.

Subsequent costs are added to the initial value of the asset or they are recognized as a separate asset, only when it is likely that the future financial benefits associated with these components will flow to the Company and the cost of the component can be reliably determined. The value of the component that was substituted is written off for accounting purposes. Other repairs and maintenance are charged to income for the period in which they are incurred.

Depreciation is calculated using the *straight-line method*, including any impairment adjustments. The amount presented in the consolidated statement of financial position represents the cost less accumulated depreciation and any impairment losses.

The average estimated useful lives of the main asset categories are as follows:

	Average Useful Life
Buildings and construction	54
Plant and equipment	24
IT equipment	5
Fixtures and fittings	15
Motor vehicles	6
Other property, plant and equipment	20

The residual value and useful lives of assets are reviewed, and adjusted if necessary, at the end of each annual reporting period.

When the book value of an asset exceeds its estimated recoverable amount, the book value is immediately reduced to the recoverable amount.

Losses and gains on the sale of property, plant and equipment are calculated by comparing the proceeds obtained with the book value, and they are recorded in the statement of comprehensive income.

Costs can also include losses and gains on qualified foreign currency cash flow hedges on the purchase of property, plant and equipment.

2.6 Biological assets

IAS 41 requires biological assets to be presented in the statement of financial position at fair value. Standing forests are recorded at fair value less the estimated costs at harvesting, considering that the fair value of these assets can be reliably measured.

The valuation of forest plantations is based on discounted cash flow models, which means that the fair value of biological assets is calculated using cash flows from continuing operations, that is, on the basis of sustainable forestry management plans considering the growth potential of these forests. This valuation is performed on the basis of each stand identified and for each type of forest species.

The forest plantations presented in current assets are plantations that will be harvested and sold in the short term.

Biological growth and changes in fair value are recognized in the consolidated income statement under Other income by function.

Living animals managed by the indirect affiliate Orizon S.A. are also biological assets. The processes involved include growing, degradation, production and procreation all of which cause qualitative and quantitative changes in biological assets. The Company's living animals are mussels "Mytilus Chilensis" ("chorito").

They are initially recognized at cost and subsequently at fair value less estimated selling costs. Nevertheless, Company policy is that certain animals, principally those still growing, do not have a fair value that can be reliably measured before harvest.

Cultures of this species are initially valued at cost and adjusted at the final stage of cultivation, i.e., before harvesting, the cultures are valued at fair value less selling costs. The effect is charged or credited to income at the end of each period.

The valuation of biological assets is described in Note 7.

2.7 Investment property

Investment properties are held to earn a long-term return, and they are not occupied by the Group. Investment property is accounted for at historical cost.

Lands held under operating lease contracts are classified as and accounted for as real estate investments when they meet the remaining conditions for a real estate investment.

Real estate investments also include lands whose future use has not yet been determined as of the reporting date.

2.8 Intangible Assets

a) Goodwill

Goodwill represents the excess of the acquisition cost over the fair value of the Company's share of the net identifiable assets of the acquired affiliate on the acquisition date.

Goodwill that is recognized separately is tested for impairment on an annual basis or more frequently when events or circumstances indicate potential impairment, and is valued at cost less accumulated impairment losses. Gains and losses on the sale of an entity include the book value of goodwill related to the entity being sold.

Goodwill is assigned to Cash Generating Units (CGUs) in order to test for impairment losses. The assignment is made to the CGUs that are expected to benefit from the business combination that gave rise to the goodwill.

b) Patents and trademarks

Industrial patents are valued at historical cost. They have a finite useful life and are measured at cost less accumulated amortization. Amortization is calculated linearly over their expected useful lives.

Trademarks acquired through business combinations are measured at fair value at the date of acquisition. The fair value of an intangible asset reflects expectations about the likelihood that future economic benefits embodied in the asset will flow to the entity. The Company has determined that such intangible assets have indefinite useful lives and therefore are not subject to amortization. However, by the nature of these assets with indefinite useful lives, they are reviewed and tested for impairment annually and at any time when there is an indication that the asset may be impaired.

c) Concessions and other rights

Concessions and other rights are presented at historical cost. They have a finite useful life and are recorded at cost less accumulated amortization. Amortization is calculated using the straight-line method over the terms established in the contracts.

d) Fishing rights

Authorizations for fishing activities are presented at historical cost. There is no finite useful life for the use of such rights, and therefore they are not subject to amortization. The affiliate tests intangible assets with indefinite useful lives for impairment on an annual basis and every time there is an indication that the intangible asset may be impaired. If detected, the Company adjusts their value with a charge to net income.

e) Water rights

Water rights acquired from third parties are presented at historical cost. There is no finite useful life for the use of these rights, and therefore they are not subject to amortization. The Company tests intangible assets with indefinite useful lives for impairment on an annual basis and every time there is an indication that the intangible asset may be impaired. If detected, the Company adjusts their value with a charge to net income.

f) Easements

Easement rights are presented at historical cost. There is no finite useful life for the use of these rights, and therefore they are not subject to amortization. The Company tests intangible assets with indefinite useful lives for impairment on an annual basis and every time there is an indication that the intangible asset may be impaired. If detected, the Company adjusts their value with a charge to net income.

g) Mining properties

Mining properties are presented at historical cost. There is no finite useful life for the use of these rights, and therefore they are not subject to amortization. The Company tests intangible assets with indefinite useful lives for impairment on an annual basis and every time there is an indication that the intangible asset may be impaired. If detected, the Company adjusts their value with a charge to net income.

h) IT programs

The costs of acquiring software licenses and preparing them to operate a specific program are capitalized. These costs are amortized over their estimated useful lives.

Expenses related to the development or maintenance of software programs are recognized as expenses when they are incurred. The costs directly related to the production of unique and identifiable software programs, and that are likely to generate financial benefits in excess of their costs for more than one year, are recognized as intangible assets. Direct costs include the expenses of the personnel that develop software programs, as well as an appropriate percentage of general expenses.

Development costs for IT programs recognized as assets are amortized over their estimated useful lives, which shall not exceed five years.

i) Research and development expenses

Research expenses are recognized as expenses when they are incurred. The costs incurred in development projects (related to the design and testing of new or improved products) are recognized as an intangible asset when the following requirements are met.

- It is technically feasible to fully produce the intangible asset, to the point where it can be used or sold.
- Management intends to complete the intangible asset, and to use or sell it.
- The Company can use or sell the intangible asset.
- It is possible to demonstrate how the intangible asset will generate probable financial benefits in the future;
- Adequate technical, financial and other resources are available to complete the intangible asset and to use or sell it; and
- It is possible to reliably value the disbursements attributable to the intangible asset during its development.

Other development expenses are recognized as expenses when they are incurred. Development costs previously recognized as expenses are not recognized as assets in a subsequent period. Development costs with a finite useful life that are capitalized are amortized using the straight-line method, from the date commercial production commences, over the period during which they are expected to generate benefits, which shall not exceed 10 years.

Development assets are tested for impairment losses annually, in accordance with IAS 36.

2.9 Interest costs

Interest costs incurred to construct any qualified asset are capitalized over the period required to complete and prepare the asset for its intended use. Other interest costs are recorded in the consolidated income statement by function.

2.10 Impairment losses for non-financial assets

Assets with an indefinite useful life are not amortized and they are tested for impairment losses annually. Assets that are amortized are tested for impairment losses when an event or change in circumstances indicates that the book value may not be recoverable. An impairment loss is recognized for the excess of the asset's book value over its recoverable amount. The recoverable amount is the greater of the fair value of an asset less its selling costs, or its value in use. In order to evaluate impairment losses, assets are grouped at the lowest level at which they separately generate identifiable cash flows (cash generating units).

Non-financial assets other than goodwill that have suffered impairment losses are reviewed as of each annual reporting date to see if the losses have been reversed.

2.11 Financial Instruments

IFRS 9 "Financial Instruments" came into force with effect from January 1, 2018, replacing IAS 39 "Financial Instruments: Recognition and Measurement". This standard amends the classifications of financial instruments, their impairment criteria and establishes new criteria for assigning hedging instruments.

2.11.1 Financial assets

Classification

The Group classifies its financial assets based on the applicable business model, and their contractual cash flows.

Financial assets are classified into the following categories: financial assets at fair value through profit and loss, financial assets at amortized cost, and financial assets at fair value through comprehensive income. This classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition and reviews this classification at each reporting date.

a) Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss are financial assets held for investment purposes. A financial asset is classified in this category if acquired principally to sell in the short term.

Derivatives are also classified as acquired for investment purposes, unless they are designated as hedges. Assets in this category are classified as current assets, and the liability position of these instruments is presented in the Consolidated Statement of Financial Position under "Other financial liabilities."

Acquisitions and disposals of financial assets are recognized as of the date on which the Company commits to the acquisition or sale of the asset.

These assets are initially recorded at cost and subsequently their value is updated on the basis of their fair value, with changes in value being recognized in net income.

b) Financial assets at amortized cost

A financial asset is measured at amortized cost when it meets the following two conditions:

- i. The asset uses a business model whose objective is to hold the assets in order to collect contractual cash flows.
- ii. The contractual terms of the financial asset give rise to cash flows on specified dates that are solely payments of principal, and interest on the principal outstanding.

Trade and other receivables are classified in this category and initially recorded at fair value (nominal value including implicit interest), and they are subsequently recorded at their amortized cost using the effective interest rate method, less any impairment losses. When the nominal value of the account receivable does not differ significantly from its fair value, the account is recognized at its nominal value.

Implicit interest must be disaggregated and recognized as financial income, to the extent that interest is being accrued.

c) Financial assets at fair value through comprehensive income

A financial asset is measured at fair value through comprehensive when it meets the following two conditions:

- i. The financial asset uses a business model whose objective is to receive contractual cash flows and selling financial assets.
- ii. The contractual terms of the financial asset give rise to cash flows on specified dates that are solely payments of principal, and interest on the principal outstanding.

Recognition and measurement

Acquisitions and disposals of investments are recognized on the transaction date, or when the transaction is closed, which is the date when the Company commits to acquire or sell the asset. Investments are initially recognized at fair value plus the transaction costs for all financial assets not recorded at fair value through profit and loss. Financial assets at fair value through profit and loss are initially recognized at fair value, and their transaction costs are expensed.

Investments are written off for accounting purposes when the rights to receive cash flows from the investments have expired and/or been transferred and/or all of the risks and rewards of ownership have been substantially transferred. Financial assets held for sale and financial assets that are booked at fair value with changes taken to net income are recorded later at their fair value. Loans and receivables are accounted for at their amortized cost, in accordance with the effective interest method.

The fair value of investments in publicly traded securities is based on current purchase prices. If the market for a financial asset is not liquid (and for securities that are not publicly traded), fair value is determined using valuation techniques that include the use of recent arm's length transactions between knowledgeable, willing parties and that involve other instruments that are substantially the same; the analysis of discounted cash flows; and options price-setting models. In these cases market-based inputs are used to the greatest extent possible, whereas inputs specific to the entity are relied on as little as possible. In the event that none of the abovementioned techniques can be used to determine the fair value, the investments are recorded at acquisition cost net of any applicable impairment losses.

As of each reporting date, an evaluation is performed to determine whether there is objective evidence that a financial asset or group of financial assets may have been impaired. In order to determine whether capital securities classified as held for sale are impaired, the Company must determine whether there has been a significant or prolonged decrease in the fair value of the securities to below cost. If there is any such evidence for financial assets held for sale, the cumulative loss defined as the difference between the acquisition cost and the current fair value, less any impairment loss previously recognized in gains or losses, is removed from equity and is recognized in the Statement of Net Income. Impairment losses recognized in income for equity instruments are not reversed through the consolidated statement of income.

Impairment

At the end of each period an evaluation is carried out to determine whether there is objective evidence that financial assets or groups of financial assets have been impaired. The principal assets subject to impairment are those measured at amortized cost, which are mostly receivables within the Group.

Financial assets are assessed prospectively for any impairment losses, using the expected credit losses model. Trade and other receivables are valued at their net value, which is net of any impairment losses. Receivables are classified by the number of days they are overdue, in order to calculate the corresponding impairment loss.

The value of the impairment loss is calculated as the difference between the book value of the asset and the present value of estimated future cash flows. The value is presented by lowering the value of the corresponding asset and any loss is recognized directly in the income statement. If the impairment loss decreases in subsequent periods, this is reversed either directly or by adjusting the associated impairment loss provision, and is recognized in the income statement.

2.11.2 Financial liabilities

Financial liabilities are measured at amortized cost, except when they are measured at fair value through profit and loss or other specific cases. The Group has two classifications for financial liabilities.

Trade and other payables

Trade payables are initially recognized at fair value and subsequently at their amortized cost using the effective interest method. When the nominal value of the account payable does not differ significantly from its fair value, the account is recognized at its nominal value.

Other financial liabilities at amortized cost

Obligations to banks and financial institutions are initially recognized at fair value, net of any costs incurred in the transaction. Subsequently, third-party resources are valued according to their amortized cost; any difference between the proceeds (net of any necessary costs) and the reimbursement value is recognized in the consolidated statement of income during the term of the debt, in accordance with the effective interest method. The effective interest rate method involves applying the referential market rate for debts with similar characteristics to the debt (net of any costs to obtain it).

Third-party resources are classified as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting date.

2.11.3 Derivative financial instruments and hedges

Derivative financial instruments are initially recognized at fair value as of the date on which the derivative contract was executed, and they are subsequently revalued at fair value. Derivatives are designated as:

- a) Fair value hedges for recognized liabilities (fair value hedge);

- b) Hedges for a specific risk associated with a recognized liability or a highly probable forecast transaction (cash flow hedge); or
- c) Hedges for a net investment in a foreign operation (net investment hedge).

The relationship between the hedging instruments and the hedged entries are documented at the beginning of the transaction, along with the risk management objectives and the strategy to manage several hedging transactions. The initially and ongoing evaluation of whether the derivatives used in hedging transactions are highly effective at offsetting changes in fair value or the cash flows of the hedged entries is also documented.

The total fair value of the hedging derivatives is classified as a non-current asset or liability if the remaining term of the hedged entry is greater than 12 months, and as a current asset or liability if the remaining term of the hedged entry is less than 12 months. Traded derivatives are classified as current assets or liabilities.

The effective portion of changes in the fair value of cash flow hedges are recognized in the Statement of Other Comprehensive Income. The gain or loss related to the ineffective portion is immediately recognized in income under "Other operating income" or "Other miscellaneous operating expenses," respectively.

When a hedging instrument expires or is sold, or when it ceases to fulfill the criteria to be recognized using the accounting treatment for hedges, any accumulated gain or loss in equity as of that date remains in equity and is recognized when the forecast transaction affects the statement of income. When the forecast transaction is no longer expected to take place, the accumulated gain or loss in equity is immediately transferred to the statement of income.

2.12 Inventories

Inventory is valued at its cost or net realizable value, whichever is lower. Compañía de Petróleos de Chile Copec S.A. calculates cost using the FIFO (first in first out) method for fuels, and the weighted average price method for lubricants and other products. The cost of inventories in Organización Terpel S.A. and affiliates is calculated using the weighted average price method.

The cost of finished products and of products in progress at other companies includes the costs of design, raw materials, direct labor, other direct costs and general manufacturing expenses, but does not include interest costs.

The initial costs of harvested wood at Celulosa Arauco y Constitución S.A. are based on fair value less the selling costs following harvesting.

Biological assets are transferred to inventory as forests are harvested.

Net realizable value is the estimated sales price in the normal course of business, less any costs to complete production, less any applicable variable sales costs.

As of the date of these consolidated financial statements, there is no inventory pledged as collateral.

When the manufacturing costs of a product exceed its net realizable value as a result of market conditions, a provision is recorded for the difference. Such a provision also considers amounts related to obsolescence from low turnover and technical obsolescence.

Minor spare parts to be consumed in a 12 month period are shown under inventories and are recorded in expenses in the period in which they are consumed.

2.13 Cash and cash equivalents

Cash and cash equivalents include cash in bank accounts, time deposits at credit institutions, mutual funds and other highly liquid short-term investments with an original term of three months or less, that are not likely to suffer changes in value.

2.14 Capital

Share capital is 1,299,853,848 single-series ordinary shares (See Note 22).

Incremental costs directly attributable to the issuance of new shares are presented in net equity as a deduction, net of taxes, from the proceeds obtained.

The Parent Company's dividend policy is to distribute 40% of net profits, as defined in Note 22, on an annual basis. This policy is established each year at the Shareholders' Meeting.

Dividends on ordinary shares are recognized as goodwill on the accumulated reserves, to the extent that the benefit for the shareholders is being accrued.

The item "Other reserves" in equity mainly consists of translation adjustment reserves and hedge reserves. Empresas Copec S.A. does not have any restrictions associated with these reserves.

The translation reserve consists of the foreign currency translation differences of Group affiliates that use a functional currency other than the US dollar.

Hedge reserves are the effective portion of the gain or loss on hedge swap contracts as of the date of these consolidated financial statements.

2.15 Income tax and deferred tax

a) Income tax

The income tax expense for the year is calculated on income before taxes, which is increased or decreased, as appropriate, for the permanent and temporary differences provided by tax legislation when calculating taxable income.

b) Deferred tax

Deferred taxes are calculated in accordance with IAS 12 using the liability method, over temporary differences that arise between the tax value of assets and liabilities and their book value in the consolidated financial statements. Deferred taxes are determined using the approved tax rates or almost approved as of the reporting date and that are expected to apply when the corresponding deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets are recognized to the extent that it is likely that there will be future tax benefits available to use the temporary differences.

Deferred taxes are recognized over differences that arise in investments in affiliates and associates, except in those cases where the date on which temporary differences are reversed can be controlled by the Group and it is likely that such differences will not be reversed in the foreseeable future.

The Company reviews its deferred tax assets and liabilities at each reporting date, in order to determine whether they remain current and make any necessary corrections based on the results of this analysis.

Law 20,899 was published on February 8, 2016, which simplifies the income tax system and improves other tax provisions established in Law 20,780 regarding the Tax Reform, promulgated on September 29, 2014. It restricts the original option granted to companies with shareholders who are natural people, and taxpayers who are not domiciled and resident in Chile that are not corporations, to select the attributable system, This information must be disclosed in the notes to the consolidated financial statements.

According to the tax reform established by Law 20,780 and Law 20,899, Copec Group income is subject to the partially integrated regime by default. This results in a corporate tax rate of 25.5% applying for 2017 and 27% for 2018 and subsequent years.

Therefore, deferred taxes in Chile as of December 31, 2017 and as of December 31, 2018 have been calculated using the tax rate applicable when the temporary differences reverse, being 27%.

2.16 Employee benefits

a) Staff vacations

The Group recognizes the expense for staff vacations using the *accrual method*, and the expense is recorded at its nominal value.

Certain affiliates recognize a vacation bonus expense, where there is a contractual obligation to general staff, and this obligation is a fixed amount, in accordance with employment contracts. This vacation bonus is recorded as an expense when the employee uses his or her vacation time, and it is recorded at nominal value.

b) Production bonuses

The Group recognizes a provision when it is contractually obligated to do so or when past practice has created an implicit obligation and it is possible to reliably estimate the obligation. This bonus is recorded at its nominal value.

c) Staff severance indemnities

The liability recognized in the statement of financial position is the present value of the obligation for defined benefits as of the reporting date. Such value is calculated annually by independent actuaries, and it is determined by discounting the estimated future outflows of cash at interest rates on instruments denominated in the currency in which such benefits will be paid and with terms similar to those of the corresponding obligations.

Losses and gains that arise from experience and from changes in the actuarial assumptions are charged or credited to income for the year in which they occur.

Costs for past services are immediately recognized in the statement of income.

2.17 Provisions

Provisions are recognized when a legal or implicit obligation arises as a result of past events, where a reliably estimated payment is likely to settle the obligation. The amount is the best possible estimate at each reporting date.

Provisions are valued at the present value of the disbursements that are expected to be necessary to settle the obligation using the best estimate available. The discount rate utilized to determine the present value reflects current market estimates, as of the reporting date, of the time value of money, as well as the specific risk related to the obligation.

2.18 Revenue recognition

Revenue is recorded at the fair value of the consideration received or receivable derived from that revenue. The Group analyzes all the relevant facts and circumstances when applying each step of the IFRS 15 model to contracts with its customers: (i) contract identification, (ii) performance obligations identification, (iii) the transaction price, (iv) price assignment, and (v) revenue recognition. The Company also assesses the incremental costs of agreeing a contract and costs directly related to complying with a contract. The Group recognizes revenue when the steps set out in the IFRS have been successfully completed.

a) Revenue recognition from the sale of goods

Revenue from the sale of goods is recognized when an entity has transferred to the buyer control over those goods, when the revenue can be reliably quantified, when the Company cannot influence the management of those goods, when it is likely that the financial benefits of the transaction will be received by the Group and when the transaction costs can be reliably measured.

Revenue from sales are recognized based on the price established in the sales contract, net of volume discounts as of the date of the sale. There is no significant financing component, as the sales are carried out with a short average payment term, which is in line with market practice.

b) Revenue recognition from providing services

Revenue from providing services is recognized when the performance obligation has been satisfied.

Revenue is accounted for considering the degree of completion of the service at the closing date, at that time the Company has an enforceable right to payment for the services provided.

2.19 Leases

a) When an entity belonging to the Group is the lessee – Finance leases

Leases of property, plant and equipment where the Group holds substantially all of the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the beginning of the lease at the lower of the fair value of the leased property or at the present value of the minimum lease payments.

Each lease payment is split between the liability and the finance charge to obtain a constant interest rate over the outstanding balance of the debt. The corresponding lease obligations, net of finance charges, are included under "Other long-term payables." The interest element of the finance cost is charged to the consolidated statement of income during the term of the lease such that a constant periodic interest rate is obtained over the remaining balance of the liability for each period. Assets acquired through finance leases are depreciated over the shorter of their useful lives or the duration of the contract.

b) When an entity belonging to the Group is the lessee – Operating leases

Leases in which the lessor retains a significant portion of the risks and rewards of ownership are classified as operating leases. Operating lease payments (net of any incentive received from the lessor) are charged to income on a straight-line basis over the term of the lease.

c) When an entity belonging to the Group is the lessor

When the assets are leased under a finance lease, the present value of the lease payments is recognized as a financial account receivable. The difference between the gross amount receivable and the present value of such amount is recognized as the financial return.

Assets leased to third parties under operating lease contracts are included in fixed assets in the Consolidated Statement of Financial Position.

Lease income is recognized on a straight-line basis over the term of the lease.

2.20 Non-current assets held for sale

The Group classifies as non-current assets held for sale any property, plant and equipment, intangible assets, investments in associates and groups subject to divestment (groups of assets to be disposed of together with their directly associated liabilities), which is in the process of being sold and this outcome is considered highly probable at the reporting date.

These assets or groups subject to divestment are valued at the lower of their book value or estimated sale value less selling costs, and are no longer amortized from the time they are classified as non-current assets held for sale.

2.21 Dividend distribution

The distribution of dividends to the Company's shareholders is recognized as a liability in the consolidated financial statements to the extent that the benefit is accrued, in accordance with the Company's dividend policy.

Article 79 of Chilean Corporate Law establishes that listed corporations should distribute an annual cash dividend to their shareholders, in proportion to their shares or the proportion established in the company's by-laws if it has preference shares, of at least 30% of net income for each period, except when accumulated losses from prior years must be absorbed, and unless unanimously agreed otherwise by shareholders of all issued shares.

The Company's current dividend policy is to distribute to shareholders no less than 40% of the annual net profits available for distribution as dividends, as defined in Note 22.

During the last quarter of each year the Board shall decide whether to distribute an interim dividend. Such interim dividend is paid in December to the extent that the year-end results are expected to be positive and that the Company's available cash flow allows for such a distribution.

2.22 Environment

Disbursements relating to improvements and investments in production processes that improve environmental conditions are recorded as expenses for the year in which they are incurred. When such disbursements are part of capital projects, they are added to property, plant and equipment (see Note 28).

The group has established the following types of disbursements for environmental protection projects:

- a) Disbursements relating to improvements and investments in production processes that improve environmental conditions.

- b) Disbursements relating to verification and control of regulations and laws covering industrial processes and facilities.
- c) Other disbursements that affect the environment.

2.23 Business combinations

Business combinations are accounted for using the *acquisition method*. This involves the recognition of the identifiable assets (including intangible assets that have not been recognized previously) and liabilities (including contingent liabilities and excluding future restructuring) of the acquired business at fair value.

Purchased goodwill acquired in a business combination is initially measured at cost, which is the excess of the cost of the business combination over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities at acquisition. After the initial recognition, purchased goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment tests, purchased goodwill acquired in a business combination is assigned from the date of acquisition to each cash generating unit or group of cash generating units that are expected to benefit from the synergies of the combination, regardless of whether other Group assets or liabilities are assigned to those units or groups of units.

If the acquisition cost is less than the fair value of the net assets of the acquired affiliate, the difference is directly recognized in income and immediately recognized under "Other gains (losses)."

Transaction costs are treated as expenses at the time they are incurred. For business combinations carried out in stages, the fair value of the acquired company is measured at each opportunity and the effects of changes in the share of net income are recognized in the period in which they occur.

2.24 Loyalty program

Mapco Express Inc. has a customer loyalty program, where customers can accumulate points that subsequently redeemed against products offered by the same company. Therefore, the Company values a deferred income liability based on the outstanding accumulated points at the reporting date, together with an estimate of the points that are not likely to be redeemed ("breakage").

2.25 Impairment

Non-financial assets

The recoverable amount of property, plant and equipment and other long-term assets with finite useful lives are measured whenever there is an indication that the value of an asset might be impaired. Factors that could indicate a decline in the market value of an asset include: significant changes in the technological environment, the asset becomes obsolete, the asset is physically damaged, the use or expected use of the asset changes with the possibility that the asset falls into disuse, among others. The Company evaluates whether there is any such evidence at each reporting date.

A previously recognized impairment loss can be reversed if there has been a change in the estimated recoverable amount. However, the reversal cannot be greater than the amount recognized in previous years.

In order to evaluate impairment losses, assets are grouped at the lowest level at which they separately generate identifiable cash flows for each cash generating unit. Non-financial assets other than goodwill that have been impaired are reviewed at every reporting date to identify whether any reversals have occurred.

"Cash-generating units" are the smallest identifiable group of assets whose continued use generates cash inflows that are largely independent of those generated by other assets or groups of assets.

Goodwill

Goodwill and intangible assets with indefinite useful lives are tested annually or when circumstances so indicate. The recoverable amount of an intangible asset is estimated as the higher of the asset's net selling price and its value in use. An impairment loss is recognized when the book value exceeds the recoverable amount.

A cash generating unit to which goodwill has been allocated is tested for impairment every year, or more often if there is any indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is first allocated to reduce the carrying amount of any goodwill allocated to the unit and then is proportionally allocated to other assets within the unit based on the carrying amount of each asset. Any impairment loss for goodwill is recognized directly in the statement of income. Impairment losses recognized for goodwill are not reversed in subsequent periods.

Goodwill is assigned to cash-generating units for the purpose of impairment testing. It is distributed between those cash-generating units or groups of cash-generating units that are expected to benefit from the business merger that generated the goodwill.

2.26 Statement of cash flows

The cash flow statement reflects the movements in cash during the year, calculated using the direct method. The following terms are used in these cash flow statements.

- Cash flows: inflows and outflows of cash or other equivalent including highly liquid investments with a maturity of less than three months that are unlikely to suffer changes in value.
- Operating activities: these are the main revenue-producing activities of the Group and include other activities that are not investing or financing activities.
- Investing activities: these are the acquisition or disposal of long-term assets and other investments not included in cash equivalents.
- Financing activities are activities that produce changes in the size and composition of net equity and financial liabilities.

2.27 Earnings per share

Basic earnings per share is calculated as the quotient of the net income for the period attributable to the Company divided by that the average weighted number of common shares outstanding during that period, without including the average number of shares of the Company held by any affiliates, should that be the case. The Company and its affiliates have not undertaken any potentially diluting transactions of any kind that would result in the diluted earnings per share differing from basic earnings per share.

2.28 Classification of current and non-current balances

In the accompanying consolidated statement of financial position, balances to be recovered or settled within 12 months are classified as current items and those to be recovered or settled in more than 12 months as non-current items.

If there are obligations whose maturities are less than twelve months, but whose long-term refinancing is guaranteed at the discretion of the Company through loan agreements unconditionally available with long-term maturities, these obligations could be classified as long-term liabilities.

2.29 Offsetting balances and transactions

As a general rule, assets and liabilities, or income and expenses, may not be offset unless offsetting is required or permitted by a standard and reflects the substance of the transaction.

Income and expenses originating from transactions that, for contractual or legal reasons, consider the possibility of offsetting and for which the Company intends either to settle on a net basis, or to recover the asset and settle the liability simultaneously, are stated net in the statement of comprehensive income and the statement of financial position. The consolidated financial statements as of December 31, 2018 and 2017, do not reflect any offset income and expenses in the statement of comprehensive income.

NOTE 3. FINANCIAL INSTRUMENTS

3.1 Cash and Cash Equivalents

Group cash and cash equivalents are detailed as follows:

Cash & cash equivalents	12.31.2018 ThUS\$	12.31.2017 ThUS\$
Bank balances	577,532	420,378
Short-term deposits	578,593	616,403
Mutual funds	553,258	277,405
Overnight investments	4,412	3,031
Other cash and cash equivalents (*)	8	24,487
Total	1,713,803	1,341,704

Reconciliation of cash and cash equivalents in statement of financial position to cash and cash equivalents in cash flow statement

Other reconciling items for cash and cash equivalents	0	(5)
Total reconciling items for cash and cash equivalents	0	(5)
Cash and cash equivalents	1,713,803	1,341,704
Cash and cash equivalents in the statement of cash flows	1,713,803	1,341,699

(*) Principally purchase contracts with a resale commitment to the affiliate Celulosa Arauco y Constitución S.A. and Abastible S.A. in 2017

The amortized cost of these financial instruments does not differ from their fair value.

Cash and cash equivalents correspond to cash, cash in banks, time deposits and mutual funds. These investments are readily convertible to cash in the short term and the risk of changes in value is low. For time deposits, the valuation is calculated using the accrued purchase rate of each document.

As of December 31, 2018, the Group has approved lines of credit amounting to approximately MUS\$1,938 (MUS\$2,349 as of December 31, 2017).

3.2 Other Financial Assets

a) This category includes the following financial assets at fair value through profit and loss:

	12.31.2018 ThUS\$	12.31.2017 ThUS\$
Mutual funds	654	697
Fixed income instruments	191,054	127,361
Hedge financial instruments		
Forwards	10,680	2,796
Swaps	203	133
Other financial assets (*)	17,252	56,168
Total other financial assets, current	219,843	187,155

(*) The balance as of December 31, 2018 is primarily due to the balance receivable for the sale of shares in Distribuidora Andina de Combustibles (formerly ExxonMobil Colombia S.A.) to autonomous entities, in accordance with the conditions required by the Colombian Superintendent of Industry and Commerce (SIC). The balance as of December 31, 2017 is primarily guarantee funds agreed by Compañía de Petróleos de Chile Copec S.A. with Distribuidora Andina de Combustibles.

b) Non-current financial assets at fair value through profit and loss are classified as follows:

	12.31.2018 ThUS\$	12.31.2017 ThUS\$
Equity instruments (shares)	1,100	1,861
Hedge financial instruments		
Forwards	935	3,037
Swaps	75,981	83,841
Other financial assets (*)	5,831	5,287
Total other financial assets, non-current	83,847	94,026

(*) Other financial assets are mainly deposits with fiduciary responsibility by the indirect affiliate Inversiones del Nordeste S.A.S.

Financial assets at fair value includes fixed-income instruments (corporate bonds, mortgage bonds, bank bonds, time deposits and other similar items) that are managed on behalf of the company by third parties ("outsourced portfolios"). These assets are recorded at fair value, changes in value are recognized in income, and the assets are held for the purposes of liquidity and returns. Mutual funds are accounted for at unit market value at the reporting date.

Swaps are valued using the *discounted cash flow method* at a rate appropriate for the risk of the operation, using specific tools for the valuation of swaps. As of the reporting date, the financial assets classified in this category are not hedges, as there is no uncertainty about their underlying liabilities. Consequently, these instruments are part of a strategy of structural management of the liquidity risk implicit in the Company's operations.

Forwards are initially recognized at fair value on the date on which the contract is subscribed, and they are subsequently revalued at fair value. Forwards are recorded as assets when their fair value is positive and as liabilities when their fair value is negative.

The fair value of foreign exchange forward contracts is calculated by reference to current foreign exchange rates from contracts with similar maturity profiles.

The Group does not have any investments held-to-maturity as of December 31, 2018.

3.3 Trade and Other Receivables

a) This category contains the following balances:

	12.31.2018 ThUS\$	12.31.2017 ThUS\$
Trade receivables	1,805,015	1,599,116
Less: Provision for impairment losses on trade receivables	(57,491)	(57,085)
Trade receivables, net	1,747,524	1,542,031
Other receivables	258,916	231,600
Less: Provision for impairment losses on other receivables	(7,159)	(10,746)
Other receivables, net	251,757	220,854
Total	1,999,281	1,762,885
Less: Non-current portion	28,399	32,078
Current portion	1,970,882	1,730,807

Trade and other receivables are classified as current assets except for those assets maturing in more than 12 months. Those assets maturing in more than 12 months are recorded at amortized cost using the *effective interest method* and are tested for impairment.

Trade receivables represent enforceable rights arising from normal business operations, where normal is defined as the Group's habitual operations.

Other receivables are accounts receivable from sales, services or loans outside of the normal course of business.

Implicit interest is disaggregated and recognized as financial income as it accrues.

The provision is the difference between the asset's book value and the present value of the estimated future cash flows, discounted at the effective interest rate.

The creation and reversal of the provision for the impairment of accounts receivable has been included as "Expense for the doubtful debt allowance" in the consolidated statement of income under Administration Expenses.

The amortized cost of these financial instruments does not differ from their fair value.

b) Trade and Other Receivables includes:

Trade and other receivables	Balance as of 12.31.2018											
	Portfolio not overdue	Overdue 1-30 days	Overdue 31-60 days	Overdue 61-90 days	Overdue 91-120 days	Overdue 121-150 days	Overdue 151-180 days	Overdue 181-210 days	Overdue 211-250 days	Overdue over 251 days	Total current	Total non- current
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Gross trade receivables	1,568,983	131,487	23,331	9,255	2,368	1,670	4,794	2,125	2,103	58,899	1,785,787	19,228
Impairment provision	(12,464)	(1,671)	(1,183)	(423)	(876)	(763)	(1,473)	(618)	(1,803)	(36,217)	(55,734)	(1,757)
Other gross receivables	227,135	12,904	5,135	2,304	73	38	399	464	214	10,250	242,994	15,922
Impairment provision	(2,601)	0	0	0	0	0	0	0	0	(4,558)	(2,165)	(4,994)
Total	1,781,053	142,720	27,283	11,136	1,565	945	3,720	1,971	514	28,374	1,970,882	28,399

Trade and other receivables	Balance as of 12.31.2017											
	Portfolio not overdue	Overdue 1-30 days	Overdue 31-60 days	Overdue 61-90 days	Overdue 91-120 days	Overdue 121-150 days	Overdue 151-180 days	Overdue 181-210 days	Overdue 211-250 days	Overdue over 251 days	Total current	Total non- current
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Gross trade receivables	1,363,709	142,078	16,919	7,575	1,724	1,385	6,358	1,009	2,572	55,787	1,578,573	20,543
Impairment provision	(10,741)	(777)	(1,774)	(2,252)	(877)	(911)	(589)	(1,019)	(1,555)	(36,590)	(55,795)	(1,290)
Other gross receivables	196,569	12,625	2,745	2,897	1,340	653	429	94	1,113	13,135	213,224	18,376
Impairment provision	(5,579)	0	0	0	0	0	0	0	(306)	(4,861)	(5,195)	(5,551)
Total	1,543,958	153,926	17,890	8,220	2,187	1,127	6,198	84	1,824	27,471	1,730,807	32,078

c) Allowance for doubtful receivables:

	12.31.2018		12.31.2017	
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
	Current	Non-current	Current	Non-current
Opening balance	(60,990)	(6,841)	(65,931)	(1,677)
Provision for impairment of trade and other receivables	3,091	90	4,941	(5,164)
Closing balance	(57,899)	(6,751)	(60,990)	(6,841)

3.4 Other Financial Liabilities

Financial liabilities valued at amortized cost are non-derivative instruments with contractual payment flows with fixed or variable interest rates. Financial instruments classified in this category are valued at amortized cost using the *effective interest method*.

As of December 31, 2018, this category included obligations with banks and financial institutions and obligations to the public through bonds issued in US dollars, UF and Chilean pesos.

	12.31.2018 ThUS\$	12.31.2017 ThUS\$
Current		
Bank loans	793,204	776,840
Accounting overdrafts	0	5
Bonds in UF, COP and CLP	44,489	86,173
Bonds in US\$	261,661	27,508
Finance leases	38,951	48,341
Other financial liabilities	5,718	29,821
Total Current	1,144,023	968,688
Non-current		
Bonds in US\$	1,799,976	2,025,158
Bonds in UF, COP and CLP	2,736,452	2,251,997
Bank loans	1,596,789	1,249,758
Finance leases	117,152	88,115
Other financial liabilities	70,675	11,653
Total Non-current	6,321,044	5,626,681
Total other financial liabilities	7,465,067	6,595,369

Capital plus interest on the Group's main financial liabilities that are subject to liquidity risk are presented undiscounted and grouped by maturity in the following tables.

Bank borrowings

Fuel sector

As of December 31, 2018				Maturities						Total				
Chilean ID Number	Debtor name	Currency	Creditor name	Up to 1 month ThUS\$	1 to 3 months ThUS\$	3 to 12 months ThUS\$	1 to 3 years ThUS\$	3 to 5 years ThUS\$	Over 5 years ThUS\$	Current ThUS\$	Non-current ThUS\$	Effective rate	Nominal rate	Repayment terms
91.806,000-6	Abastible S.A. - Chile	Ch\$	Banco BBVA - Chile	-	-	5,789	-	-	-	5,789	-	3.50%	3.50%	Six monthly
91.806,000-6	Abastible S.A. - Chile	Ch\$	Banco BBVA - Chile	-	-	20,259	-	-	-	20,259	-	3.50%	3.50%	Six monthly
91.806,000-6	Abastible S.A. - Chile	Ch\$	Banco Estado - Chile	-	27,447	-	-	-	-	27,447	-	5.20%	5.20%	Six monthly
91.806,000-6	Abastible S.A. - Chile	Ch\$	Banco Estado - Chile	-	-	305	8,636	-	-	305	8,636	5.34%	5.34%	Annual
91.806,000-6	Abastible S.A. - Chile	US\$	Banco Santander - Chile	-	2,287	2,140	4,280	-	-	4,427	4,280	2.76%	2.76%	Six monthly
91.806,000-6	Abastible S.A. - Chile	Ch\$	Banco Estado - Chile	-	198	-	11,515	-	-	198	11,515	4.98%	4.98%	Six monthly
91.806,000-6	Abastible S.A. - Chile	Ch\$	Banco de Credito e Inversiones - Chile	-	235	-	-	17,272	-	235	17,272	5.22%	5.22%	Six monthly
91.806,000-6	Abastible S.A. - Chile	Ch\$	Banco de Chile - Chile	-	-	84	-	12,954	-	84	12,954	4.43%	4.43%	Six monthly
-	Solgas S.A. - Peru	S/	Banco Continental - Peru	-	16,255	-	-	-	-	16,255	-	4.73%	4.73%	Monthly
-	Solgas S.A. - Peru	S/	Banco Scotiabank - Peru	-	19,938	-	-	-	-	19,938	-	5.00%	5.00%	Monthly
-	Solgas S.A. - Peru	S/	Banco de Crédito del Peru - Peru	-	20,595	6,919	32,366	-	-	27,514	32,366	6.65%	6.65%	Monthly
-	Solgas S.A. - Peru	S/	Banco Internacional - Peru	-	4,053	-	-	-	-	4,053	-	3.45%	3.45%	Monthly
99.520,000-7	Compañía de Petroleos de Chile COPEC S.A. - Chile	US\$	The Bank of Tokyo-Mitsubishi UFJ Ltd.	-	379	-	99,353	-	-	379	99,353	3.68%	3.63%	Maturity
99.520,000-7	Compañía de Petroleos de Chile COPEC S.A. - Chile	US\$	JP Morgan - USA	-	379	-	99,353	-	-	379	99,353	3.68%	3.63%	Maturity
99.520,000-7	Compañía de Petroleos de Chile COPEC S.A. - Chile	US\$	Banco Scotiabank - Chile	-	1,320	-	-	198,483	-	1,320	198,483	3.67%	3.59%	Maturity
99.520,000-7	Compañía de Petroleos de Chile COPEC S.A. - Chile	US\$	Banco Estado - Chile	-	61	45	-	-	-	106	-	3.10%	3.10%	Maturity
99.520,000-7	Compañía de Petroleos de Chile COPEC S.A. - Chile	US\$	BNP Paribas	-	190	-	-	49,677	-	190	49,677	3.68%	3.63%	Maturity
99.520,000-7	Compañía de Petroleos de Chile COPEC S.A. - Chile	US\$	Export Development Canada	-	846	-	-	74,291	-	846	74,291	3.65%	3.53%	Maturity
99.520,000-7	Compañía de Petroleos de Chile COPEC S.A. - Chile	US\$	Sumitomo Mitsui Banking Corporation	-	474	-	-	124,192	-	474	124,192	3.68%	3.63%	Maturity
99.520,000-7	Compañía de Petroleos de Chile COPEC S.A. - Chile	US\$	Banco de Chile - Chile	-	118	-	-	-	-	118	-	3.10%	3.10%	Maturity
99.520,000-7	Compañía de Petroleos de Chile COPEC S.A. - Chile	US\$	Banco de Chile - Chile	-	7	-	-	-	-	7	-	3.10%	3.10%	Maturity
99.520,000-7	Compañía de Petroleos de Chile COPEC S.A. - Chile	US\$	Banco Santander - Chile	-	77	-	-	-	-	77	-	3.10%	3.10%	Maturity
99.520,000-7	Compañía de Petroleos de Chile COPEC S.A. - Chile	US\$	Banco de Crédito e Inversiones - Chile	-	119	-	-	-	-	119	-	3.10%	3.10%	Maturity
99.520,000-7	Compañía de Petroleos de Chile COPEC S.A. - Chile	US\$	HSBC Securities (USA) Inc.	-	123	-	-	-	-	123	-	3.10%	3.10%	Maturity
99.520,000-7	Compañía de Petroleos de Chile COPEC S.A. - Chile	US\$	JP Morgan - USA	-	111	-	-	-	-	111	-	3.10%	3.10%	Maturity
99.520,000-7	Compañía de Petroleos de Chile COPEC S.A. - Chile	US\$	Banco Scotiabank - Chile	-	63	-	-	-	-	63	-	3.10%	3.10%	Maturity
99.520,000-7	Compañía de Petroleos de Chile COPEC S.A. - Chile	US\$	Banco BBVA - Chile	-	909	1,969	-	-	-	2,878	-	5.42%	5.42%	Maturity
99.520,000-7	Compañía de Petroleos de Chile COPEC S.A. - Chile	US\$	Santander Investment Securities Inc.	-	90	193	-	-	-	283	-	5.21%	5.21%	Maturity
-	Lutexa Industrial Comercial CIA Ltda. Ecuador	US\$	Banco Guayaquil - Ecuador	-	11	33	72	-	-	44	72	8.22%	7.93%	Monthly
-	Mapco Express, Inc - USA	US\$	Regions Bank - USA	-	-	-	10,684	-	-	-	10,684	3.77%	3.77%	Monthly
-	Mapco Express, Inc - USA	US\$	US Premium Finance - USA	-	483	856	-	-	-	1,339	-	3.53%	3.53%	Monthly
-	Organización Terpel S.A. - Colombia	COP	Banco Colpatria - Colombia	-	9,596	-	-	-	-	9,596	-	5.64%	5.64%	Maturity
-	Organización Terpel S.A. - Colombia	COP	Banco Colpatria - Colombia	-	21,586	-	-	-	-	21,586	-	5.64%	5.64%	Maturity
-	Organización Terpel S.A. - Colombia	COP	Bancolombia - Colombia	-	1,100	11,892	-	-	-	12,992	-	6.81%	6.81%	Maturity
-	Organización Terpel S.A. - Colombia	COP	Banco de Bogota - Colombia	-	266	2,874	-	-	-	3,140	-	6.81%	6.81%	Maturity
-	Organización Terpel S.A. - Colombia	COP	Banco de Bogota - Colombia	-	242	2,086	-	-	-	2,328	-	6.82%	6.82%	Maturity
-	Organización Terpel S.A. - Colombia	COP	Banco BBVA - Colombia	-	266	2,874	-	-	-	3,140	-	6.81%	6.81%	Maturity
-	Organización Terpel S.A. - Colombia	COP	Banco Davivienda - Colombia	-	266	2,874	-	-	-	3,140	-	6.81%	6.81%	Maturity
-	Organización Terpel S.A. - Colombia	COP	Bancolombia - Colombia	-	1,000	8,627	-	-	-	9,627	-	6.82%	6.82%	Maturity
-	Organización Terpel S.A. - Colombia	COP	Banco de Bogota - Colombia	-	12,943	-	-	-	-	12,943	-	5.96%	5.96%	Maturity
-	Organización Terpel S.A. - Colombia	COP	Banco BBVA - Colombia	-	242	2,086	-	-	-	2,328	-	6.82%	6.82%	Maturity
-	Organización Terpel S.A. - Colombia	COP	Banco Davivienda - Colombia	-	242	2,086	-	-	-	2,328	-	6.82%	6.82%	Maturity
-	Organización Terpel S.A. - Colombia	COP	Banco Popular - Colombia	-	1,225	27,694	-	-	-	28,919	-	5.83%	5.83%	Maturity
-	Peruana de Gas Natural S.A.C - Peru	PEN	Banco de Crédito - Peru	-	21	-	-	-	-	21	-	4.60%	4.60%	Maturity
-	National Oil Company S.A. - Panama	US\$	Bank Nassau Miami	-	1,231	14,000	-	-	-	15,231	-	5.47%	5.47%	Maturity
-	National Oil Company S.A. - Panama	US\$	Bank Nassau Miami	-	-	14,000	-	-	-	14,000	-	5.47%	5.47%	Maturity
-	National Oil Company S.A. - Panama	US\$	Bank Nassau Miami	-	-	-	46,325	-	-	-	46,325	4.14%	4.14%	Maturity
-	National Oil Company S.A. - Panama	US\$	Banco BAC	-	-	8,000	-	-	-	8,000	-	3.94%	3.94%	Maturity
81.095,400-0	Sociedad Nacional de Oleoductos S.A. - Chile	Ch\$	Banco BBVA - Chile	45,181	-	-	-	-	-	45,181	-	2.61%	2.61%	Six monthly
81.095,400-0	Sociedad Nacional de Oleoductos S.A. - Chile	Ch\$	Banco BBVA - Chile	-	-	-	-	8,999	-	-	8,999	4.77%	4.97%	Six monthly
81.095,400-0	Sociedad Nacional de Oleoductos S.A. - Chile	Ch\$	Banco BICE - Chile	-	-	1,338	-	6,689	52,719	1,338	59,408	3.43%	3.40%	Six monthly
81.095,400-0	Sociedad Nacional de Oleoductos S.A. - Chile	Ch\$	Banco BICE - Chile	-	-	9,902	-	18,580	-	9,902	18,580	4.87%	4.70%	Six monthly
Total Bank Borrowing				45,181	146,994	148,925	312,584	511,137	52,719	341,100	876,440			

As of December 31, 2017				Maturities						Total		Effective rate	Nominal rate	Repayment terms
Chilean ID Number	Debtor name	Currency	Creditor name	Up to 1 month ThUS\$	1 to 3 months ThUS\$	3 to 12 months ThUS\$	1 to 3 years ThUS\$	3 to 5 years ThUS\$	Over 5 years ThUS\$	Current ThUS\$	Non-current ThUS\$			
91,806,000-6	Abastible S.A. - Chile	Ch\$	Banco Estado - Chile	-	26,948	-	-	-	-	26,948	-	7.00%	7.00%	Six monthly
91,806,000-6	Abastible S.A. - Chile	Ch\$	Banco Estado - Chile	-	1,639	-	31,015	-	-	1,639	31,015	5.20%	5.20%	Annual
91,806,000-6	Abastible S.A. - Chile	Ch\$	Banco Estado - Chile	-	-	343	9,760	-	-	343	9,760	5.34%	5.34%	Six monthly
91,806,000-6	Abastible S.A. - Chile	Ch\$	Banco de Crédito e Inversiones - Chile	-	266	-	-	-	19,520	266	19,520	5.22%	5.22%	Annual
91,806,000-6	Abastible S.A. - Chile	US\$	Banco Santander - Chile	-	2,293	2,140	8,560	-	-	4,433	8,560	1.77%	1.77%	Six monthly
91,806,000-6	Abastible S.A. - Chile	Ch\$	Banco Estado - Chile	-	223	-	13,013	-	-	223	13,013	4.98%	4.98%	Annual
91,806,000-6	Abastible S.A. - Chile	Ch\$	Banco de Chile - Chile	-	-	95	-	-	14,735	95	14,735	4.43%	4.43%	Annual
79,689,550-0	Administradora de estaciones de Servicio Serco Ltda. - Chile	Ch\$	Banco Estado - Chile	-	58	152	-	-	-	210	-	6.95%	6.95%	Monthly
99,520,000-7	Compañía de Petroleos de Chile Copec S.A. - Chile	US\$	The Bank of Tokyo-Mitsubishi CLPJ Ltd	-	-	-	67,625	-	-	-	67,625	2.69%	2.68%	Maturity
99,520,000-7	Compañía de Petroleos de Chile Copec S.A. - Chile	US\$	Santander Investment Securities Inc.	-	-	-	67,625	-	-	-	67,625	2.69%	2.68%	Maturity
99,520,000-7	Compañía de Petroleos de Chile Copec S.A. - Chile	US\$	Banco Scotiabank - Chile	-	-	-	67,625	-	-	-	67,625	2.69%	2.68%	Maturity
99,520,000-7	Compañía de Petroleos de Chile Copec S.A. - Chile	US\$	HSBC Securities (USA) Inc.	-	-	-	67,625	-	-	-	67,625	2.69%	2.68%	Maturity
99,520,000-7	Compañía de Petroleos de Chile Copec S.A. - Chile	US\$	Banco Estado - Chile	-	-	-	27,000	-	-	-	27,000	2.69%	2.68%	Maturity
99,520,000-7	Compañía de Petroleos de Chile Copec S.A. - Chile	US\$	BNP Paribas	-	-	-	27,000	-	-	-	27,000	2.69%	2.68%	Maturity
99,520,000-7	Compañía de Petroleos de Chile Copec S.A. - Chile	US\$	Citibank	-	-	-	27,000	-	-	-	27,000	2.69%	2.68%	Maturity
99,520,000-7	Compañía de Petroleos de Chile Copec S.A. - Chile	US\$	Export Development Canada	-	-	-	27,000	-	-	-	27,000	2.69%	2.68%	Maturity
99,520,000-7	Compañía de Petroleos de Chile Copec S.A. - Chile	US\$	Mizuho Bank Ltd.	-	-	-	27,000	-	-	-	27,000	2.69%	2.68%	Maturity
99,520,000-7	Compañía de Petroleos de Chile Copec S.A. - Chile	US\$	Sumitomo Mitsui Banking Corporation	-	-	-	27,000	-	-	-	27,000	2.69%	2.68%	Maturity
99,520,000-7	Compañía de Petroleos de Chile Copec S.A. - Chile	US\$	Societe Generale	-	-	-	27,000	-	-	-	27,000	2.69%	2.68%	Maturity
99,520,000-7	Compañía de Petroleos de Chile Copec S.A. - Chile	US\$	BBVA - Chile	-	-	-	13,500	-	-	-	13,500	2.69%	2.68%	Maturity
99,520,000-7	Compañía de Petroleos de Chile Copec S.A. - Chile	US\$	Natixis	-	-	-	13,500	-	-	-	13,500	2.69%	2.68%	Maturity
99,520,000-7	Compañía de Petroleos de Chile Copec S.A. - Chile	US\$	State Bank of India	-	-	-	13,500	-	-	-	13,500	2.69%	2.68%	Maturity
99,520,000-7	Compañía de Petroleos de Chile Copec S.A. - Chile	US\$	Banco de Crédito e Inversiones - Chile	-	1,149	-	-	-	-	1,149	-	3.21%	3.21%	Maturity
99,520,000-7	Compañía de Petroleos de Chile Copec S.A. - Chile	US\$	Banco de Chile - Chile	-	817	-	-	-	-	817	-	3.26%	3.26%	Maturity
99,520,000-7	Compañía de Petroleos de Chile Copec S.A. - Chile	US\$	Banco Estado - Chile	-	1,112	-	-	-	-	1,112	-	3.30%	3.30%	Maturity
99,520,000-7	Compañía de Petroleos de Chile Copec S.A. - Chile	US\$	J.P. Morgan	-	1,343	-	-	-	-	1,343	-	3.36%	3.36%	Maturity
99,520,000-7	Compañía de Petroleos de Chile Copec S.A. - Chile	US\$	Banco Scotiabank - Chile	-	328	-	-	-	-	328	-	3.36%	3.36%	Maturity
99,520,000-7	Compañía de Petroleos de Chile Copec S.A. - Chile	US\$	BBVA - Chile	-	2,254	6,022	5,670	-	-	8,276	5,670	5.42%	5.42%	Maturity
99,520,000-7	Compañía de Petroleos de Chile Copec S.A. - Chile	US\$	Santander Investment Securities Inc.	-	769	1,733	590	-	-	2,502	590	5.21%	5.21%	Maturity
-	Lutexa Industrial Comercial CIA Ltda. Ecuador	US\$	Banco Guayaquil - Ecuador	-	10	32	-	117	-	42	117	10.51%	10.04%	Monthly
-	Mapco Express, Inc - USA	US\$	Regions Bank	-	-	-	6,869	-	-	-	6,869	Libor + spread	Libor + spread	Maturity
-	Mapco Express, Inc - USA	US\$	US Premium Finance	-	-	1,367	-	-	-	1,367	-	2.79%	2.79%	Maturity
-	Organización Terpel S.A. - Colombia	COP	Banco BBVA - Colombia	-	6,702	-	-	-	-	6,702	-	7.50%	7.50%	Maturity
-	Organización Terpel S.A. - Colombia	US\$	Banco BBVA - Colombia	-	10,000	-	-	-	-	10,000	-	5.18%	5.18%	Maturity
-	Peruana de Gas Natural S.A.C - Peru	PEN	BBVA - Peru	-	-	315	-	9,895	-	315	9,895	6.60%	6.60%	Maturity
-	Peruana de Gas Natural S.A.C - Peru	PEN	Banco de Crédito - Peru	-	216	-	-	-	-	216	-	4.47%	4.47%	Maturity
-	National Oil Company S.A. - Panama	US\$	BAC Credomatic	-	1,181	-	-	-	-	1,181	-	4.07%	4.07%	Maturity
-	National Oil Company S.A. - Panama	US\$	Citibank	-	126	-	-	-	-	126	-	5.87%	5.87%	Maturity
-	National Oil Company S.A. - Panama	US\$	Citibank	-	6,000	-	-	-	-	6,000	-	3.08%	3.08%	Maturity
-	National Oil Company S.A. - Panama	US\$	HSBC NY	-	40,325	-	-	-	-	40,325	-	3.08%	3.08%	Maturity
-	National Oil Company S.A. - Panama	US\$	Bank Nassau Miami	-	-	-	14,000	-	-	-	14,000	4.38%	4.38%	Maturity
-	National Oil Company S.A. - Panama	US\$	Bank Nassau Miami	-	-	-	14,000	-	-	-	14,000	4.38%	4.38%	Maturity
81,095,400-0	Sociedad Nacional de Oleoductos S.A. - Chile	Ch\$	Banco BBVA - Chile	43,693	-	-	-	-	-	43,693	-	2.52%	2.52%	Bullet
81,095,400-0	Sociedad Nacional de Oleoductos S.A. - Chile	Ch\$	Banco Bice - Chile	-	-	1,470	-	7,349	59,392	1,470	66,741	3.43%	3.40%	Six monthly
81,095,400-0	Sociedad Nacional de Oleoductos S.A. - Chile	Ch\$	Banco Bice - Chile	-	-	11,652	-	32,189	-	11,652	32,189	4.87%	4.70%	Six monthly
-	Solgas S.A. - Peru	S/	BBVA Banco Continental - Peru	-	16,826	-	-	-	-	16,826	-	2.70%	2.70%	Monthly
-	Solgas S.A. - Peru	S/	Banco Scotiabank - Peru	-	23,533	-	-	-	-	23,533	-	3.13%	3.13%	Monthly
-	Solgas S.A. - Peru	S/	Banco Internacional - Peru	-	7,186	-	-	-	-	7,186	-	3.95%	3.95%	Bi-monthly
-	Solgas S.A. - Peru	S/	Banco de Crédito del Perú	-	7,117	9,600	-	43,210	-	16,717	43,210	6.65%	6.65%	Quarterly
Total Bank Borrowing				43,693	158,421	34,921	603,477	92,760	93,647	237,035	789,884			

Bank borrowings
Forestry sector

As of December 31, 2018				Maturities						Total					
Chilean ID Number	Debtor name	Currency	Creditor name	Up to 1 month ThUS\$	1 to 3 months ThUS\$	3 to 12 months ThUS\$	1 to 3 years ThUS\$	3 to 5 years ThUS\$	Over 5 years ThUS\$	Current ThUS\$	Non-current ThUS\$	Effective rate	Nominal rate	Repayment terms	
-	Arauco Argentina S.A. - Argentina	US\$	Banco Bice - Argentina	-	5,040	-	-	-	-	5,040	-	2.10%	2.10%	Monthly	
-	Arauco Argentina S.A. - Argentina	US\$	Banco Macro - Argentina	-	10,054	-	-	-	-	10,054	-	6.00%	6.00%	Monthly	
-	Arauco Argentina S.A. - Argentina	US\$	Banco BBVA - Argentina	-	-	13,071	-	-	-	13,071	-	5.90%	5.90%	Monthly	
-	Arauco Do Brasil S.A. - Brazil	R\$	Banco Santander - Brazil	-	21	64	54	-	-	85	54	9.50%	9.50%	Monthly	
-	Arauco Do Brasil S.A. - Brazil	R\$	Banco Alfa - Brazil	-	17	48	128	5	-	65	133	10.35%	Tjlp + spread	Monthly	
-	Arauco Florestal Arapoti S.A. - Brazil	R\$	Banco Itau - Brazil	-	3	-	-	-	-	3	-	7.00%	3.50%	Monthly	
-	Arauco Florestal Arapoti S.A. - Brazil	R\$	Banco Bradesco - Brazil	-	9	22	-	-	-	31	-	6.00%	6.00%	Maturity	
-	Arauco Florestal Arapoti S.A. - Brazil	R\$	Banco Votorantim - Brasil	-	14	-	310	310	-	14	620	5.00%	5.00%	Monthly	
-	Arauco Florestal Arapoti S.A. - Brazil	R\$	Banco Safra - Brazil	-	18	-	-	-	-	18	-	6.00%	6.00%	Monthly	
-	Arauco Florestal Arapoti S.A. - Brazil	R\$	Banco Safra - Brazil	-	6	17	33	-	-	23	33	10.00%	10.00%	Monthly	
-	Arauco Florestal Arapoti S.A. - Brazil	R\$	Banco Santander - Brazil	-	3	14	180	44	-	17	224	8.38%	8.38%	Six monthly	
-	Arauco Florestal Arapoti S.A. - Brazil	R\$	Banco Santander - Brazil	-	34	33	179	129	-	67	308	10.32%	10.32%	Six monthly	
-	Arauco Florestal Arapoti S.A. - Brazil	R\$	Banco Santander - Brazil	-	4	11	25	2	-	15	27	10.47%	10.49%	Six monthly	
-	Arauco Forest Brasil S.A. - Brazil	R\$	Banco Bradesco - Brazil	-	21	23	48	14	-	44	62	9.00%	9.00%	Monthly	
-	Arauco Forest Brasil S.A. - Brazil	US\$	Banco Alfa - Brazil	-	2	7	14	-	-	9	14	17.00%	Basket + spread	Maturity	
-	Arauco Forest Brasil S.A. - Brazil	R\$	Banco Alfa - Brazil	-	5	14	29	-	-	19	29	0.22%	Tjlp + Spread	Maturity	
-	Arauco Forest Brasil S.A. - Brazil	R\$	Banco Votorantim - Brasil	-	162	198	276	276	-	360	552	16.00%	Tjlp + Spread	Monthly	
-	Arauco Forest Brasil S.A. - Brazil	US\$	Banco Votorantim - Brasil	-	34	45	-	-	-	79	-	10.40%	Basket + spread	Monthly	
-	Arauco Forest Brasil S.A. - Brazil	R\$	Banco Bndes Subcrédito A-B-D - Brazil	-	3	-	492	295	-	3	787	21.78%	Tjlp + spread	Monthly	
-	Arauco Forest Brasil S.A. - Brazil	US\$	Banco Bndes Subcrédito C - Brazil	-	5	-	169	120	-	5	289	15.22%	Basket + spread	Monthly	
-	Arauco Forest Brasil S.A. - Brazil	R\$	Banco Santander - Brazil	-	43	58	354	138	-	101	492	8.67%	8.67%	Monthly	
93,458,000-1	Celulosa Arauco y Constitución S.A. - Chile	US\$	Banco Scotiabank - Chile	-	-	1,930	15,902	214,535	-	1,930	230,437	3.70%	Libor + spread	Monthly	
-	Celulosa y Energía Punta Pereira - Uruguay	US\$	Banco Interamericano de Desarrollo - Uruguay	-	4,770	4,179	19,237	17,613	-	8,949	36,850	4.62%	Libor + spread	Six monthly	
-	Celulosa y Energía Punta Pereira - Uruguay	US\$	Banco Interamericano de Desarrollo - Uruguay	-	11,871	11,274	23,035	-	-	23,145	23,035	4.37%	Libor + spread	Six monthly	
-	Celulosa y Energía Punta Pereira - Uruguay	US\$	Finnish Export Credit - Uruguay	-	24,850	21,578	97,414	70,769	-	46,428	168,183	3.20%	3.20%	Six monthly	
-	Euflores S.A. - Uruguay	US\$	Banco Republica Oriental de Uruguay	-	8	27,073	-	-	-	27,081	-	4.12%	Libor + spread	Maturity	
-	Euflores S.A. - Uruguay	US\$	Citibank - Uruguay	-	3	-	-	-	-	3	-	3.43%	Libor + spread	Maturity	
-	Euflores S.A. - Uruguay	US\$	Banco Itau - Uruguay	-	24	12,511	-	-	-	12,535	-	4.17%	Libor + spread	Maturity	
-	Euflores S.A. - Uruguay	US\$	Heritage - Uruguay	-	1,352	-	-	-	-	1,352	-	4.30%	Libor + spread	Maturity	
-	Euflores S.A. - Uruguay	US\$	Banco Santander - Uruguay	-	20,235	5,021	-	-	-	25,256	-	3.86%	Libor + spread	Maturity	
-	Flakeboard Company Ltd - USA	US\$	Banco Estado - Chile	-	-	2,141	54,661	79,056	203,906	2,141	337,623	3.00%	Libor + spread	Maturity	
-	Mahal Empreendimentos Pat. S.A. - Brazil	R\$	Bndes Subloan E-I	-	663	1,946	1,946	-	-	2,609	1,946	19.78%	Tjlp + spread	Monthly	
-	Mahal Empreendimentos Pat. S.A. - Brazil	R\$	Bndes Subloan F-J	-	399	1,167	1,167	-	-	1,566	1,167	21.78%	Tjlp + spread	Monthly	
-	Mahal Empreendimentos Pat. S.A. - Brazil	US\$	Bndes Subloan G-K	-	520	1,528	1,697	-	-	2,048	1,697	15.22%	Basket + spread	Monthly	
-	Mahal Empreendimentos Pat. S.A. - Brazil	R\$	Bndes Subloan H-L	-	444	1,297	1,297	-	-	1,741	1,297	24.18%	Tjlp + spread	Monthly	
-	Mahal Empreendimentos Pat. S.A. - Brazil	R\$	Banco Santander	-	6	18	46	-	-	24	46	21.96%	Tjlp + spread	Monthly	
-	Mahal Empreendimentos Pat. S.A. - Brazil	US\$	Banco Santander	-	3	9	25	-	-	12	25	17.40%	Basket + spread	Monthly	
-	Novo Oeste Gestao de Ativos Florestais S.A. - Brazil	R\$	Banco Santander - Brazil	-	5	18	48	2	-	23	50	21.96%	Tjlp + spread	Maturity	
-	Novo Oeste Gestao de Ativos Florestais S.A. - Brazil	US\$	Banco Santander - Brazil	-	3	9	26	2	-	12	28	17.40%	Tjlp + spread	Maturity	
-	Zona Franca Punta Pereira - Uruguay	US\$	Interamerican Development Bank - Uruguay	-	1,184	1,032	4,770	4,359	-	2,216	9,129	4.62%	Libor + spread	Maturity	
-	Zona Franca Punta Pereira - Uruguay	US\$	Interamerican Development Bank - Uruguay	-	2,940	2,786	5,701	-	-	5,726	5,701	4.37%	Libor + spread	Maturity	
-	Zona Franca Punta Pereira - Uruguay	US\$	Banco BBVA - Uruguay	-	-	14,103	-	-	-	14,103	-	4.06%	Libor + spread	Maturity	
-	Zona Franca Punta Pereira - Uruguay	US\$	Citibank - Uruguay	-	-	4,517	-	-	-	4,517	-	4.19%	Libor + spread	Maturity	
-	Zona Franca Punta Pereira - Uruguay	US\$	Banco Scotiabank - Uruguay	-	-	2,509	-	-	-	2,509	-	4.39%	Libor + spread	Maturity	
Total Bank Borrowing				-	84,778	130,271	229,263	387,669	203,906	215,049	820,838				

As of December 31, 2017				Maturities						Total		Effective rate	Nominal rate	Repayment terms
Chilean ID Number	Debtor name	Currency	Creditor name	Up to 1 month ThUS\$	1 to 3 months ThUS\$	3 to 12 months ThUS\$	1 to 3 years ThUS\$	3 to 5 years ThUS\$	Over 5 years ThUS\$	Current ThUS\$	Non-current ThUS\$			
-	Arauco Do Brasil S.A. - Brazil	R\$	Banco Santander - Brazil	-	23	67	135	-	-	90	135	9.50%	9.50%	Monthly
-	Arauco Do Brasil S.A. - Brazil	R\$	Banco Alfa - Brazil	-	18	56	148	81	-	74	229	10.75%	Tljp + spread	Monthly
-	Arauco Do Brasil S.A. - Brazil	R\$	Banco Santander - Brazil	-	3	7	20	7	-	10	27	11.00%	Tljp + spread	Monthly
-	Arauco Florestal Arapoti S.A. - Brazil	R\$	Banco Itau - Brazil	-	1	-	-	-	-	1	-	2.50%	2.50%	Monthly
-	Arauco Florestal Arapoti S.A. - Brazil	R\$	Banco Itau - Brazil	-	13	37	4	-	-	50	4	3.50%	3.50%	Monthly
-	Arauco Florestal Arapoti S.A. - Brazil	R\$	Banco Bradesco - Brazil	-	11	33	36	-	-	44	36	6.00%	6.00%	Maturity
-	Arauco Florestal Arapoti S.A. - Brazil	R\$	Banco Votorantim - Brasil	-	16	-	-	728	-	16	728	5.00%	5.00%	Monthly
-	Arauco Florestal Arapoti S.A. - Brazil	R\$	Banco Safra - Brazil	-	22	65	22	-	-	87	22	6.00%	6.00%	Monthly
-	Arauco Florestal Arapoti S.A. - Brazil	R\$	Banco Safra - Brazil	-	7	20	54	11	-	27	65	10.00%	10.00%	Monthly
-	Arauco Florestal Arapoti S.A. - Brazil	R\$	Banco Santander - Brazil	-	981	907	-	-	-	1,888	-	9.50%	9.50%	Six monthly
-	Arauco Florestal Arapoti S.A. - Brazil	R\$	Banco Santander - Brazil	-	-	16	24	-	-	16	24	9.00%	9.00%	Six monthly
-	Arauco Florestal Arapoti S.A. - Brazil	R\$	Banco Santander - Brazil	-	12	52	159	118	-	64	277	10.49%	10.49%	Six monthly
-	Arauco Forest Brasil S.A. - Brazil	R\$	Banco Bradesco - Brazil	-	20	69	81	44	-	89	125	9.00%	9.00%	Monthly
-	Arauco Forest Brasil S.A. - Brazil	US\$	Banco Alfa - Brazil	-	2	7	18	5	-	9	23	8.20%	Basket + spread	Maturity
-	Arauco Forest Brasil S.A. - Brazil	R\$	Banco Alfa - Brazil	-	6	17	45	11	-	23	56	10.80%	Tljp + spread	Maturity
-	Arauco Forest Brasil S.A. - Brazil	R\$	Banco Itau - Brazil	-	1	-	-	-	-	1	-	2.50%	2.50%	Monthly
-	Arauco Forest Brasil S.A. - Brazil	R\$	Banco Votorantim - Brasil	-	192	619	403	644	-	811	1,047	8.10%	Tljp + spread	Monthly
-	Arauco Forest Brasil S.A. - Brazil	US\$	Banco Votorantim - Brasil	-	34	-	78	-	-	34	78	7.70%	Basket + spread	Monthly
-	Arauco Forest Brasil S.A. - Brazil	R\$	Banco Bndes Subloan - Brazil	-	4	-	115	802	-	4	917	9.82%	Tljp + spread	Monthly
-	Arauco Forest Brasil S.A. - Brazil	US\$	Banco Bndes Subloan - Brazil	-	5	-	24	265	-	5	289	7.30%	Basket + spread	Monthly
-	Arauco Forest Brasil S.A. - Brazil	R\$	Banco Santander - Brazil	-	995	984	319	363	-	1,979	682	8.90%	8.90%	Monthly
93,458,000-1	Celulosa Arauco y Constitución S.A.	US\$	Banco Scotiabank - Chile	-	25	199,572	-	-	-	199,597	-	1.70%	Libor + spread	Monthly
-	Celulosa y Energía Punta Pereira - Uruguay	US\$	Banco Interamericano de Desarrollo - Uruguay	-	4,723	4,161	19,354	18,086	8,570	8,884	46,010	3.51%	Libor + spread	Six monthly
-	Celulosa y Energía Punta Pereira - Uruguay	US\$	Banco Interamericano de Desarrollo - Uruguay	-	11,946	11,255	46,673	-	-	23,201	46,673	3.26%	Libor + spread	Six monthly
-	Celulosa y Energía Punta Pereira - Uruguay	US\$	Finnish Export Credit	-	25,176	21,214	99,682	95,136	23,564	46,390	218,382	3.20%	3.20%	Six monthly
-	Celulosa y Energía Punta Pereira - Uruguay	US\$	DNB Nor Bank	-	-	45	-	-	-	45	-	0.00%	Libor + spread	Maturity
-	Eufores S.A. - Uruguay	US\$	Banco Republica Oriental de Uruguay	-	24,746	12,564	-	-	-	37,310	-	3.08%	Libor + spread	Maturity
-	Eufores S.A. - Uruguay	US\$	Citibank	-	6	-	-	-	-	6	-	3.43%	Libor + spread	Maturity
-	Eufores S.A. - Uruguay	US\$	Banco HSBC - Uruguay	-	1,200	-	-	-	-	1,200	-	2.91%	Libor + spread	Maturity
-	Eufores S.A. - Uruguay	US\$	Banco Itau - Uruguay	-	4	12,513	-	-	-	12,517	-	3.08%	Libor + spread	Maturity
-	Eufores S.A. - Uruguay	US\$	Heritage - Uruguay	-	1,352	-	-	-	-	1,352	-	3.03%	Libor + spread	Maturity
-	Eufores S.A. - Uruguay	US\$	Banco Santander - Uruguay	-	20,230	5,013	-	-	-	25,243	-	3.06%	Libor + spread	Maturity
-	Flakeboard America Ltd - USA	US\$	Banco Estado - Chile	-	675	-	9,899	35,850	111,309	675	157,058	3.00%	Libor + spread	-
-	Mahal Empreendimentos Pat. S.A. - Brazil	R\$	Bndes Subloan E-I	-	23	754	5,279	-	-	777	5,279	9.91%	Tljp + spread	Monthly
-	Mahal Empreendimentos Pat. S.A. - Brazil	R\$	Bndes Subloan F-J	-	16	452	3,168	-	-	468	3,168	10.91%	Tljp + spread	Monthly
-	Mahal Empreendimentos Pat. S.A. - Brazil	US\$	Bndes Subloan G-K	-	63	339	3,734	-	-	402	3,734	7.31%	Basket + spread	Monthly
-	Mahal Empreendimentos Pat. S.A. - Brazil	R\$	Bndes Subloan H-L	-	19	504	3,520	-	-	523	3,520	12.11%	Tljp + spread	Monthly
-	Mahal Empreendimentos Pat. S.A. - Brazil	R\$	Banco Santander - Brazil	-	-	-	54	27	-	-	81	11.00%	Tljp + spread	Monthly
-	Mahal Empreendimentos Pat. S.A. - Brazil	US\$	Banco Santander - Brazil	-	-	-	26	12	-	-	38	8.40%	Basket + spread	Monthly
-	Novo Oeste Gestao de Ativos Florestais S.A. - Brazil	R\$	Banco Santander - Brazil	-	-	1	54	30	-	1	84	11.00%	Tljp + spread	-
-	Novo Oeste Gestao de Ativos Florestais S.A. - Brazil	US\$	Banco Santander - Brazil	-	-	1	25	14	-	1	39	8.40%	Tljp + spread	-
-	Zona Franca Punta Pereira - Uruguay	US\$	Interamerican Development Bank	-	1,167	1,032	4,795	4,483	2,120	2,199	11,398	3.51%	Libor + spread	Maturity
-	Zona Franca Punta Pereira - Uruguay	US\$	Interamerican Development Bank	-	2,953	2,787	11,546	-	-	5,740	11,546	3.26%	Libor + spread	Maturity
-	Zona Franca Punta Pereira - Uruguay	US\$	BBVA - Uruguay	-	14,007	-	-	-	-	14,007	-	3.13%	Libor + spread	Maturity
-	Zona Franca Punta Pereira - Uruguay	US\$	Citibank	-	-	4,503	-	-	-	4,503	-	3.10%	Libor + spread	Maturity
-	Zona Franca Punta Pereira - Uruguay	US\$	Scotiabank - Uruguay	-	3	2,506	-	-	-	2,509	-	3.17%	3.17%	Maturity
Total Bank Borrowing				-	110,700	282,172	209,494	156,717	145,563	392,872	511,774			

Bank borrowings
Other sectors

As of December 31, 2018				Maturities						Total		Effective rate	Nominal rate	Repayment terms
Chilean ID Number	Debtor name	Currency	Creditor name	Up to 1 month ThUS\$	1 to 3 months ThUS\$	3 to 12 months ThUS\$	1 to 3 years ThUS\$	3 to 5 years ThUS\$	Over 5 years ThUS\$	Current ThUS\$	Non-current ThUS\$			
76,160,625-5	Minera Camino Nevado Ltda. - Chile	Ch\$	Itau/Corpbanca - Chile	-	-	9,420	13,453	-	-	9,420	13,453	3.82%	TCP + spread	Six monthly
76,160,625-5	Minera Camino Nevado Ltda. - Chile	US\$	Banco de Crédito e Inversiones - Chile	-	-	21,159	31,071	-	-	21,159	31,071	3.82%	Libor + spread	Six monthly
96,929,960-7	Orizon S.A. - Chile	US\$	Banco de Chile - Chile	-	5,017	-	-	-	-	5,017	-	4.29%	4.29%	Maturity
96,929,960-7	Orizon S.A. - Chile	US\$	Banco de Chile - Chile	-	4,075	-	-	-	-	4,075	-	4.13%	4.13%	Maturity
96,929,960-7	Orizon S.A. - Chile	US\$	Banco de Chile - Chile	-	5,013	-	-	-	-	5,013	-	4.31%	4.31%	Maturity
96,929,960-7	Orizon S.A. - Chile	US\$	Banco de Chile - Chile	-	-	3,798	11,250	-	-	3,798	11,250	Libor + spread	Libor + spread	Six monthly
96,929,960-7	Orizon S.A. - Chile	US\$	Banco BBVA - Chile	-	5,057	-	-	-	-	5,057	-	5.52%	5.52%	Maturity
96,929,960-7	Orizon S.A. - Chile	US\$	Banco Estado - Chile	-	3,804	7,500	-	-	-	11,304	-	Libor + spread	Libor + spread	Maturity
96,929,960-7	Orizon S.A. - Chile	US\$	Banco Estado - Chile	-	7,083	-	-	-	-	7,083	-	3.32%	3.32%	Maturity
96,929,960-7	Orizon S.A. - Chile	US\$	Banco Scotiabank - Chile	-	-	3,788	7,500	-	-	3,788	7,500	Libor + spread	Libor + spread	Six monthly
96,929,960-7	Orizon S.A. - Chile	US\$	Banco Scotiabank - Chile	-	-	10,026	-	5,000	-	10,026	5,000	3.97%	3.97%	Maturity
96,929,960-7	Orizon S.A. - Chile	US\$	Banco Scotiabank - Chile	-	-	176	5,000	-	-	176	5,000	5.06%	5.06%	Maturity
91,123,000-3	Pesquera Iquique-Guanaye S.A. - Chile	US\$	Banco Scotiabank - Chile	-	-	113,773	-	-	-	113,773	-	3.43%	Libor + spread	Monthly
91,123,000-3	Pesquera Iquique-Guanaye S.A. - Chile	US\$	Banco Scotiabank - Chile	-	-	2,319	-	-	-	2,319	-	3.43%	Libor + spread	Monthly
91,123,000-3	Pesquera Iquique-Guanaye S.A. - Chile	US\$	Banco Scotiabank - Chile	-	-	41,359	-	-	-	41,359	-	3.40%	Libor + spread	Monthly
91,123,000-3	Pesquera Iquique-Guanaye S.A. - Chile	US\$	Banco Scotiabank - Chile	-	-	19,223	-	-	-	19,223	-	3.91%	Libor + spread	Monthly
Total Bank Borrowing				-	30,049	232,541	68,274	5,000	-	262,590	73,274			

As of December 31, 2017				Maturities						Total		Effective rate	Nominal rate	Repayment terms
Chilean ID Number	Debtor name	Currency	Creditor name	Up to 1 month ThUS\$	1 to 3 months ThUS\$	3 to 12 months ThUS\$	1 to 3 years ThUS\$	3 to 5 years ThUS\$	Over 5 years ThUS\$	Current ThUS\$	Non-current ThUS\$			
76,160,625-5	Minera Camino Nevado Ltda. - Chile	Ch\$	Itau/Corpbanca - Chile	-	-	13,127	23,945	-	-	13,127	23,945	3.82%	TCP + spread	Six monthly
76,160,625-5	Minera Camino Nevado Ltda. - Chile	US\$	Banco de Crédito e Inversiones - Chile	-	-	25,014	46,891	-	-	25,014	46,891	3.82%	Libor + spread	Six monthly
91,123,000-3	Pesquera Iquique - Guanaye S.A.	US\$	Banco Estado - Chile	-	-	112,212	-	-	-	112,212	-	2.01%	Libor + spread	Monthly
96,929,960-7	Orizon S.A. - Chile	US\$	Banco de Chile - Chile	-	5,007	-	-	-	-	5,007	-	2.92%	2.92%	Maturity
96,929,960-7	Orizon S.A. - Chile	US\$	Banco de Chile - Chile	-	3,049	-	-	-	-	3,049	-	2.50%	2.50%	Maturity
96,929,960-7	Orizon S.A. - Chile	US\$	Banco de Chile - Chile	-	3,782	7,500	3,750	-	-	11,282	3,750	2.69%	2.69%	Maturity
96,929,960-7	Orizon S.A. - Chile	US\$	Banco de Chile - Chile	-	4,047	-	-	-	-	4,047	-	Libor + spread	Libor + spread	Six monthly
96,929,960-7	Orizon S.A. - Chile	US\$	Banco Estado - Chile	-	7,002	-	-	-	-	7,002	-	2.97%	2.97%	Maturity
96,929,960-7	Orizon S.A. - Chile	US\$	Banco Estado - Chile	-	3,787	7,500	3,750	-	-	11,287	3,750	Libor + spread	Libor + spread	Six monthly
96,929,960-7	Orizon S.A. - Chile	US\$	Banco Scotiabank - Chile	-	3,779	7,500	3,750	-	-	11,279	-	Libor + spread	Libor + spread	Six monthly
96,929,960-7	Orizon S.A. - Chile	US\$	Banco Scotiabank - Chile	-	10,043	-	-	-	-	10,043	-	2.31%	2.31%	Maturity
Total Bank Borrowing				-	40,496	172,853	82,086	-	-	213,349	82,086			

Bond obligations**Fuel sector**

As of December 31, 2018				Maturities						Total		Effective rate	Nominal rate	Repayment terms
Chilean ID Number	Debtor name	Currency	Creditor name	Up to 1 month ThUS\$	1 to 3 months ThUS\$	3 to 12 months ThUS\$	1 to 3 years ThUS\$	3 to 5 years ThUS\$	Over 5 years ThUS\$	Current ThUS\$	Non-current ThUS\$			
-	Organización Terpel S.A. - Colombia	COP	Bonds series A, 7 years fixed rate	-	-	-	-	74,137	-	-	74,137	5.65%	5.53%	Quarterly
-	Organización Terpel S.A. - Colombia	COP	Bonds series C, 10 years CPI E.A.	-	-	-	-	-	76,019	-	76,019	6.58%	6.43%	Quarterly
-	Organización Terpel S.A. - Colombia	COP	Bonds series C, 18 years CPI E.A.	-	-	-	-	-	29,670	-	29,670	6.32%	6.17%	Quarterly
-	Organización Terpel S.A. - Colombia	COP	Bonds series 2, 7 years CPI E.A.	-	-	-	-	46,382	-	-	46,382	7.37%	7.17%	Quarterly
-	Organización Terpel S.A. - Colombia	COP	Bonds series 2, 15 years CPI E.A.	-	-	-	-	-	76,480	-	76,480	6.15%	6.01%	Quarterly
-	Organización Terpel S.A. - Colombia	COP	Bonds series A, 5 years CPI E.A.	-	-	-	-	86,463	-	-	86,463	6.89%	6.72%	Quarterly
-	Organización Terpel S.A. - Colombia	COP	Bonds series C, 10 years CPI E.A.	-	-	-	-	-	59,675	-	59,675	7.16%	6.98%	Quarterly
-	Organización Terpel S.A. - Colombia	COP	Bonds series C, 15 years CPI E.A.	-	-	-	-	-	93,314	-	93,314	7.33%	7.13%	Quarterly
-	Organización Terpel S.A. - Colombia	COP	Bonds series C, 25 years CPI E.A.	-	-	-	-	-	98,446	-	98,446	7.38%	7.18%	Quarterly
81,095,400-0	Sociedad Nacional de Oleoductos S.A. - Chile	Ch\$	Bonds B UF	-	-	1,338	-	6,689	52,719	1,338	59,408	3.43%	3.40%	Six monthly
81,095,400-0	Sociedad Nacional de Oleoductos S.A. - Chile	Ch\$	Bonds C, CLP	-	-	9,902	-	18,580	-	9,902	18,580	4.87%	4.70%	Six monthly
Total bond obligations				-	-	11,240	-	232,251	486,323	11,240	718,574			

As of December 31, 2017				Maturities						Total		Effective rate	Nominal rate	Repayment terms
Chilean ID Number	Debtor name	Currency	Creditor name	Up to 1 month ThUS\$	1 to 3 months ThUS\$	3 to 12 months ThUS\$	1 to 3 years ThUS\$	3 to 5 years ThUS\$	Over 5 years ThUS\$	Current ThUS\$	Non-current ThUS\$			
-	Organización Terpel S.A. - Colombia	COP	Bonds series 7 years fixed rate	-	-	-	-	80,713	-	-	80,713	5.65%	5.53%	Quarterly
-	Organización Terpel S.A. - Colombia	COP	Bonds series 5 years IPC E.A.	-	-	38,571	-	-	-	38,571	-	9.53%	9.20%	Quarterly
-	Organización Terpel S.A. - Colombia	COP	Bonds series 10 years IPC E.A.	-	-	-	-	-	82,772	-	82,772	9.77%	9.43%	Quarterly
-	Organización Terpel S.A. - Colombia	COP	Bonds series 18 years IPC E.A.	-	-	-	-	-	32,309	-	32,309	10.08%	9.72%	Quarterly
-	Organización Terpel S.A. - Colombia	COP	Bonds series 7 years IPC E.A.	-	-	-	-	50,494	-	-	50,494	8.96%	8.68%	Quarterly
-	Organización Terpel S.A. - Colombia	COP	Bonds series 15 years IPC E.A.	-	-	-	-	-	83,281	-	83,281	10.04%	9.69%	Quarterly
81,095,400-0	Sociedad Nacional de Oleoductos S.A. - Chile	Ch\$	Bonds B UF	-	-	1,470	-	7,349	59,392	1,470	66,741	3.43%	3.40%	Six monthly
81,095,400-0	Sociedad Nacional de Oleoductos S.A. - Chile	Ch\$	Bonds C, CLP	-	-	11,652	-	32,189	-	11,652	32,189	4.87%	4.70%	Six monthly
Total bond obligations				-	-	51,693	-	170,745	257,754	51,693	428,499			

Bond obligations
Forestry sector

As of December 31, 2018				Maturities						Total		Effective rate	Nominal rate	Repayment terms
Chilean ID Number	Debtor name	Currency	Creditor name	Up to 1 month ThUS\$	1 to 3 months ThUS\$	3 to 12 months ThUS\$	1 to 3 years ThUS\$	3 to 5 years ThUS\$	Over 5 years ThUS\$	Current ThUS\$	Non-current ThUS\$			
93,458,000-1	Celulosa Arauco y Constitución S.A. - Chile	Ch\$	Barau - F	-	-	19,425	50,069	47,042	116,673	19,425	213,784	4.24%	4.21%	Six monthly
93,458,000-1	Celulosa Arauco y Constitución S.A. - Chile	Ch\$	Barau - F	-	-	7,770	20,073	18,853	47,339	7,770	86,265	4.25%	4.21%	Six monthly
93,458,000-1	Celulosa Arauco y Constitución S.A. - Chile	Ch\$	Barau - J	-	2,132	-	204,731	-	-	2,132	204,731	3.23%	3.22%	Six monthly
93,458,000-1	Celulosa Arauco y Constitución S.A. - Chile	Ch\$	Barau - P	-	-	1,004	15,714	50,712	193,697	1,004	260,123	3.96%	3.96%	Six monthly
93,458,000-1	Celulosa Arauco y Constitución S.A. - Chile	Ch\$	Barau - Q	-	-	20,207	30,974	-	-	20,207	30,974	2.96%	2.98%	Six monthly
93,458,000-1	Celulosa Arauco y Constitución S.A. - Chile	Ch\$	Barau - R	-	-	1,770	14,158	14,158	278,892	1,770	307,208	3.57%	3.57%	Six monthly
93,458,000-1	Celulosa Arauco y Constitución S.A. - Chile	Ch\$	Barau - S	-	-	592	9,466	9,466	204,991	592	223,923	2.44%	2.89%	Six monthly
93,458,000-1	Celulosa Arauco y Constitución S.A. - Chile	Ch\$	Barau - W	-	-	559	4,974	4,974	127,578	559	137,526	2.12%	2.09%	Six monthly
93,458,000-1	Celulosa Arauco y Constitución S.A. - Chile	Ch\$	Barau - X	-	-	1,317	11,706	11,706	326,508	1,317	349,920	2.70%	2.68%	Six monthly
93,458,000-1	Celulosa Arauco y Constitución S.A. - Chile	US\$	Yankee Bonds 2019	-	6,168	202,643	-	-	-	208,811	-	7.26%	7.25%	Six monthly
93,458,000-1	Celulosa Arauco y Constitución S.A. - Chile	US\$	Yankee 2021	-	4,422	-	214,540	-	-	4,422	214,540	5.02%	5.00%	Six monthly
93,458,000-1	Celulosa Arauco y Constitución S.A. - Chile	US\$	Yankee 2022	-	5,705	-	24,306	259,785	-	5,705	284,091	4.77%	4.75%	Six monthly
93,458,000-1	Celulosa Arauco y Constitución S.A. - Chile	US\$	Yankee 2024	-	9,375	-	45,000	45,000	527,024	9,375	617,024	4.52%	4.50%	Six monthly
93,458,000-1	Celulosa Arauco y Constitución S.A. - Chile	US\$	Yankee 2027	-	-	3,175	38,750	38,750	77,500	3,175	155,000	3.90%	3.88%	Six monthly
93,458,000-1	Celulosa Arauco y Constitución S.A. - Chile	US\$	Yankee 2047	-	-	3,607	44,000	44,000	528,000	3,607	616,000	5.50%	5.50%	Six monthly
Total bond obligations				-	27,802	262,069	728,461	544,446	2,428,202	289,871	3,701,109			

As of December 31, 2017				Maturities						Total		Effective rate	Nominal rate	Repayment terms
Chilean ID Number	Debtor name	Currency	Creditor name	Up to 1 month ThUS\$	1 to 3 months ThUS\$	3 to 12 months ThUS\$	1 to 3 years ThUS\$	3 to 5 years ThUS\$	Over 5 years ThUS\$	Current ThUS\$	Non-current ThUS\$			
93,458,000-1	Celulosa Arauco y Constitución S.A. - Chile	Ch\$	Barau - F	-	-	1,528	55,433	52,107	156,181	1,528	263,721	4.24%	4.21%	Six monthly
93,458,000-1	Celulosa Arauco y Constitución S.A. - Chile	Ch\$	Barau - F	-	-	611	22,345	21,005	62,958	611	106,308	4.25%	4.21%	Six monthly
93,458,000-1	Celulosa Arauco y Constitución S.A. - Chile	Ch\$	Barau - J	-	2,342	-	231,943	-	-	2,342	231,943	3.23%	3.22%	Six monthly
93,458,000-1	Celulosa Arauco y Constitución S.A. - Chile	Ch\$	Barau - P	-	-	1,103	17,266	36,967	240,175	1,103	294,408	3.96%	3.96%	Six monthly
93,458,000-1	Celulosa Arauco y Constitución S.A. - Chile	Ch\$	Barau - Q	-	-	22,364	46,241	11,154	-	22,364	57,395	2.96%	2.98%	Six monthly
93,458,000-1	Celulosa Arauco y Constitución S.A. - Chile	Ch\$	Barau - R	-	-	1,944	15,554	15,554	314,228	1,944	345,336	3.57%	3.57%	Six monthly
93,458,000-1	Celulosa Arauco y Constitución S.A. - Chile	Ch\$	Barau - S	-	-	650	10,400	10,400	230,228	650	251,028	2.44%	2.89%	Six monthly
93,458,000-1	Celulosa Arauco y Constitución S.A. - Chile	US\$	Yankee 2019	-	6,168	-	217,034	-	-	6,168	217,034	7.26%	7.25%	Six monthly
93,458,000-1	Celulosa Arauco y Constitución S.A. - Chile	US\$	Yankee 2021	-	4,422	-	20,026	204,138	-	4,422	224,164	5.02%	5.00%	Six monthly
93,458,000-1	Celulosa Arauco y Constitución S.A. - Chile	US\$	Yankee 2022	-	5,705	-	24,306	271,225	-	5,705	295,531	4.77%	4.75%	Six monthly
93,458,000-1	Celulosa Arauco y Constitución S.A. - Chile	US\$	Yankee 2024	-	9,375	-	45,000	45,000	548,324	9,375	638,324	4.52%	4.50%	Six monthly
93,458,000-1	Celulosa Arauco y Constitución S.A. - Chile	US\$	Yankee 2027	-	-	3,175	38,750	38,750	582,479	3,175	659,979	3.90%	3.88%	Six monthly
93,458,000-1	Celulosa Arauco y Constitución S.A. - Chile	US\$	Yankee 2047	-	-	3,607	44,000	44,000	943,160	3,607	1,031,160	5.50%	5.50%	Six monthly
Total bond obligations				-	28,012	34,982	788,298	750,300	3,077,733	62,994	4,616,331			

Bond obligations**Other sectors**

As of December 31, 2018				Maturities						Total		Effective rate	Nominal rate	Repayment terms
Chilean ID Number	Debtor name	Currency	Creditor name	Up to 1 month ThUS\$	1 to 3 months ThUS\$	3 to 12 months ThUS\$	1 to 3 years ThUS\$	3 to 5 years ThUS\$	Over 5 years ThUS\$	Current ThUS\$	Non-current ThUS\$			
90,690,000-9	Empresas Copec S.A. - Chile	Ch\$	BECOP - C	-	-	11,681	-	58,404	347,818	11,681	406,222	4.30%	4.25%	Six monthly
90,690,000-9	Empresas Copec S.A. - Chile	Ch\$	BECOP - E	-	-	1,663	-	54,905	-	1,663	54,905	3.40%	3.25%	Six monthly
90,690,000-9	Empresas Copec S.A. - Chile	Ch\$	BECOP - G	-	-	2,660	-	13,301	99,190	2,660	112,491	2.88%	2.88%	Six monthly
90,690,000-9	Empresas Copec S.A. - Chile	Ch\$	BECOP - H	-	-	4,527	-	108,885	-	4,527	108,885	4.75%	4.75%	Six monthly
90,690,000-9	Empresas Copec S.A. - Chile	Ch\$	BECOP - I	-	-	1,270	-	6,352	58,087	1,270	64,439	2.30%	2.44%	Six monthly
90,690,000-9	Empresas Copec S.A. - Chile	Ch\$	BECOP - K	-	-	1,180	-	5,898	56,297	1,180	62,195	2.30%	2.26%	Six monthly
Total bond obligations				-	-	22,981	-	247,745	561,392	22,981	809,137			

As of December 31, 2017				Maturities						Total		Effective rate	Nominal rate	Repayment terms
Chilean ID Number	Debtor name	Currency	Creditor name	Up to 1 month ThUS\$	1 to 3 months ThUS\$	3 to 12 months ThUS\$	1 to 3 years ThUS\$	3 to 5 years ThUS\$	Over 5 years ThUS\$	Current ThUS\$	Non-current ThUS\$			
90,690,000-9	Empresas Copec S.A. - Chile	Ch\$	BECOP - C	-	-	12,834	-	64,169	394,980	12,834	459,149	4.30%	4.25%	Six monthly
90,690,000-9	Empresas Copec S.A. - Chile	Ch\$	BECOP - E	-	914	914	-	5,481	56,670	1,828	62,151	3.40%	3.25%	Six monthly
90,690,000-9	Empresas Copec S.A. - Chile	Ch\$	BECOP - G	-	-	2,923	-	14,614	111,903	2,923	126,517	2.88%	2.88%	Six monthly
90,690,000-9	Empresas Copec S.A. - Chile	Ch\$	BECOP - H	-	2,558	2,558	-	19,188	108,987	5,116	128,175	4.75%	4.75%	Six monthly
90,690,000-9	Empresas Copec S.A. - Chile	Ch\$	BECOP - I	-	698	698	-	6,979	65,216	1,396	72,195	2.30%	2.44%	Six monthly
Total bond obligations				-	4,170	19,927	-	110,431	737,756	24,097	848,187			

Finance leases

Fuel sector

As of December 31, 2018				Maturities						Total		Effective rate	Nominal rate	Repayment terms
Chilean ID Number	Debtor name	Currency	Creditor name	Up to 1 month ThUS\$	1 to 3 months ThUS\$	3 to 12 months ThUS\$	1 to 3 years ThUS\$	3 to 5 years ThUS\$	Over 5 years ThUS\$	Current ThUS\$	Non-current ThUS\$			
77,215,640-5	Administradora de Ventas al Detalle Ltda. - Chile	Ch\$	Marsol S.A. - Chile	-	40	123	335	-	-	163	335	4.48%	4.48%	Monthly
99,520,000-7	Compañía de Petroleos de Chile Copec S.A. - Chile	Ch\$	Banco Crédito e Inversiones - Chile	-	14	33	-	-	-	47	-	1.53%	1.53%	Monthly
99,520,000-7	Compañía de Petroleos de Chile Copec S.A. - Chile	Ch\$	Banco Estado - Chile	-	24	70	196	209	858	94	1,263	2.25%	2.25%	Monthly
99,520,000-7	Compañía de Petroleos de Chile Copec S.A. - Chile	Ch\$	Banco de Chile - Chile	-	1,002	2,731	7,567	7,997	47,362	3,733	62,926	1.95%	1.95%	Monthly
85,840,100-3	Compañía de Servicios Industriales Ltda. - Chile	Ch\$	Banco Credito Inversiones - Chile	-	384	-	809	213	-	384	1,022	2.00%	2.00%	Monthly
-	Mapco Express, Inc - USA	US\$	Certegy Check Services/Fis - USA	-	23	15	21	-	-	38	21	2.14%	2.14%	Monthly
-	Mapco Express, Inc - USA	US\$	Giddens, Elmo - USA	-	384	809	213	-	-	1,193	213	8.81%	8.81%	Monthly
-	Mapco Express, Inc - USA	US\$	Regions Equipment Finance - USA	-	384	-	809	213	-	384	1,022	2.99%	2.99%	Monthly
-	Organización Terpel S.A. - Colombia	COP	Bancolombia - Colombia	-	384	-	809	213	-	384	1,022	0.85%	0.85%	Monthly
-	Organización Terpel S.A. - Colombia	COP	Vinder SAS - Colombia	-	14	26	122	122	3,558	40	3,802	1.00%	1.00%	Monthly
-	Solgas S.A. - Peru	US\$	Interbank - Peru	-	28	83	-	-	-	111	-	6.30%	6.30%	Monthly
79,904,920-1	Transportes de Combustibles Chile Ltda. - Chile	Ch\$	Banco de Chile - Chile	-	83	252	344	626	71	335	1,041	2.80%	2.76%	Monthly
79,904,920-1	Transportes de Combustibles Chile Ltda. - Chile	Ch\$	Banco Credito Inversiones - Chile	-	157	477	652	1,321	572	634	2,545	2.49%	2.49%	Monthly
79,904,920-1	Transportes de Combustibles Chile Ltda. - Chile	Ch\$	Banco Scotiabank - Chile	-	30	92	125	259	301	122	685	2.22%	2.22%	Monthly
Total finance leases				-	2,951	4,711	12,002	11,173	52,722	7,662	75,897			

As of December 31, 2017				Maturities						Total		Effective rate	Nominal rate	Repayment terms
Chilean ID Number	Debtor name	Currency	Creditor name	Up to 1 month ThUS\$	1 to 3 months ThUS\$	3 to 12 months ThUS\$	1 to 3 years ThUS\$	3 to 5 years ThUS\$	Over 5 years ThUS\$	Current ThUS\$	Non-current ThUS\$			
99,520,000-7	Compañía de Petroleos de Chile Copec S.A. - Chile	Ch\$	Banco Estado - Chile	-	25	75	209	222	1,059	100	1,490	3.22%	3.22%	Monthly
99,520,000-7	Compañía de Petroleos de Chile Copec S.A. - Chile	Ch\$	Banco Credito e Inversiones - Chile	-	15	46	52	-	-	61	52	1.53%	1.53%	Monthly
-	Mapco Express, Inc - USA	US\$	Certegy Check Services/Fis - USA	-	6	19	52	15	92	25	159	2.14%	2.14%	Monthly
-	Mapco Express, Inc - USA	US\$	Giddens, Elmo - USA	-	30	90	90	-	-	120	90	8.81%	8.81%	Monthly
-	Organización Terpel S.A. - Colombia	COP	Bancolombia - Colombia	-	445	1,407	4,128	4,128	418	1,852	8,674	0.87%	0.87%	Monthly
-	Organización Terpel S.A. - Colombia	COP	Vinder SAS - Colombia	-	11	35	120	120	3,941	46	4,181	1.00%	1.00%	Monthly
-	Solgas S.A. - Peru	US\$	Banco Interbank - Peru	-	6	120	-	28	-	126	28	4.75%	4.75%	Monthly
-	Solgas S.A. - Peru	US\$	Banco Interbank - Peru	-	10	133	-	27	-	143	27	6.33%	6.33%	Monthly
-	Solgas S.A. - Peru	US\$	Banco Interbank - Peru	-	24	123	-	36	-	147	36	6.33%	6.33%	Monthly
-	Solgas S.A. - Peru	US\$	Banco Interbank - Peru	-	7	108	-	19	-	115	19	6.30%	6.30%	Monthly
Total finance leases				-	579	2,156	4,651	4,595	5,510	2,735	14,756			

Finance leases

Forestry sector

As of December 31, 2018				Maturities						Total		Effective rate	Nominal rate	Repayment terms
Chilean ID Number	Debtor name	Currency	Creditor name	Up to 1 month ThUS\$	1 to 3 months ThUS\$	3 to 12 months ThUS\$	1 to 3 years ThUS\$	3 to 5 years ThUS\$	Over 5 years ThUS\$	Current ThUS\$	Non-current ThUS\$			
85,805,200-9	Forestal Arauco S.A. - Chile	Ch\$	Banco Santander - Chile	-	148	410	1,198	-	-	558	1,198	-	-	Monthly
85,805,200-9	Forestal Arauco S.A. - Chile	Ch\$	Banco Scotiabank - Chile	-	1,288	3,158	4,736	956	-	4,446	5,692	-	-	Monthly
85,805,200-9	Forestal Arauco S.A. - Chile	Ch\$	Banco Estado - Chile	-	639	1,885	1,978	-	-	2,524	1,978	-	-	Monthly
85,805,200-9	Forestal Arauco S.A. - Chile	Ch\$	Banco de Chile - Chile	-	1,998	8,891	7,236	3,112	-	10,889	10,348	-	-	Monthly
85,805,200-9	Forestal Arauco S.A. - Chile	Ch\$	Banco BBVA - Chile	-	545	273	-	-	-	818	-	-	-	Monthly
85,805,200-9	Forestal Arauco S.A. - Chile	Ch\$	Banco Credito e Inversiones - Chile	-	1,313	5,351	5,794	6,440	-	6,664	12,234	-	-	Monthly
85,805,200-9	Forestal Arauco S.A. - Chile	Ch\$	Banco de Chile - Chile	-	284	690	1,040	-	-	974	1,040	-	-	Monthly
85,805,200-9	Forestal Arauco S.A. - Chile	Ch\$	Banco Credito e Inversiones - Chile	-	679	2,036	2,968	-	-	2,715	2,968	-	-	Monthly
85,805,200-9	Forestal Arauco S.A. - Chile	Ch\$	Banco Scotiabank - Chile	-	371	957	1,346	467	-	1,328	1,813	-	-	Monthly
Total finance leases				-	7,265	23,651	26,296	10,975	-	30,916	37,271			

As of December 31, 2017				Maturities						Total		Effective rate	Nominal rate	Repayment terms
Chilean ID Number	Debtor name	Currency	Creditor name	Up to 1 month ThUS\$	1 to 3 months ThUS\$	3 to 12 months ThUS\$	1 to 3 years ThUS\$	3 to 5 years ThUS\$	Over 5 years ThUS\$	Current ThUS\$	Non-current ThUS\$			
85,805,200-9	Forestal Arauco S.A. - Chile	Ch\$	Banco Santander - Chile	-	168	1,026	1,966	-	-	1,194	1,966	-	-	Monthly
85,805,200-9	Forestal Arauco S.A. - Chile	Ch\$	Banco Scotiabank - Chile	-	1,563	3,772	8,278	1,276	-	5,335	9,554	-	-	Monthly
85,805,200-9	Forestal Arauco S.A. - Chile	Ch\$	Banco Estado - Chile	-	749	2,182	4,636	460	-	2,931	5,096	-	-	Monthly
85,805,200-9	Forestal Arauco S.A. - Chile	Ch\$	Banco de Chile - Chile	-	3,346	13,995	15,772	4,494	-	17,341	20,266	-	-	Monthly
85,805,200-9	Forestal Arauco S.A. - Chile	Ch\$	Banco BBVA - Chile	-	1,151	3,421	894	-	-	4,572	894	-	-	Monthly
85,805,200-9	Forestal Arauco S.A. - Chile	Ch\$	Banco Credito e Inversiones - Chile	-	1,443	5,901	9,712	10,708	-	7,344	20,420	-	-	Monthly
85,805,200-9	Forestal Arauco S.A. - Chile	Ch\$	Banco Santander - Chile	-	50	17	-	-	-	67	-	-	-	Monthly
85,805,200-9	Forestal Arauco S.A. - Chile	Ch\$	Banco de Chile - Chile	-	607	1,547	2,030	246	-	2,154	2,276	-	-	Monthly
85,805,200-9	Forestal Arauco S.A. - Chile	Ch\$	Banco Credito e Inversiones - Chile	-	767	2,301	6,064	358	-	3,068	6,422	-	-	Monthly
85,805,200-9	Forestal Arauco S.A. - Chile	Ch\$	Banco Scotiabank - Chile	-	84	251	668	473	-	335	1,141	-	-	Monthly
Total finance leases				-	9,928	34,413	50,020	18,015	-	44,341	68,035			

Finance leases

Other sectors

As of December 31, 2018				Maturities						Total		Effective rate	Nominal rate	Repayment terms
Chilean ID Number	Debtor name	Currency	Creditor name	Up to 1 month ThUS\$	1 to 3 months ThUS\$	3 to 12 months ThUS\$	1 to 3 years ThUS\$	3 to 5 years ThUS\$	Over 5 years ThUS\$	Current ThUS\$	Non-current ThUS\$			
96,929,960-7	Orizon S.A. - Chile	US\$	Banco Estado - Chile	-	-	199	-	-	-	199	-	-	-	Maturity
Total finance leases				-	-	199	-	-	-	199	-			

As of December 31, 2017				Maturities						Total		Effective rate	Nominal rate	Repayment terms
Chilean ID Number	Debtor name	Currency	Creditor name	Up to 1 month ThUS\$	1 to 3 months ThUS\$	3 to 12 months ThUS\$	1 to 3 years ThUS\$	3 to 5 years ThUS\$	Over 5 years ThUS\$	Current ThUS\$	Non-current ThUS\$			
76,320,907-5	Inversiones Alxar S.A. - Chile	Ch\$	Banco Itáu - Chile	-	-	38	-	-	-	38	-	-	-	Monthly
Total finance leases				-	-	38	-	-	-	38	-			

The aforementioned maturities include interest to be paid in each period.

Changes in obligations from financing activities were as follows:

	Opening balance 01.01.2018 ThUS\$	Flow			Interest Accrued ThUS\$	Indexation Exchange dif. ThUS\$	Others ThUS\$	Closing balance 12.31.2018 ThUS\$
		Loans Obtained ThUS\$	Loans Repaid ThUS\$	Interest Paid ThUS\$				
Bank loans	2,026,603	2,393,849	(1,970,751)	(124,061)	104,027	(2,525)	(37,149)	2,389,993
Finance leases	136,456	0	(391)	(15)	1,855	0	18,198	156,103
Hedge liabilities	41,474	0	0	(21,241)	507	(585)	56,238	76,393
Bonds and promissory notes	4,390,836	750,273	(110,319)	(166,864)	202,089	(167,217)	(56,220)	4,842,578
Total	6,595,369	3,144,122	(2,081,461)	(312,181)	308,478	(170,327)	(18,933)	7,465,067

	Opening balance 01.01.2017 ThUS\$	Flow			Interest Accrued ThUS\$	Indexation Exchange dif. ThUS\$	Others ThUS\$	Closing balance 12.31.2017 ThUS\$
		Loans Obtained ThUS\$	Loans Repaid ThUS\$	Interest Paid ThUS\$				
Bank loans	1,913,092	892,502	(876,636)	0	70,216	(45,423)	72,852	2,026,603
Finance leases	138,921	43,648	(39,149)	0	1,445	266	(8,675)	136,456
Hedge liabilities	126,646	0	(19,059)	0	24	0	(66,137)	41,474
Bonds and promissory notes	4,470,838	891,205	(1,415,573)	0	269,850	183,991	(9,475)	4,390,836
Total	6,649,497	1,827,355	(2,350,417)	0	341,535	138,834	(11,435)	6,595,369

The Parent Company Empresas Copec S.A. and the affiliates Celulosa Arauco y Constitución S.A. and Compañía de Petróleos de Chile Copec S.A. hold 91.7% of the Company's consolidated financial borrowing, which is as follows:

	Amortized Cost		Fair Value	
	12.31.2018 ThUS\$	12.31.2017 ThUS\$	12.31.2018 ThUS\$	12.31.2017 ThUS\$
Bonds issued in US dollars	2,061,637	2,052,666	1,948,594	2,322,103
Bonds issued in UF	2,040,575	1,856,707	2,237,439	1,962,387
Bonds issued in COP	643,931	370,718	643,931	370,718
Bonds issued in Ch\$	96,435	110,745	96,435	110,745
Bank loans in dollars	2,008,708	1,674,363	1,937,396	1,633,548
Bank loans in other currencies	381,285	352,235	381,953	352,634
Finance leases	156,103	136,456	151,357	131,722
Creditors and other payables	1,488,163	1,554,713	1,488,163	1,346,216

The Parent Company and the affiliates Celulosa Arauco y Constitución S.A. and Compañía de Petróleos de Chile Copec S.A. are subject to the following financial restrictions:

Instrument	Amount as of 12.31.2018 ThUS\$	Amount as of 12.31.2017 ThUS\$	Interest coverage ≥ 2.0x	Borrowing ratio 1 ≤ 1.2x
Local bonds	2,137,010	1,967,452	N/A	√
Foreign bonds	2,705,568	2,423,384	Safeguards are not required	
Syndicated loan (1)	200,563	199,597	√	√
Banco Estado Syndicated Loan - Grayling (2)	287,565	130,953	√	√
Syndicated loan (3)	855,382	592,786	√	√

N/A: Does not apply to the instrument

(1) Borrowing ratio (financial debt divided by equity plus non- controlling interests)

The current risk ratings of the Group's debt instruments are the following:

Instrument	Standard & Poor's	Fitch Ratings	Moody's	Feller Rate	ICR
Empresas Copec					
Local bonds	-	AA-	-	AA-	-
Arauco					
Local bonds	-	AA-	-	AA	-
Foreign bonds	BBB-	BBB	Baa3	-	-
Organización Terpel					
Local bonds	-	AAA	-	-	-
Sonacol					
Local bonds	-	-	-	AA	AA+

Syndicated loans

- (1) The affiliate Celulosa Arauco y Constitución S.A. received a 3 year syndicated loan on June 25, 2013. On September 28, 2015 it was extended to September 27, 2018 and was renovated for a further 5 years to September 27, 2023. The value of the syndicated loan was ThUS\$ 200,563 as of December 31, 2018. It was agreed with The Bank of Nova Scotia (administrative agent and lead arranger), Banco del Estado of Chile - New York Branch and Sumitomo Mitsui Banking Corporation.
- (2) A 7 year loan disbursed over 2 years with repayments beginning in the fifth year was arranged through the North American affiliate of Arauco, Flakeboard America Limited on April 28, 2017. The value of the loan was ThUS\$ 287,565 as of December 31, 2018. It was agreed with The Bank of Nova Scotia (lead arranger), Banco del Estado of Chile - New York Branch (administrative agent) and Export Development Canada.
- (3) Compañía de Petróleos de Chile Copec S.A. and affiliates have international syndicated loans that mainly finance the acquisition of companies owned by Mobil Petroleum Overseas Company Ltd. and ExxonMobil Ecuador Holding B.V. The value of these syndicated loans was ThUS\$855,382 as of December 31, 2018 which mostly includes:
 - Financing signed on March 13, 2018 with The Bank of Nova Scotia and Export Development Canada for MUS\$150, with bullet maturity in March 2023, and interest at 180 day Libor plus spread;
 - and, the renewal of an international loan with The Bank of Tokyo Mitsubishi UFJ, Ltd. on November 26, 2018 for MUS\$500, with bullet maturity in November 2023, and interest at 90-day Libor plus spread.

Financial obligations and safeguards

The consolidated financial debt totals ThUS\$8,876,837 as of December 31, 2018. The group affiliates must comply with the following indicators:

i) Celulosa Arauco y Constitución S.A.

Debt over consolidated equity as of December 31, 2018
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	ThUS\$
Consolidated debt	
+ Short-term debt	535,836
+ Long-term debt	3,974,440
= Total Debt	4,510,276
Consolidated equity	7,301,779
Debt over consolidated equity	0.62
Limit	1.2

Interest Coverage Ratio for the period as of December 31, 2018

	ThUS\$
Consolidated EBITDA	
+ Net Income (loss)	726,759
+ Financial costs (including capitalized interest)	
Financial costs reflected in the income statement	214,779
Capitalized Interest	16,469
- Financial income	(20,895)
+ Income tax expense	226,765
+ Depreciation and amortization	407,422
- Gain on changes in the fair value of biological assets	(84,476)
+ Harvested crop cost at fair value	319,448
- Other	34,264
- Exchange differences	26,470
= Consolidated EBITDA	1,867,005
Consolidated interest expense	
+ Financial costs (including capitalized interest)	231,248
- Financial income	(20,895)
= Net consolidated Interest expense	210,353
Interest coverage ratio	8.88
Minimum interest coverage ratio	2.0

ii) **Compañía de Petróleos de Chile Copec S.A.**

Debt over consolidated equity as of December 31, 2018	
Total Debt	MCh\$
All obligations on borrowed funds	1,106,172
+ Bond obligations	
+ Notes or similar instruments	
+ Debt guarantees from third parties	
+ Finance lease obligations	
+ Securitization of amounts that appear as financial debt	
+ Debt with Empresas Copec	285,190
- Cash and cash equivalents	(217,044)
- Hedging financial assets, financial liabilities offset by hedges included in financial liabilities	(43,964)
= Total Debt	1,130,354
Equity including increase (decrease) in goodwill	1,301,423
Debt / Equity	0.87
Limit	1.4

Interest Coverage Ratio for the period as of December 31, 2018	
EBITDA	MCh\$
+ Gross margin	901,170
+ Distribution costs	(352,137)
+ Administrative costs	(246,951)
+ Depreciation	76,008
+ Amortization	51,358
+ Dividends received from non-consolidated affiliates	11,409
= EBITDA	440,857
Interest expense	
+ Financial costs	77,025
- Financial income	(6,868)
Net interest expense	70,157
Interest coverage ratio	6.28
Minimum interest coverage ratio	2.0

iii) **Empresas Copec S.A.**

Debt over consolidated equity as of December 31, 2018	
	ThUS\$
Consolidated financial debt	
+ Other financial liabilities, current	1,144,023
+ Other financial liabilities, non-current	6,321,044
= Total consolidated financial debt	7,465,067
Cash on hand	
+ Cash and cash equivalents	1,713,803
+ Other financial assets, current	219,843
- Derivative financial instruments:	
Forwards	(10,680)
Swaps	(203)
= Total Cash	1,922,763
Net Debt	5,542,304
Consolidated equity	
+ Non-controlling interests	484,771
+ Equity attributable to owners of the parent company	10,709,129
= Consolidated Equity	11,193,900
Borrowing ratio	0.50
Limit	1.2
Consolidated net tangible assets as of December 31, 2018	
	ThUS\$
+ Total issuer's assets	23,487,275
- Intangible assets other than goodwill	(1,047,549)
- Goodwill	(432,729)
- Total current liabilities	(3,410,307)
+ Current portion of long-term obligations with banks and financial institutions	459,904
+ Current portion of bond obligations	306,554
Total Consolidated Net Tangible Assets	19,363,148

In addition to the financial restrictions mentioned above, some loans have restrictions on liens and dividends.

Consolidated Net Tangibles Assets

In accordance with the provisions of Chapter VIII, Clause Twenty Five of the bond issue contracts between Empresas Copec S.A. and Banco Santander Chile, agreed on November 2, 2009, under Registries 21,222-2009 and 21,123-2009, as amended, and in accordance with the provisions of Chapter VII, Clause Twenty Four of the bond issue contracts between Empresas Copec S.A. and Banco Santander Chile, agreed on September 9, 2014, under Registries 28,648-2014 and 28,649-2014, as amended, we report that as of December 31, 2018, the concepts identified in subsections /a/ and /b/ of the definition of consolidated net tangible assets were ThUS\$ 473,907 and ThUS\$ 297,671, respectively (ThUS\$ 470,827 and ThUS\$ 76,730 as of December 31, 2017). In accordance with the provisions of Chapter III, Clause Ten of the contracts in Registries 21,122-2009 and 21,123-2009, and the provisions of Chapter III, Clause Nine of the contracts in Registries 28,648-2009 and 21,649-2009, we report that as of December 31, 2018 and 2017 Empresas Copec S.A. has complied with its obligations under these contracts, in particular with regard to the financial indicator defined in subsection /c/ of these clauses.

The calculation of the indebtedness ratio is as follows:

	12.31.2018 ThUS\$	12.31.2017 ThUS\$
Total consolidated financial debt	7,465,067	6,649,497
Total Cash	1,922,763	1,467,355
(A) Net debt (Total financial debt - Total cash)	5,542,304	5,182,142
(B) Consolidated equity	11,193,900	10,485,500
Borrowing ratio = (A) / (B)	0.50	0.49
Limit allowed	1.20	1.20

3.5 Other Financial Liabilities at Fair Value Through Profit And Loss

The Group has the following financial liabilities at fair value through profit and loss:

	12.31.2018 ThUS\$	12.31.2017 ThUS\$
Swap	75,313	22,294
Forwards	1,080	19,180
Total	76,393	41,474

Financial liabilities at fair value through profit and loss include both liabilities designated as such upon initial recognition and liabilities classified as tradable. Tradable liabilities and derivatives that are financial liabilities are valued at fair value. Gains and losses are recorded in the statement of net income.

This liability is included under "Current and non-current other financial liabilities".

3.6 Fair Value Hierarchy

The financial assets and liabilities that have been accounted for at fair value in the Consolidated Statement of Financial Position as of December 31, 2018 have been measured on the basis of the methods outlined in IFRS 13. These methods have been applied to each class of financial instruments and are classified by hierarchy as follows:

- Level I: Values or prices in active markets for identical assets and liabilities.
- Level II: Information from sources other than the market prices in Level I, but observable in the market for those assets and liabilities, whether directly (prices) or indirectly (obtained on the basis of prices).
- Level III: Information on assets or liabilities that is not based on observable market data.

	Fair Value	Measurement Methodology		
	December 2018 ThUS\$	Level I ThUS\$	Level II ThUS\$	Level III ThUS\$
Financial assets at fair value				
Investment Swap (asset)	76,184	0	76,184	0
Forwards	11,615	0	11,615	0
Mutual funds	553,912	553,912	0	0
Other financial assets at fair value	23,083	23,083	0	0
Fixed income instruments	191,054	191,054	0	0
Financial liabilities at fair value				
Investment Swap (liability)	75,313	0	75,313	0
Forward (liability)	1,080	0	1,080	0
Other financial liabilities at fair value	0	0	0	0

	Fair Value	Measurement Methodology		
	December 2017 ThUS\$	Level I ThUS\$	Level II ThUS\$	Level III ThUS\$
Financial assets at fair value				
Investment Swap (asset)	83,974	0	83,974	0
Forwards	5,833	0	5,833	0
Mutual funds	278,102	278,102	0	0
Warranty contribution	0	0	0	0
Other financial assets at fair value	61,455	61,455	0	0
Fixed income instruments	127,361	127,361	0	0
Financial liabilities at fair value				
Investment Swap (liability)	22,294	0	22,294	0
Forward (liability)	19,180	0	19,180	0
Other financial liabilities at fair value	0	0	0	0

3.7 Hedging Financial Instruments

Hedging financial instruments are cash flow hedges and are recorded in Other non-current financial assets and Other non-current financial liabilities depending on whether they are assets or liabilities.

The Parent Company, Empresas Copec, receives dividends from its fuel affiliates in Chilean pesos; however, it pays its shareholders dividends in US dollars (which are translated into Chilean pesos at the exchange rate prevailing 5 working days before the payment date). The Company mitigates this potential mismatching by entering into hedges through forward contracts with financial institutions. All the amounts receivable from its fuel affiliates as of December 31, 2018, with regard to dividends payable in May 2019 are hedged.

As of December 31, 2018 the market value of all the forwards expressed in US dollars at the exchange rate prevailing on the reporting date is ThUS\$ 3,988.

The affiliate Arauco is exposed to the risk of changes in the exchange rate of the US dollar in order to meet its bond obligations denominated in other currencies, such as bonds issued in indexed Chilean pesos (UF).

Arauco mitigates this exchange rate risk by contracting cross currency swaps for the F, J, P, R, Q, S, W and X series, with a market value of ThUS\$51,217 as of December 31, 2018.

Given that the affiliate Celulosa Arauco y Constitución S.A. has a high percentage of its assets in US dollars and obligations in indexed Chilean pesos, it needs to minimize its exchange rate risk. The purpose of this swap position is to eliminate uncertainty related to the exchange rate by exchanging flows from obligations in indexed Chilean pesos from the bonds described above for flows in US dollars (Arauco's functional currency) at a fixed exchange rate determined at the contract's date of execution.

These hedge instruments can be classified as highly effective under hedge effectiveness testing in accordance with IFRS 9, and within an acceptable range for Arauco in order to eliminate exchange rate risks for commitments related to hedges.

Compañía de Petróleos de Chile Copec S.A. and its affiliates comply with its risk management policy by taking out derivative contracts on interest rates and exchange rates, and classifies its hedges as:

- Cash flow hedges: Those that hedge the cash flows of the hedged underlying item.
- Fair values hedges: Those that hedge the fair value of the hedged underlying item.
- Non hedge derivatives: Financial derivatives that do not meet the requirements established by IFRS to be designated as hedge instruments. They are recorded at fair value through profit and loss (assets held for sale).

The financial derivative contracts held by Copec S.A. as of December 31, 2018 and 2017 are as follows:

Financial derivatives	December 31, 2018	
	Fair value ThUS\$	Notional value ThUS\$
Interest rate hedges	(3,160)	0
Exchange rate hedges	56,585	400,000
Derivatives not treated as hedges	5,970	420,806
Total	59,395	820,806

Financial derivatives	December 31, 2017	
	Fair value ThUS\$	Notional value ThUS\$
Interest rate hedges	(17,038)	0
Exchange rate hedges	16,912	1,052,001
Derivatives not treated as hedges	(1,952)	328,253
Total	(2,078)	1,380,254

NOTE 4. FINANCIAL RISK MANAGEMENT

- Financial risk factors:

The Group has businesses in various sectors related to natural resources and energy that operate through its affiliates and associates. The relevant risk factors vary depending on the type of business. Accordingly, the Management of each of the affiliates carries out its own risk management in collaboration with their respective business units.

The most important affiliates are Celulosa Arauco y Constitución S.A., with activities in the forestry sector, and Compañía de Petróleos de Chile Copec S.A., with activities in the fuel sector. Together these two companies represent approximately 86% of the Group's consolidated assets, 90.6% of EBITDA. Additionally, they represent around 94 % of receivables and 86% of bonds and long-term financial borrowing. Together with the Parent Company, they represent 93% of consolidated placements.

Therefore, a significant portion of the risks faced by the Group lie within these three units. The specific risks that affect each unit are analyzed below.

a) Risks associated with Empresas Copec S.A., the Parent Company

The risks of the Parent Company are fundamentally associated with its financial placements. These are exposed to a several risks, including interest rate risk and exchange rate risk and credit risk. Management provides written policies for the management of investments that establish the objectives of obtaining the maximum return for acceptable levels of risk, maintaining sufficient liquidity, and limiting exposure to the different types of risk. These policies identify the instruments that are allowed, and they establish limits by type of instrument, issuer and risk rating. In addition, they determine investment controls and procedures.

Risk management is managed by the investment department, which complies with the policies approved by Management, and has assistance from external experts. Part of the investment portfolio is managed by reputable managers, chosen in competitive processes under strict policies of diversification and limits to types of instrument, credit ratings, currencies and other criteria. These managers are in turn monitored by the Company's investment department and are subject to regular internal and external audits.

The financial instruments held by the Company have been categorized as cash or financial assets at fair value through profit and loss, as these instruments can be sold in the short term.

i) Interest rate risk

The assets affected by this risk are the financial placements held by the Parent Company, which, in accordance with the investment policy, primarily consist of fixed-income instruments in the form of deposits, bonds, mortgage bonds and other similar items, as well as fixed-income mutual funds. The duration is used as a measurement of the sensitivity of the portfolio's value in the face of changes in market interest rates. Given that the market value of such instruments varies according to changes in interest rates, a limit on the aggregate duration of the portfolio has been set at two years. Currently, the aggregate portfolio has duration of 0.82 years.

The Parent Company has placed bonds in the local market, specifically the BECOP-C, BECOP-E, BECOP-G, BECOP-H, BECOP-I and BECOP- K. series. All of these bonds have been issued at fixed rates, thus mitigating the risk of movements in interest rates.

The table below shows the possible effects on pre-tax income of changes in the value of the Company's investment portfolio as a result of changes in interest rates:

Aggregate term (years)		0.82
Total portfolio value (US\$)		395,019,517
Interest rate sensitivity analysis		
Change in Rate	Change in Value	Total portfolio value
%	US\$	US\$
2.0%	(6,478,320)	388,541,197
1.0%	(3,239,160)	391,780,357
0.5%	(1,619,580)	393,399,937
-0.5%	1,619,580	396,639,097
-1.0%	3,239,160	398,258,677
-2.0%	6,478,320	401,497,837

ii) Exchange rate risk

As part of its investment policy, the Parent Company is authorized to make placements in U.S. dollars and Chilean pesos in order to address possible cash requirements in these currencies, which would result from the needs of certain affiliates and associates, as well as new potential businesses in which the Parent Company may wish to participate. Such resources can be invested in local or international mutual funds, time deposits under third-party management, through a specific mandate.

Variations in the exchange rate affect the value of peso-denominated instruments when expressing them in US dollars. A depreciation of the Chilean peso would have a negative effect when expressing peso-denominated investments in US dollars, whereas an appreciation of the peso would have a positive effect

To date, approximately 70.5% of the aggregate portfolio is denominated in US dollars and 29.5% in Chilean pesos and UF. The Company's objective is to achieve a portfolio with approximately 50-80% in US dollars, in accordance with the forecasted use for its investments.

A table showing the possible effects on pre-tax income of changes in the value of the investment portfolio (measured in US dollars), as a result of fluctuations in the exchange rate, is presented below:

Percentage of portfolio in Chilean pesos			29.5%
Total portfolio value (US\$)			395,019,517
Exchange rate sensitivity analysis			
	Change in Rate	Change in Value	Total portfolio value
	%	US\$	US\$
Depreciation	10.0%	(11,658,312)	383,361,206
	5.0%	(5,829,156)	389,190,361
Appreciation \$	-5.0%	5,829,156	400,848,674
	-10.0%	11,658,312	406,677,829

Additionally, the Company consolidates affiliates that perform their accounting in Chilean pesos, which is the case for Compañía de Petróleos de Chile Copec S.A., Abastible S.A., Inmobiliaria Las Salinas Limitada and Sociedad Nacional de Oleoductos S.A., which record their financial information as described in Note 2.4 (c). The consolidated net income of Empresas Copec S.A. can be affected by movements in the exchange rate when the peso-denominated results of these affiliates are converted to US dollars. Likewise, affiliates such as Celulosa Arauco y Constitución S.A. and the affiliates in the fishing sector are also affected by movements in the exchange rate, as a portion of their operating costs are denominated in pesos.

The Parent Company has placed bonds in the local market from the C, E, G, H, I and K series. Although the nominal currency of these liabilities is mostly UF and differs from the US dollar, which is the Parent Company's functional currency, these bonds have been transferred to the fuels sector affiliates, whose functional currency is the Chilean peso, to eliminate consolidated exposure to this exchange risk. This transfer also eliminates all liquidity risk at the Parent level.

iii) Credit risk

The financial placements held by the Parent Company consist predominantly of fixed-income instruments. In accordance with the investment policy, limits per issuer and limits on the categories of instrument have been established, depending on the risk rating of such issuers. In this regard, risk ratings must be issued by recognized local or international rating agencies.

The main counterparties as of December 31, 2018 and 2017 are detailed as follows:

Main counterparties	12.31.2018		12.31.2017	
	%	Value US\$	%	Value US\$
BCI Mutual Funds	10.10%	39,459,194	0.00%	0
Banco ItauCorp	9.20%	36,224,030	8.80%	36,664,290
Banco Estado	7.90%	31,378,593	1.70%	7,030,586
JP Morgan NY	7.60%	30,193,387	5.70%	23,592,782
Santander Mutual Funds	5.90%	23,427,240	5.50%	23,102,168
Banco Scotiabank	5.80%	23,007,730	3.90%	16,242,243
Banchile Mutual Funds	5.10%	19,961,488	0.00%	0
Banco BCI	5.10%	20,200,554	9.90%	41,452,699
Bice Mutual Funds	4.50%	17,900,819	3.10%	12,958,812
Scotiabank Mutual Funds	4.30%	17,008,973	1.10%	4,589,843
Banco Chile	3.80%	14,825,144	3.50%	14,625,381
Banco Security	3.60%	14,237,952	5.90%	24,530,786
The US Treasury	3.00%	11,971,035	0.00%	0
Santander Mutual Funds	2.20%	8,641,115	1.80%	7,507,710
Citibank New York	1.10%	4,479,446	0.00%	0
Banco Santander	0.40%	1,627,579	12.10%	50,358,283
BTG Pactual Mutual Funds	0.40%	1,606,354	0.00%	0
BBVA New York	0.00%	0	3.20%	13,447,644
Banco Bice	0.00%	0	1.00%	4,276,005
Banco BBVA	0.00%	0	5.70%	23,918,389
ENAP	0.00%	0	2.10%	8,829,947
CMPC	0.00%	0	1.20%	4,932,100
Celulosa Arauco y Constitución	0.00%	0	1.10%	4,643,379
BTG Pactual Mutual Funds	0.00%	0	1.10%	4,520,958
SQM	0.00%	0	1.00%	4,366,408
CODELCO	0.00%	0	0.90%	3,709,464
Celfin Capital Mutual Funds	0.00%	0	0.00%	0
Others	20.00%	78,868,886	19.70%	82,207,772
Total	100.00%	395,019,519	100.00%	417,507,649

b) Risks associated with Celulosa Arauco y Constitución S.A. (forestry sector)

The affiliate's financial assets are exposed to a number of financial risks: credit risk, liquidity risk and market risk (including exchange rate risk, interest rate risk and price risk).

The global risk management program considers uncertainty in the financial markets and tries to minimize the potential adverse effects on financial yields.

Financial risk management is administered by the Corporate Finance department. This department identifies, evaluates and hedges financial risks in close collaboration with the operating units. The Company does not actively participate in the trading of its financial assets for speculative purposes.

i) Credit risk

Credit risk refers to financial uncertainty over several periods of time, in relation to the fulfillment of obligations subscribed by counterparties at the point in time when contractual rights to receive cash or other financial assets are exercised.

Arauco's exposure to credit risk is directly related to the individual ability of its customers to fulfill their contractual commitments and is reflected in trade receivables, leasing receivables and miscellaneous receivables. Credit risk also arises for assets that are held by third parties such as deposits, covenants and mutual funds.

Arauco has insurance policies that minimize the credit risk on term sales (Open Account) in accordance with its policy that cover the export sales of Celulosa Arauco y Constitución S.A., Maderas Arauco S.A., Forestal Arauco S.A., and Arauco do Brasil S.A., and for the local sales of Arauco México S.A. de C.V., Arauco Wood Inc., Arauco Colombia S.A., Arauco Perú S.A., Arauco Panels USA LLC, Flakeboard Company Ltd., Flakeboard America Ltd., Celulosa Arauco y Constitución S.A., Maderas Arauco S.A., Arauco Florestal Arapoti, Arauco Forest Brasil S.A., Arauco do Brasil S.A. Arauco Industria de Paiméis Ltda. and Arauco Nutrientes S.P.A. Arauco uses the credit insurance company Euler Hermes World Agency (AA3 rating according to the risk-rating company Moody's and AA according to S&P), with 90% coverage of each invoice with no deductible for nominated customers, and 90% for discretionary customers. Discretionary customers have been granted credit lines less than ThUS\$100 (in the equivalent of the invoicing currency) in local sales for Arauco Perú S.A., Arauco Colombia S.A., Arauco México S.A. de C.V., Arauco Do Brasil S.A., Arauco Argentina S.A. and Maderas Arauco S.A. Nominated customers have been granted credit lines over this value.

In order to support a line of credit approved by the Credit Committee, Arauco has guarantees such as mortgages, pledges, stand-by letters of credit, bank guarantees, checks, promissory notes, loans and other similar items that could be enforced in accordance with the legislation of each country. The debt covered by these guarantees amounts to US\$ 58.94 million as of December 31, 2018. The guarantee procedure is regulated by the guarantee policy, the purpose of which is to control the accounting, expiration and valuation of guarantees.

The Credit and Collections area reports to the Treasury department and is responsible for minimizing the credit risk of accounts receivable. This area monitors overdue accounts and approves or denies credit limits for all term sales. The standards and procedures for the proper control and management of the risk of sales on credit are governed by the Credit Policy.

A procedure for the approval and modification of customer lines of credit has been established and must be followed by all companies belonging to the Arauco group. Requests for lines of credit are entered into a Credit Evaluation model, where all available information is analyzed, including the amount of the line granted by the credit insurance company. Subsequently, these requests are approved or denied by the internal committees of each of the companies belonging to the Arauco group, according to the maximum amount authorized by the Credit Policy. If the line of credit exceeds that amount, it is analyzed by the Corporate Committee. Credit lines are renewed annually through this internal process.

As of December 31, 2018, Arauco's trade receivables totaled ThUS\$ 763,730, of which 50.36% were sales on credit, 48.74% were sales with letters of credit, and 0.91% were other sales. These receivables covered 2,265 customers. The customer with the greatest debt represented 3.98% of total accounts receivable as of that date.

Arauco has not entered into any refinancing or renegotiations with its customers, which involve amendments to invoice due dates. Any renegotiation of debt with a customer, if necessary, will be analyzed on a case by case basis and approved by the Corporate Finance Department.

Sales on credit (Open Account) covered by various insurance policies and guarantees amount to 93.4% of the total, consequently Arauco's portfolio exposure amounts to 6.6%.

Sales with letters of credit are mainly to the Asian and Middle East markets. A credit evaluation of the banks that issue credit letters is regularly performed, in order to obtain their rating by the main risk rating agencies, their ranking at country and global levels, and their financial situation for the past five years. Depending on the result of this evaluation, the issuing bank is either approved or a confirmation of the letter of credit is requested.

All sales are controlled using a credit verification system, the parameters of which have been defined to block orders from customers that have a certain percentage of overdue payments or whose line of credit has been exceeded or expired at the time the product would be shipped.

Debtors by net sales per range as of December 31, 2018 and 2017 respectively were as follows:

December 31, 2018

Days	Not Overdue	1-30	31-60	61-90	91-120	121-150	151-180	181-210	211-250	Over 250	Total
ThUS\$	688,024	59,844	854	36	111	43	141	127	69	14,481	763,730
%	90.09%	7.84%	0.11%	0.00%	0.01%	0.01%	0.02%	0.02%	0.01%	1.89%	100.00%

December 31, 2017

Days	Not Overdue	1-30	31-60	61-90	91-120	121-150	151-180	181-210	211-250	Over 250	Total
ThUS\$	664,202	39,459	551	955	50	34	2,238	56	97	12,311	719,953
%	92.26%	5.48%	0.08%	0.13%	0.01%	0.00%	0.31%	0.01%	0.01%	1.71%	100.00%

Arauco has implemented a Guarantee Policy in order to control accounting, valuation and expiration dates of guarantees received, and a Corporate Credit Policy.

Regarding the credit risk of time deposits, repurchase agreements and mutual funds, Arauco has in place a policy that minimizes this risk through guidelines for managing cash flow surpluses in low-risk institutions.

Investment policy:

The affiliate Arauco has a placement policy that identifies and limits the financial instruments and the entities in which the companies, in particular Celulosa Arauco y Constitución S.A., are authorized to invest.

Treasury management is handled centrally in Chile. The Parent Company invests, deposits surplus cash, and arranges short and long-term borrowing from banks, financial institutions and the public. The exception to this rule occurs in short and long-term debt subscriptions for specific transactions that must be carried out through other companies, in which case the express authorization of the Corporate Manager at Arauco is required.

Investments are restricted to fixed income instruments with appropriate liquidity. Each type of instrument has a rating and certain limits apply depending on its duration and issuer.

Intermediaries (banks, stockbrokers and mutual funds agencies, and these latter two must be affiliates of banks) are subject to a process that evaluates the relative degree of risk of each bank or financial institution in terms of its financial statements and securities. Each institution is assigned a score, which ultimately determines a relative risk ranking that Arauco uses to define the investment limits for each institution.

The background information that is necessary to evaluate these various criteria is obtained from the official financial statements of the banks and from the rating of their current short and long-term debt securities, as defined by the supervisory organization (Superintendence of Banks and Financial Institutions) and assigned by the risk rating agencies authorized by this organization, which in this case are Fitch Ratings Chile, Humphreys and Feller Rate.

Any exceptions that may be necessary, mainly in relation to the investment limits in a particular instrument or entity, must be expressly authorized by the Chief Financial Officer at Arauco.

ii) Liquidity risk

Liquidity risk is the ability to meet payment obligations as they fall due. The exposure to liquidity risk affects obligations with the public, banks and financial institutions, creditors and other accounts payable, and it is related to the ability to meet net cash requirements under both normal and exceptional conditions.

The Finance department constantly monitors the Company's cash projections on the basis of short and long-term forecasts, as well as forecasts of alternative financing options available. The Company has an investment policy, in order to control the risk exposure within available financial assets.

The capital committed under each of the main financial liabilities subject to liquidity risk is detailed in the table below and grouped by maturity date:

(In thousands of US dollars)	December 2018					
	0 - 1 month	1 - 3 month	3 months to 1 year	1 - 5 years	Over 5 years	Total
Maturity						
Finance leases	0	7,265	23,651	37,271	0	68,187
Bank loans	0	84,778	130,271	616,932	203,906	1,035,887
Bonds issued in UF and US	0	27,802	262,069	1,272,907	2,428,202	3,990,980
Total	0	119,845	415,991	1,927,110	2,632,108	5,095,054

(In thousands of US dollars)	December 2017					
	0 - 1 month	1 - 3 month	3 months to 1 year	1 - 5 years	Over 5 years	Total
Maturity						
Finance leases	0	9,928	34,413	68,035	0	112,376
Bank loans	0	110,700	282,172	366,211	145,563	904,646
Bonds issued in UF and US	0	28,012	34,982	1,538,598	3,077,733	4,679,325
Total	0	148,640	351,567	1,972,844	3,223,296	5,696,347

iii) Market risk- exchange rate

This risk arises from the likelihood of losses from changes in the exchange rates of the currencies in which the assets and liabilities of Arauco are denominated other than its functional currency.

The affiliate Arauco is exposed to the risk of changes in the exchange rate of the US dollar (functional currency) with respect to sales, purchases and obligations that are denominated in other currencies, such as the Chilean peso, Euro, Real or others. The Chilean peso is the currency with the greatest risk in the event of a significant exchange rate fluctuation.

Sensitivity analyses are performed to determine the effect of this variable on equity and net income for the business.

The sensitivity analysis assumes a variation of + / - 10% in the closing exchange rate to the Chilean peso. Keeping all other variables constant, a US dollar exchange rate variation of +/- 10% in relation to the Chilean Peso would mean a change in the net income after tax of +/- 2.14% (equivalent to +/- MUS\$ 15.5), and a change in equity of +/- 0.13% (equivalent to +/- MUS\$ 9.3).

Additionally, sensitivity analysis was performed that assumes a variation of +/- 10% in the closing exchange rate to the Brazilian real. Keeping all other variables constant, a US dollar exchange rate variation of +/- 10% in relation to the Brazilian real would mean a change in the net income after tax of +/- 0.008% (equivalent to +/- MUS\$ 0.056), and a change in equity of +/- 0.0008% (equivalent to +/- MUS\$ 0.056).

iv) Market risk – interest rate

Interest rate risk refers to the sensitivity of the value of financial assets and liabilities to changes in interest rates.

The affiliate Arauco is also exposed to the risk of changes in the interest rate of obligations to the public, banks and financial institutions and variable-rate interest-bearing financial instruments.

The affiliate Arauco performs a risk analysis by reviewing the exposure to changes in the interest rate. As of December 31, 2018, 15.6% of bonds and loans with banks accrue interest at a variable rate. Therefore, a change of +/- 10% in the interest rate would have an effect of +/- 0.25% on net income after tax (equivalent to +/- MUS\$ 1.8) and a change in equity of +/- 0.01% (equivalent to +/- MUS\$ 1.1).

v) Market risk – Wood pulp price

The price of wood pulp is determined by the world market and by conditions in the regional market. Prices fluctuate as a function of demand, production capacity, business strategies adopted by large forestry companies and pulp and paper producers, and the availability of substitutes.

The prices of wood pulp are reflected in the operating revenues in the statement of income and directly affect net income for the period.

As of December 31, 2018, operating revenues from the sale of wood pulp represented about 51.1% of total revenues. Forward contracts and other financial instruments are not used for wood pulp sales; instead, the price is set on a monthly basis according to the market.

This risk is handled in a number of ways. Arauco has a specialized team that performs regular analyses of the market and the competition, providing tools to evaluate trends and adjust forecasts accordingly. Similarly, financial sensitivity analyses on variable prices enable the company to take the necessary precautions to better face different situations. Additionally, Arauco mitigates the risk of pulp prices by maintaining a strategy of low-cost production, allowing it to deal with possible price fluctuations in economic cycles.

The sensitivity analysis assumes a variation of + / - 10% in the average price of cellulose. If all other variables remain constant, a change of +/- 10% in the average price of wood pulp would result in a change of +/- 29.69% in net income before tax (equivalent to +/- MUS\$ 215.7) and +/- 1.76% in equity (equivalent to +/- MUS\$ 129.4).

The changes shown in the reported sensitivity analysis for exchange rates, interest rates and cellulose prices, are fluctuation ranges that are considered possible given current market conditions.

c) Risks associated with Compañía de Petróleos de Chile Copec S.A. (fuel sector)

The business at Copec S.A. and its affiliates is exposed to a number of financial risks, specifically market risk, credit risk, interest rate risk, liquidity risk and investment in foreign assets risk, with Copec S.A., its Colombian affiliate Organización Terpel S.A. and the US affiliate Mapco as the companies most exposed to these risks.. Risk management at these companies is based on the diversification of the business and of customers, the financial evaluation of customers, and the use of derivative instruments when required.

Risk management at Copec S.A is administered by the Finance department in accordance with the guidelines issued by the Company's general management and Board of Directors. Risk management at Organización Terpel S.A. is performed at similar hierarchical levels. Specifically, the Board of Directors is responsible for establishing and supervising the risk management structure and Management at the affiliate ensures compliance with its standards and procedures. Financial risk management at Mapco is carried out by the Finance and Administration Department. In addition, the Board is responsible for establishing and supervising the risk management structure and management at the affiliate ensures compliance with its standards and procedures. Then in all three cases, financial risks are identified, assessed and covered jointly by the financial, operating and commercial departments in each company.

An analysis of each risk is presented separately.

i) Exchange rate risk

Copec S.A.

The primary market risk facing the company is the exchange rate risk (Chilean peso/U.S. dollar) resulting from fuel import transactions on the Chilean market and export transactions, both of which are very-short-term operations.

Management has established a policy of managing the risk of exchange rates between foreign and local currency, in order to minimize the net exposure in foreign currency. The Company's Finance department achieves this using forward contracts with local financial entities. These contracts have very short terms: less than 30 days for fuel import hedges and around 30 days for export transactions.

The exchange rate risk of financial investments in foreign currency is not managed, as these are operating positions of one or two days.

Meanwhile, the Company has international loans of MUS\$650, of which MUS\$500 have a bullet structure, interest is paid quarterly and will mature in November 2023. MUS\$400 of the notional amount and interest on this loan is covered by cross-currency swap agreements, which secures the debt in CLP, and MUS\$100 is secured with forward exchange contracts on the notional amount. The remaining MUS\$150 has a bullet structure with interest paid every six months at variable rates (Libor) and will mature in March 2023. Both the notional amount and interest are not covered with hedging instruments, because the debt is used to finance investment abroad in the US company Mapco Express Inc.

A sensitivity analysis on changes in the exchange rate of total accounts payable in US dollars at December 31, 2018, including the aforementioned loan for US\$ 650 million, using the formal US dollar exchange rate at January 2, 2019 is as follows:

ThUS\$	Change %	Ch\$/US\$	Investment MCh\$	(Loss) Gain MCh\$	(Loss) Gain MUS\$
778,366	-	694.77	540,785	0	0
778,366	5%	729.51	567,826	(27,041)	-39
778,366	10%	764.25	594,866	(54,081)	-78
778,366	15%	798.99	621,907	(81,122)	-117
778,366	-5%	660.03	513,744	27,041	39
778,366	-10%	625.29	486,704	54,081	78
778,366	-15%	590.55	459,663	81,122	117

Organización Terpel and affiliates

Risk management individually assesses each risk exposure. This assessment determines whether financial hedge instruments are taken out, whether there are natural hedging mechanisms in place, or whether the associated risk is simply assumed, because it is not considered to be critical for the business and the transaction.

Foreign exchange transactions involving trade creditors and other payables in Colombia, exceed foreign exchange transactions involving trade and other receivables by 24% as of December 31, 2018, meaning 76% of these transactions are covered. This mitigates a large proportion of the Group's exchange rate risk exposure, as those foreign currencies collected are entirely used to pay suppliers and/or third parties that bill in US dollars and require payment in that currency. Foreign exchange requirements vary every month. When surpluses arise, these are held in reserve to meet future payment commitments and/or sold when the exchange rate is favorable. Otherwise management buys foreign exchange at the best market rate to meet its foreign currency commitments. Each affiliate operates with the locally accepted currency in its country, and financial borrowing is also in this local currency in order to avoid any foreign exchange exposure. Treasury departments in various countries cover all of their requirements locally.

Colombian transactions are conducted in Colombian pesos, except for one customer who is billed in US dollars, with monthly average of MUS\$ 8.5, and these funds are used to cover payments to foreign suppliers in the same currency. Therefore, no currency risk arises.

Mapco Express, Inc.

Mapco is not significantly exposed to foreign exchange risks on trade receivables, other receivables, accounts payable and financial obligations, as all transactions are denominated in US dollars, which is the local currency.

ii) Fuel price risk

Copec S.A.

Inventory values are affected by fluctuations in international fuel prices. Therefore, the Company is constantly analyzing hedge possibilities to match the risk it faces.

There are no hedging financial instruments for the price of fuel as of December 31, 2018.

However, considering the stock level at the year-end, the effects on income of possible positive price fluctuations of 2.5% and 5.0% would be favorable in ThUS\$ 4,971 and ThUS\$ 9,942, respectively. On the contrary, they would be losses for such amounts in the event of a decrease in the same percentages.

iii) Interest Rate Risk

Copec S.A.

The Company has no significant short-term investments, other than those related to cash variations, which are invested over a period from 1 to 7 days. Business income and expenses are independent of changes in interest rates. Therefore, no significant financial risk exists.

Management understands that there is no significant interest rate risk on short-term financial liabilities, as these liabilities relate to the financing of operating cash flows, with terms mainly between 1 and 90 days, and are highly variable over the course of the year.

Furthermore, the syndicated loan signed by Copec S.A. is subject to international interest rate risk. It finances the acquisition of affiliates in Colombia, being a 5 year loan at an interest rate of Libor 30 days. Copec S.A. policy is to individually evaluate the use of interest rate swaps to mitigate the risk associated with variable rates. Currently the loan with an interest rate of Libor 30 days is entirely covered, so the interest rate in CLP is fixed.

Also, there are three long-term loans with Empresas Copec, one for ThUF 2,470, one for ThUF 5,344 and another one for MCh\$ 67,840. The first one expires in October 2024 and the second one in November 2030. The first two have bullet repayments at maturity and pay interest of ThUF 150 semiannually. The third one matures on September 15, 2023, pays interest semiannually and principal repayments begin in year five.

Furthermore, the Company owns a lease of ThUF 1,670 that expires in 2033 and is also exposed to the inflation rate. There is currently no inflation risk cover using hedges, because the Chilean Central Bank's mission is to keep it at an annual rate of 3.0% (with +/-10% tolerance), so that inflation volatility would be controlled by that institution.

Organización Terpel and affiliates

- Cash flow sensitivity analysis for variable rate instruments

Terpel Group's debt as of December 31, 2018 is ThUS\$ 851,448 of which 14% is at a fixed rate and 86% is at a variable rate.

The debt acquired by issuing bonds, including the most recent issue, represents 77% of total debt, and 12% of it is indexed to the CPI.

The variable-rate debt in Colombia is composed of bonds, syndicated corporate loans and short-term Treasury bills. They represent 90%, 6% and 4%, respectively of total variable-rate debt. Bonds issued in Colombia at a variable rate are indexed to the CPI for 12 months. As of December 31, 2018, the outstanding amount is ThUS\$ 566,449. A change of 50 basis points in this indicator at the end of the reporting period is considered fairly possible and it would cause a loss of ThUS\$ 688, given an increase of 50 points, and a gain of ThUS\$ 719 given the same decrease.

Debt taken as syndicated corporate loans and Treasury bills in Colombia is indexed to the latest half yearly RBI (Reference Bank Indicator). As of December 31, 2018, the outstanding amount is ThUS\$ 63,093. A change of 10 basis points in this indicator by the end of the reporting period is possible. The effect of an increase of 10 points would be a loss of ThUS\$ 16 and a gain of ThUS\$ 16 given the same decrease.

The interest rate on the Panama loan is indexed to the Libor, and equivalent to ThUS\$ 82,325. A variation in Libor would not have a significant effect on the consolidated financial statements.

Leasing debt in Colombia as of December 31, 2018 was ThUS\$ 7,919 and the weighted average contract rate was 0.82%. This debt is related to DTF (Fixed Term Deposit) behavior. A change of -0.0008% in the DTF, which has been observed during the last quarter, would not affect the statement of net income.

- Sensitivity analysis on fair values of fixed-rate instruments:

Fixed rate financial liabilities are not recorded at fair value through profit and loss, and derivatives are not used as hedging instruments. Therefore, they cause no risk exposure. The debt in Peru represents 0.02% of total Group debt and carries a fixed interest rate.

Mapco Express, Inc.

Mapco has no short-term investments. Revenues and expenses are independent of fluctuations in interest rates. Consequently, there is no significant financial risk. Management understands that neither is there any significant interest rate risk on its short-term financial liabilities. Some of Mapco's financial leases have a fixed interest rate of 2.14%.

iv) Credit risk

Copec S.A.

The Company faces credit risk resulting from the composition of its portfolio of trade receivables and its portfolio of financial investments.

The Company assigns a credit line to each customer, after performing an individual analysis of their financial and market condition, in order to manage the credit risk of trade receivables in Chile. The Finance department is responsible for performing this analysis for customers with lines exceeding UF 1,000, and the administrative units of the sales department perform this analysis for customers with lines not over UF 1,000. As of December 31, 2018, customers under UF 1,000 make up 5.47% of the portfolio, and customers over UF 1,000 make up 94.53% of the portfolio. The Company produces reports by customer indicating the daily status of its portfolio, which is divided according to accounts that are not yet due, late and overdue. In the latter case, collection action may be taken.

The Finance department issues monthly reports on the status of the portfolio, and the Chief Executive Officer holds regular meetings with the sales and finance departments to analyze the status of the overall portfolio, as well as the portfolios of individual customers, in order to take corrective action if necessary. The Company can block customers that have not fulfilled their payment commitments or have reached their credit limits.

The following table shows the arrears percentage by net sales as of December 31, 2018 and 2017 respectively:

December 31, 2018

Days	Not yet due	1-30	31-60	61-90	91-120	121-150	151-180	181-210	211-250	Over 250	Total
ThUS\$	795,062	67,910	19,431	6,874	1,083	753	955	1,994	692	8,691	903,445
%	88.00%	7.52%	2.15%	0.76%	0.12%	0.08%	0.11%	0.23%	0.08%	0.96%	100.00%

December 31, 2017

Days	Not yet due	1-30	31-60	61-90	91-120	121-150	151-180	181-210	211-250	Over 250	Total
ThUS\$	647,260	77,453	9,454	3,201	390	325	3,330	265	1,479	6,401	749,558
%	86.35%	10.33%	1.26%	0.43%	0.05%	0.04%	0.44%	0.05%	0.20%	0.85%	100.00%

The Company has a portfolio of financial investments to manage surplus cash; the terms of investment for this portfolio are mostly around one to seven days. In order to manage this credit risk, Management has established an investment policy for fixed-income instruments with low-risk financial entities. The Finance department manages these investments, and establishes a group of financial entities in which investment is authorized and assigns a maximum credit line and portfolio composition to each entity. The credit lines per institution are granted on the basis of an analysis of equity and solvency risk for banks and equity, and composition and term for mutual funds.

Organización Terpel and affiliates

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations, which arises mainly on trade receivables, other accounts receivable and cash and cash equivalents.

Working capital or revolving loans are granted specifically for the purchase of products marketed by the Group. All loans granted must comply with the information requirements established according to the type of customer and the guarantee offered. The documentation submitted must ensure that the Group has all the information required to understand its customers and their general, commercial and taxation circumstances and a general understanding of the customer's financial situation.

The exposure to credit risk is affected mainly by the individual characteristics of each customer, segment and country.

The Group's risk policy requires a financial analysis of each new individual customer based on external ratings, when available. This process is performed before the start of the business relationship. Lines of credit and credit limits are established for each customer and approved in accordance with levels of authorization established by the Board of Directors. Customer's lines of credits are constantly reviewed and adjusted according to the customer's creditworthiness and business need.

All active customers in risk centers are reviewed on a semi-annual basis to monitor whether their financial position has been impaired. The report from this review determines the need for an additional guarantee, annulment of the credit, sale against prepayment, or even annulment of the business relationship if the risk is sufficiently high.

The Group monitors the relevant economic and political environment in its operating countries in order to make prompt decisions regarding credit extended to customers.

More than 63% of the Group's customers have carried out transactions with it for more than 4 years and no impairment losses have been recognized against these customers. When monitoring the customer's credit risk, these are grouped according to their credit characteristics.

Trade and other receivables where payment delays are possible are monitored weekly using portfolio reports for every business and customer. These reports are used to determine when to suspend services, amend credit terms and/or require guarantees, as appropriate.

The Terpel Group has established a guarantee requirement, which covers trade receivables in case of non-payment. This guarantee is pledged by certain customers and sectors that allow it for business purposes. The guarantees accepted by Terpel Group include mortgages up to 75% of the commercial appraisal, payment compliance policies, endorsed Fixed Term Deposit Certificates, and bank guarantees. Furthermore, Terpel Group has taken out credit insurance policies.

Approximately 40% of the portfolio in Colombia was supported by guarantees as of December 31, 2018.

The acquisition of Lubricants Mobil brought with it 314 customers, of which 58% already had a commercial relationship with the Terpel Group. The conditions that established the credit limit and days for all customers of this new business since their commercial relationship began were maintained. If any of these customers request an increase in their credit limit or days, the current Terpel Group policies and procedures for credit analysis shall apply.

The Group has no significant concentrations of credit risk and has policies to ensure that wholesale sales are to customers with an appropriate credit history.

The maximum credit risk exposure for trade receivables, other receivables and cash and cash equivalents by geographical region at the reporting date was:

Credit risk exposure by geographical location	2018 ThUS\$
Colombia	270,250
Peru	58,484
Panama	42,642
Ecuador	28,320
Dominican Republic	13,420
USA	768
Chile	506
British Virgin Islands	354
Total	414,744

The Terpel Group had cash and cash equivalents of ThUS\$122,680 as of December 31, 2018, which represents its maximum credit risk exposure on these particular assets. Cash and cash equivalents are held at banks and financial institutions with AAA credit ratings.

Mapco Express, Inc.

Credit risk is the risk of financial loss for Mapco, if a customer or counterparty for a financial instrument does not comply with its contractual obligations, and arises mainly from Mapco's cash and cash equivalents, trade credits and others. Any loan granted by Company must comply with the information requirements applicable to that customer and guarantee. The documentation submitted must ensure that Mapco has all the information required to understand its customers and their general, trade and taxation circumstances and a general understanding of that customer's financial situation.

Mapco Group's exposure to credit risk within its trade and other receivables is influenced mainly by the individual characteristics of each customer and segment. The Mapco Group has established a credit policy, which requires that each new customer is individually analyzed to determine their creditworthiness, before they are offered Mapco Group's general delivery and payment conditions. The Mapco Group's analysis includes external credit ratings, when available. Purchase limits are established for each customer without Board approval. These limits are constantly reviewed and adjusted according to the customer's creditworthiness and business need.

v) Liquidity risk

Copec S.A.

The Company's liquidity management policy aims to provide sufficient cash to meet its liabilities. As of December 31, 2018, 60.04% of sales were made through concessionaires, which are very fragmented, with an average payment term of less than 3 days, and 35.96% of sales were made to low-risk industrial customers (with A and B ratings from a scale from A to D, where A is the lowest risk), with an average credit terms of less than 40 days. Therefore, for the purposes of liquidity risk management, the Finance department uses a period of 60 days for its daily cash flow forecasts, and it has access to immediately-available lines of credit with the main financial entities in the local market, which are solvent and have good risk ratings.

As of December 31, 2018, the Company has liquidity of MUS\$ 162 in cash and cash equivalents and MUS\$ 77 in long term unconditional lines of credit. Also at December 31, 2017, the Group had liquidity of MUS\$ 250 in cash and cash equivalents and MUS\$ 87 in long term unconditional lines of credit.

Organización Terpel and affiliates

The Group monitors this risk every day through Treasury positions and forecasts, which uses the obligations and surpluses of cash to determine its cash sources and destinations.

The Group's objective is to maintain a balance between continuity and flexibility of funding using bank overdrafts, bank loans and lease contracts, among others.

The Terpel Group aims to hold sufficient cash, cash equivalents and other sight investments to meet all of its cash requirements for the next 3 days. The current debt profile enables the Group to meet its debt servicing commitments as they fall due.

As of December 31, 2018, the Group has approved credit facilities of US\$ 88 million, which is fully available to be used as overdrafts, treasury credit or both short and long term finance. Interest rates are agreed at the time the obligation is acquired, in accordance with market conditions. It had approved lines of credit totaling MUS\$ 72 as of December 31, 2017. It had drawn down MUS\$ 1.3 and MUS\$ 70.3 remained available.

Mapco Express, Inc.

Liquidity risk is the risk that the Group finds it difficult to comply with the obligations associated with its financial liabilities that are settled using cash payments or other financial assets. Mapco Express and its affiliates monitor this risk on a daily basis as the treasury team forecast and monitor its obligations and cash surpluses to determine the source and destination of its funds. The objective is to maintain a balance between funding continuity and flexibility using overdrafts.

The Mapco Group aims to hold sufficient cash resources to meet its financial liabilities falling due in the next 30 days. The current debt profile enables the Group to meet its debt servicing commitments as they fall due.

vi) Investment in foreign assets risk

Copec has foreign investments as of December 31, 2018 that control 58.52% of the Colombian company Organización Terpel S.A. and its affiliates, with the Colombian peso as their functional currency. Mapco is 100% owned and operates a fuel distribution business, with the US dollar as its functional currency. As a result, Copec is exposed to an equivalent of COP\$ 2,090,406 million for Terpel in its consolidated statement of financial position as of December 31, 2018, and of US\$ 566 million for Mapco. The effects of significant exchange rate changes are recorded in reserves.

Sensitivity analysis was performed on the exposure resulting from the investment in Colombia, which is as follows:

Investment MCOP	Change %	Ch\$/COP\$	Investment MCh\$	(Loss) Gain MCh\$	(Loss) Gain MUS\$
2,090,406	-	0.2138	446,929	0	0
2,090,406	5%	0.2245	469,296	22,367	32
2,090,406	10%	0.2352	491,663	44,734	64
2,090,406	15%	0.2459	514,031	67,102	97
2,090,406	-5%	0.2031	424,562	(22,367)	(32)
2,090,406	-10%	0.1924	402,195	(44,734)	(64)
2,090,406	-15%	0.1817	379,827	(67,102)	(97)

An additional sensitivity analysis was performed on the exposure due to investments in the USA, as follows:

Investment ThUS\$	Change %	Ch\$/US\$	Investment MCh\$	(Loss) Gain MCh\$	(Loss) Gain MUS\$
565,577	-	694.77	392,946	0	0
565,577	5%	729.51	412,594	19,648	28
565,577	10%	764.25	432,242	39,296	57
565,577	15%	798.99	451,890	58,944	85
565,577	-5%	660.03	373,298	(19,648)	(28)
565,577	-10%	625.29	353,650	(39,296)	(57)
565,577	-15%	590.55	334,002	(58,944)	(85)

Management does not have any financial hedges covering its foreign businesses, since investing abroad implies accepting the currency exchange risk of that country as an indivisible component of the business. Each affiliate has an optimum capital structure from a risk classification perspective. Therefore, each affiliate's borrowings are in the same currency as its assets, in order to eliminate fluctuations in equity in the functional currency. If borrowings are below or above the optimum, these currency mismatches in each affiliate will be managed by Copec Combustible using financial instruments.

NOTE 5. ESTIMATES, JUDGEMENTS AND ACCOUNTING CHANGES

The preparation of consolidated financial statements in accordance with the accounting records detailed in Note 2 requires Management to make subjective estimates and assumptions, which affect the reported amounts. The estimates are based on historical experience and various other assumptions that are believed to be reasonable, but actual results may differ from those estimates. Management believes that the accounting estimates presented below represent issues that require judgment that can lead to major changes in the reported financial statements.

The Group makes estimates and judgments in relation to the future. The resulting accounting estimates, by definition, will rarely be equal to the corresponding actual results. There are no significant risks that could cause a material adjustment to the consolidated financial statements as of December 31, 2018.

a) Staff severance indemnities

The present value of obligations for staff severance indemnities depends on a number of factors that are based on actuarial methods using various assumptions, including the interest rate, staff turnover rates, salary increments, discount rates, and inflation rates. Any changes in these assumptions will affect the book value of these obligations. Additional information about the assumptions is presented in Note 19.

b) Biological assets

The valuation of forest plantations is based on discounted cash flow models, using the cash flows from continuing operations; on the basis of sustainable forest management plans, considering the growth potential of the forests. This valuation is performed on the basis of each identified stand and for each forest species.

These discounted cash flows require estimates about the growth, harvest, sales price and costs. Therefore, the quality of the estimates of future sales and cost trends is important, as are regular studies of the forests to establish the volumes of wood available for harvest and the current growth rates. The main considerations used for the calculation of the valuation of forest plantations are presented in Note 7.

The Group has defined that mussels are recognized at cost whilst they are still growing, as fair value cannot be reliably measured before harvest.

Therefore, they are initially recognized at cost and subsequently, in the final stage of cultivation before harvest, they are recognized at fair value less estimated selling costs. The difference is charged or credited to income at the end of each period.

c) Taxes

Tax assets and liabilities are reviewed regularly, and the balances are adjusted accordingly. The Group considers that it has recorded sufficient provisions to cover future taxation obligations, on the basis of current facts, circumstances and tax laws. However, the tax position could change, giving rise to different results and having a significant impact on the amounts reported in the consolidated financial statements (Note 2.15b).

d) Lawsuits and contingencies

Empresas Copec S.A. and its affiliates are involved in lawsuits that have not yet been resolved, the future effects of which must be estimated by the Company's Management, in collaboration with its legal advisors. The Company uses its judgment to interpret the reports of its legal advisors, who update their estimates as of each period-end and after each substantial modification in these lawsuits.

e) Goodwill

Goodwill is the excess acquisition cost over the fair value of the Group's share of the acquired affiliate's net identifiable assets on the acquisition date. Fair value is determined either on the basis of valuations or the discounted cash flow method using assumptions, such as sales prices and industry indices, among others.

f) Measurement of fair value

Several of the Group's accounting policies and disclosures require it to measure the fair value of financial and non-financial assets and liabilities.

The Group has established a control framework for measuring fair values. This includes a valuation team, which has overall responsibility for supervising all significant fair value measurements.

The valuation team regularly reviews the significant non-observable variables and valuation adjustments. When third party information is used to measure fair values, such as broker's quotes or pricing services, the valuation team evaluates the evidence provided by those third parties to support the conclusion that these valuations satisfy the requirements of IFRS, including the corresponding valuation level within the fair value hierarchy.

When measuring the fair value of an asset or liability, the Group uses observable market data whenever possible. Fair values are classified into levels within a fair value hierarchy that are based on the variables used by the estimation technique, as follows:

- Level 1: quoted (unadjusted) prices in active markets for identical assets and liabilities.
- Level 2: data other than the quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. price derivatives).
- Level 3: data on the asset or liability that is not based on observable market data.

If the variables used to measure the fair value of an asset or liability can be classified into the fair value hierarchy, then the fair value measurement is entirely classified into the same fair value hierarchy level as the lowest level variable that is significant for the total measurement.

g) Cylinder guarantees

The affiliate Abastible S.A. receives guarantees for its cylinders, which are valued according to the current value of this obligation, so their book value might differ from their actual value.

h) Other estimates and professional criteria relate to the following concepts:

- Loyalty program (see Note 2.24)
- Useful lives of property, plant and equipment (see Note 2.5)
- Trademark valuations to identify any potential impairment losses.

NOTE 6. INVENTORIES

As of December 31, 2018 and 2017 inventories at affiliates were as follows:

	12.31.2018	12.31.2017
	ThUS\$	ThUS\$
Raw materials	105,655	129,141
Merchandise	507,121	459,908
Production supplies	140,938	121,046
Work in progress	71,269	58,034
Finished goods	691,554	507,981
Other inventory	226,220	227,357
Total	1,742,757	1,503,467

As of December 31, 2018, 59% of inventories relate to the forestry sector, 38% to the fuel sector and 3% to the fisheries sector.

As of December 31, 2017, 58% of inventories relate to the forestry sector, 39% to the fuel sector and 3% to the fisheries sector.

Changes in inventory charged to the net income statement are as follows:

	12.31.2018 ThUS\$	12.31.2017 ThUS\$
Cost of sales	19,666,134	16,738,938
Obsolescence provision	42,724	7,696
Write-offs	6,760	1,427
Total	19,715,618	16,748,061

There are no inventories pledged in guarantee at the reporting date.

The obsolescence provision is calculated by considering the product sale conditions and inventory age (rotation).

NOTE 7. BIOLOGICAL ASSETS

Current and non-current biological assets as of December 31, 2018 and 2017 were as follows:

	12.31.2018 ThUS\$	12.31.2017 ThUS\$
Current	319,021	311,349
Non-current	3,336,339	3,459,146
Total	3,655,360	3,770,495

Current and non-current biological assets as of December 31, 2018 and 2017 were as follows:

	12.31.2018			12.31.2017		
	Current ThUS\$	Non-current ThUS\$	Total ThUS\$	Current ThUS\$	Non-current ThUS\$	Total ThUS\$
Forestry	315,924	3,336,339	3,652,263	307,796	3,459,146	3,766,942
Mussels	3,097	0	3,097	3,553	0	3,553
	319,021	3,336,339	3,655,360	311,349	3,459,146	3,770,495

The biological assets of the affiliate Arauco are forest plantations, which are mainly radiata and loblolly pine and to a lesser extent eucalyptus. These plantations are located in Chile, Argentina, Brazil and Uruguay, on 1.77 million hectares, of which 1.02 million hectares are for plantations, 441 thousand hectares are for native forests, 199 thousand hectares are for other uses and 111 thousand hectares remain to be planted.

Log volume production was 20.3 million m³ as of December 31, 2018, (20.7 million m³ as of December 31, 2017).

The fair value of Arauco's biological assets are measured under Level 3, as input data is not observable. However, this information reflects the assumptions that market participants would use in pricing the asset, including assumptions about risk.

This unobservable data was collected using the best information available and include Arauco's own information. It may change if the available information indicates that other market participants would use different information or there is something specific at Arauco that is not available to other market participants.

The main considerations in calculating the fair value of biological assets for the affiliate Arauco are:

- Arauco uses discounted future cash flows to value its forest plantations, therefore the Company forecasts harvests of its plantations as of the reporting date.
- Current forestry plantations are projected with total volume increases, with a minimum growth equivalent to the current supply.
- Future plantations are not included.
- The purpose of harvesting forest plantations is to supply raw materials for the rest of the products produced and sold by Arauco. By directly controlling the development of the forests to be processed, Arauco is assured of the quality of the wood to be used in each of its products.
- Flows are determined on the basis of the harvest and expected sales of forest products, which are associated with demand at the Company's own factories and sales to third parties at market prices. In addition, this valuation takes into consideration the sales margins of the different products that are harvested from the forest. Changes that arise in the value of plantations are accounted for in income for the year, in accordance with the provisions of IAS 41. These changes are presented in the Statement of Net Income under "Other income by function", which as of December 31, 2018 amounted to ThUS\$ 84,476 (ThUS\$ 83,031 as of December 31, 2017). The valuation of biological assets produces a cost of wood sold that is greater than the real cost incurred, which is presented under "Cost of sales" and amounts to ThUS\$ 207,346 as of December 31, 2018 (ThUS\$ 213,234 as of December 31, 2017).

- Forests are harvested in accordance with the demand requirements at Arauco's production plants.
- The discount rates used in Chile, Brazil, Uruguay and Argentina vary between 7% and 11%.
- The prices of harvested wood are considered to be constant in real terms, based on market prices.
- Cost expectations with respect to the lifetime of forests are constant and are based on estimated costs included in projections prepared by the affiliate Arauco.

The average harvest age of these forests in years, by country and species is as follows.

	Chile	Argentina	Brazil	Uruguay
Pine	24	15	15	-
Eucalyptus	12	10	7	10

The sensitivity analysis below shows changes to the value of biological assets following changes in significant assumptions used in calculating the fair value of those assets:

	ThUS\$	
Discount rate (points)	0.5	(130,319)
	(0.5)	137,784
Margins (%)	10.0	390,729
	(10.0)	(390,729)

Movements in the valuation of biological assets are recorded in the income statement under Other Operational Income or Other Operational Expenditure depending on whether it is profit or loss.

Forest plantations classified as current biological assets are those that are harvested and sold within 12 months.

Fire insurance covers forest plantations, which combine with its own resources, can reduce the risks associated with these claims.

a) Biological assets pledged in guarantee:

As of December 31, 2018, there are no forestry plantations pledged as security.

b) Biological assets with restricted ownership and subventions:

There are no biological assets with restricted ownership at the reporting date.

c) Government subsidies related to agricultural operations:

No significant subsidies have been received.

Biological assets movements

Movement in biological assets

	12.31.2018 ThUS\$	12.31.2017 ThUS\$
Opening balance	3,770,495	3,902,239
Changes in Incurred Cost		
Additions through acquisition	207,458	182,322
Increase (decrease) for business combinations	0	127,927
Decreases through sales	(367)	(4,979)
Decreases through harvesting	(117,729)	(118,414)
Increase (decrease) in foreign currency translation	(82,096)	(5,792)
Decreases due to damaged biological assets	(8,702)	(81,750)
Other increases (decreases)	8,946	0
Changes in fair value		
Gain (loss) on changes in fair value less estimated selling costs	84,476	83,031
Decreases through sales	(445)	(310)
Decreases through harvesting	(215,481)	(234,305)
Decreases due to damaged biological assets	(3,056)	(91,389)
Other increases (decreases)	11,861	11,915
Total Changes	(115,135)	(131,744)
Closing balance	3,655,360	3,770,495

Approximately 72,564 hectares of the affiliate Arauco's forest plantations were burnt in an extensive fire in January 2017. They were valued at MUS\$ 210, which represents a 5.6% of its plantations.

The affected plantations are being managed by the Company to minimize the effects caused by the fires. In addition, the forestry plantations affected by the fires were covered by insurance policies, with their corresponding deductibles and limitations. Therefore, the amount recovered from insurance claims was MUS\$ 35.

No disbursements have been committed to acquire biological assets at the reporting date.

NOTE 8. CURRENT TAX ASSETS AND LIABILITIES

Current taxes are offset in assets or liabilities, provided they refer to the same legal entity and the same tax jurisdiction.

Accounts receivable for taxes are detailed as follows:

Current tax assets	12.31.2018 ThUS\$	12.31.2017 ThUS\$
Provisional monthly tax payments	26,412	17,010
Recoverable income tax on prior year	42,762	52,561
Credit for SENCE	701	1,041
Credit for PP&E	331	609
Credit for dividends received	859	0
Equity tax	15,877	0
Other recoverable taxes	17,488	16,227
Total	104,430	87,448

Current tax liabilities	12.31.2018 ThUS\$	12.31.2017 ThUS\$
Corporate income tax	173,336	19,881
Provisional monthly tax payable	498	694
Tax on disallowed expenses	18	(1,212)
Equity tax	413	17,136
Other taxes	3,171	4,835
Total	177,436	41,334

NOTE 9. OTHER NON FINANCIAL ASSETS

Other non-financial assets, current	12.31.2018 ThUS\$	12.31.2017 ThUS\$
Roads to depreciate, current	41,456	43,301
Insurance to depreciate	15,579	23,821
Recoverable VAT	3,709	1,731
Recoverable taxes (VAT and similar)	67,778	60,823
Assets held for sale	795	710
Prepaid expenses	14,664	10,701
Leases	3,384	3,583
Fishing permits (1)	0	0
ESSBIO Contribution	365	365
Guarantees	785	663
Others (2)	15,725	4,617
Total	164,240	150,315

Other non-financial assets, non-current	12.31.2018 ThUS\$	12.31.2017 ThUS\$
Roads to depreciate, non-current	78,418	112,937
Prepaid expenses to depreciate (freight, insurance, others)	6,187	6,370
Lease guarantees	112	46
Long-term building convention contribution	1,570	1,736
Compensation asset (3)	23,188	0
Contract asset (4)	27,477	0
Deferred expenses	1,999	1,835
Other recoverable assets (5)	6,940	7,558
Others	7,334	7,766
Total	153,225	138,248

(1) The annual cost associated with LTPB fishing quota tenders is amortized during the year.

(2) As of December 31, 2018 and 2017 the item "Others" includes items such as: Recoverable securities and dividends receivable.

(3) Taxation contingencies relating to the business combination between Exxon Mobil Peru and Ecuador, and includes from 2001 to 2008 in Peru and from 1994 to 2013 in Ecuador. These taxation contingencies represent doubtful receivable provisions, unsupported write-offs, discounts, rebates, bonuses, disposal cost adjusted under IFRS and depreciation rates for fixed assets in Peru.

(4) Reclassification of assets belonging to Abastible S.A., according to IFRS 15.

(5) Recoverable value following a change in the pricing structure at the indirect affiliate Organization Terpel S.A., due to tax reform in Colombia at the end of 2016.

NOTE 10. INTANGIBLE ASSETS

The main classes of intangibles assets as of December 31, 2018 and 2017 are patents, trademarks, IT programs, water and fishing rights, easements, mining properties and other acquired rights. They are generally recorded at historical cost.

Patents, trademarks, water and fishing rights, mining properties, easements and other acquired rights have indefinite useful lives, as neither the start nor the end of the period during which these rights are expected to generate cash flows is clear.

These rights are not amortized, but they are tested regularly for impairment.

a) Classes of intangible assets other than goodwill:

	12.31.2018			12.31.2017		
	Gross value ThUS\$	Accumulated amortization ThUS\$	Net value ThUS\$	Gross value ThUS\$	Accumulated amortization ThUS\$	Net value ThUS\$
Patents, trademarks and other rights with indefinite lives	226,439	0	226,439	240,225	0	240,225
Patents, trademarks and other rights with finite lives	856,153	(360,555)	495,598	605,394	(339,372)	266,022
Computer software	183,274	(127,021)	56,253	170,820	(117,819)	53,001
Other identifiable intangible assets	112,840	(27,645)	85,195	105,524	(24,296)	81,228
Fishing permits	15,736	0	15,736	16,652	0	16,652
Water rights	6,303	0	6,303	6,065	0	6,065
Mining projects	143,167	(22,776)	120,391	137,723	(22,776)	114,947
Customer portfolio	71,443	(29,809)	41,634	72,685	(25,541)	47,144
Total Intangible Assets	1,615,355	(567,806)	1,047,549	1,355,088	(529,804)	825,284
Finite life	1,366,877	(567,806)	799,071	1,092,146	(529,804)	562,342
Indefinite life	248,478	0	248,478	262,942	0	262,942
Total Intangible Assets	1,615,355	(567,806)	1,047,549	1,355,088	(529,804)	825,284

b) The detail and movement of the main classes of intangible assets other than goodwill is as follows:

	Patents, Trademarks and Other Rights	Computer software	Fishing permits	Water rights	Other intangible assets	Mining projects	Customer portfolio	Total
Opening balance as of January 1, 2018	506,247	53,001	16,652	6,065	81,228	114,947	47,144	825,284
Movements in identifiable intangible assets								
Disposals	0	(1)	(916)	0	0	0	0	(917)
Additions	57,315	16,463	0	269	19,252	5,877	0	99,176
Additions on business combinations	228,111	2,913	0	0	0	0	0	231,024
Withdrawals	(4,214)	(148)	0	0	(140)	0	0	(4,502)
Amortization	(67,495)	(17,822)	0	0	(5,705)	0	(4,808)	(95,830)
Increases (decreases) for revaluations and impairment losses recognized in equity	0	0	0	0	0	0	0	0
Increase (decrease) for revaluation recognized in statement of net income	0	0	0	0	0	0	0	0
Increase (decrease) in foreign currency translation	(6,493)	(1,853)	0	(31)	(9,377)	0	(702)	(18,456)
Other increases (decreases)	8,566	3,700	0	0	(63)	(433)	0	11,770
Total movements in identifiable intangible assets	215,790	3,252	(916)	238	3,967	5,444	(5,510)	222,265
Closing Balance Identifiable Intangible Assets as of 12.31.2018	722,037	56,253	15,736	6,303	85,195	120,391	41,634	1,047,549

	Patents, trademarks and other rights with finite lives	Computer software	Fishing permits	Water rights	Other intangible assets	Mining projects	Customer portfolio	Total
Opening balance as of January 1, 2017	497,353	46,055	16,702	5,754	80,846	111,266	50,982	808,958
Movements in identifiable intangible assets								
Disposals	0	(181)	0	0	0	0	0	(181)
Additions	51,334	26,063	0	311	3,596	3,681	0	84,985
Additions on business combinations	0	320	0	0	0	0	0	320
Withdrawals	(119)	(717)	0	0	0	0	0	(836)
Amortization	(39,205)	(18,927)	0	0	(4,664)	0	(4,797)	(67,593)
Increases (decreases) for revaluations and impairment losses recognized in equity	0	0	0	0	0	0	0	0
Increase (decrease) for revaluation recognized in statement of net income	0	0	0	0	0	0	0	0
Increase (decrease) in foreign currency translation	(1,204)	1,704	0	0	1,348	0	959	2,807
Other increases (decreases)	(1,912)	(1,316)	(50)	0	102	0	0	(3,176)
Total movements in identifiable intangible assets	8,894	6,946	(50)	311	382	3,681	(3,838)	16,326
Closing Balance Identifiable Intangible Assets as of 12.31.2017	506,247	53,001	16,652	6,065	81,228	114,947	47,144	825,284

c) The useful lives applied to intangible assets as of December 31, 2018 and 2017 are as follows:

Useful life (years)	Finite Life		Indefinite Life
	Minimum	Maximum	
Trade relations with dealers and customers	7	15	-
Patents, trademarks and other rights	-	-	X
Trademarks, Accel of Panama	-	2	-
Industrial patents	10	50	-
Computer software	3	16	-
Other identifiable intangible assets	3	25	-
Fishing permits	-	-	X
Water rights	-	-	X
Capitalized mining projects	3	10	-
Mining property	-	-	X

Movement during the period is amortization of intangible assets, and it is recorded in assets and/or expenses. This charge is reflected in any of the following items: Cost of sales, distribution costs and administration costs.

Additions to intangible assets are primarily flag rights (Organización Terpel S.A.), capitalized research into mining projects, and others.

e) Intangible assets – Brands

The brands Accel, Terpel, Oiltec, Maxter, Celerity, Tergas and Gazel have been registered in the consolidated financial statements at their fair values, as a result of the valuation of intangible assets arising on the purchase of Organización Terpel S.A. and its affiliates. They all have an indefinite useful lives, except Accel. Trade Relations with Customers have also been recognized as intangible assets related to the business of the acquired companies, which have been assigned a finite useful life depending on the length of contracts. Amortization is calculated linearly over their expected useful lives.

When the affiliates Abastible in Peru and Ecuador were acquired in June and October 2016 respectively, the following brands were registered: Solgas Artefactos, Solgas Auto, Gas Canalizado, Segurogas, Masgas, Duragas & Diseño, Auto Gas, Duragas, Duragas Express and Semapesa.

Following the acquisition of Mapco in November 2016 by the affiliate Compañía de Petróleos de Chile Copec S.A., the following brands were registered by December 2018: MapcoMart, Delta Express, Discount Food Mart, East Coast, Fast, Favorite Markets and Mapco Express.

NOTE 11. GOODWILL

Purchased goodwill represents the excess of the acquisition cost over the fair value of the Group's share in the net identifiable assets of the affiliate/associate acquired on the acquisition date. Purchased goodwill is not amortized, but it is tested annually for impairment.

Purchased goodwill is allocated to the groups of cash generating units identified in the operating segments in which it originates. The transactions that generated goodwill are the investments in Arauco do Brasil (formerly, Tafisa), and the successive purchases of Organización Terpel, Mapco, Solgas S.A., ExxonMobil, and the acquisition of two business lines from Comercializadora Novaverde through the indirect affiliate Orizon S.A. as follows:

Company	12.31.2018 ThUS\$	12.31.2017 ThUS\$
Arauco (Flakeboard, Piên and others) (a)	65,851	69,922
Organización Terpel and others (b)	129,246	88,325
MAPCO	152,362	152,362
Solgas	81,597	84,769
Orizon (c)	3,673	0
Total	432,729	395,378

- a) "Flakeboard" is a company that directly or through affiliates owns and operates seven panel plants, which Arauco acquired on September 24, 2012 at a price of ThUS\$ 242,502 for all the shares in that company. This resulted in goodwill as of September 30, 2018 of ThUS\$ 40,661 (ThUS\$ 39,841 as of December 31, 2017).

The recoverable amount of the "Flakeboard" CGU was based on calculations of value in use, using cash flow projections covering 5 years, subject to a discount of between 6% and 7%, which reflects current market assessments for the panel segment in North America.

Goodwill of ThUS\$ 23,278 (ThUS\$ 27,266 as of December 31, 2017) was generated by investing in a panel plant in Pien, Brazil.

The recoverable amount of the CGU in Pien Brazil was based on calculations of value in use, using cash flow projections based on an operating plan approved by Management covering the expected useful life of the line, subject to a discount of between 6% and 7%, which reflects current market assessments for the panel segment in Brazil.

Annual impairment testing is performed and the book value recorded in the financial statements of these panel plants as of December 31, 2017 exceeds their recoverable value. Therefore, impairment losses have been recognized of ThUS\$ 4,640. The book values of these panel plants recorded in the interim consolidated financial statements as of December 31, 2018 do not exceed their recoverable value. Therefore, no additional impairment losses have been recognized.

- b) Goodwill generated in Organización Terpel S.A. as of December 31, 2018 was ThUS\$ 129,246 (ThUS\$ 88,325 as of December 31, 2017). The increase of ThUS\$ 40,921 is due to goodwill recognized as of December 31, 2018, due to the business combination on the acquisition of ExxonMobil Peru and Ecuador and Bac Petrol S.A.C. and Bac Thor S.A.C. in Peru.

Mobil is a regional lubricant development and distribution business that was taken over on March 15, 2018. Access to information during the earlier negotiating stages was limited, due to confidentiality agreements and restrictions imposed by the authorities in each country. The Purchase Price Allocation (PPA) valuation process led to identifying that the company has rights over the lubricant manufacturing and distribution contract with the Mobil brand in Colombia, which produced an acquisition under advantageous conditions that enabled it to recognize a gain of ThUS\$25,364, less the Purchase Price Allocation for Colombia of ThUS\$2,627, for a net effect of ThUS\$22,737 recognized under "Other Income".

- c) The indirect affiliate Orizon S.A. acquired two business lines from Comercializadora Novaverde S.A. on August 31, 2018. These are distributing General Mills' products in Chile, and distributing and marketing processed avocado pears.

The acquisition includes assigning its relationship with its suppliers and customers, and transferring its product inventory and sales support team.

The total acquisition price paid by Orizon for these new business lines was ThUS\$ 8,086, of which ThUS\$ 4,391 was for inventory, ThUS\$ 22 for the sales support team and the remaining ThUS\$ 3,673 was goodwill on the new business lines. The goodwill represents future financial benefits, so will be tested for impairment annually.

This purchased goodwill was ThUS\$ 432,729 as of December 31, 2018 (ThUS\$ 395,378 as of December 31, 2017), and the movements each year are as follows:

	Figures in ThUS\$ as of 12.31.2018			Figures in ThUS\$ as of 12.31.2017		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Opening balance	395,378	0	395,378	396,889	0	396,889
Additions (*)	43,118	0	43,118	1,595	0	1,595
Disposals	0	0	0	0	0	0
Impairment	0	0	0	0	(4,640)	(4,640)
Increase (decrease) in foreign currency	(5,767)	0	(5,767)	1,534	0	1,534
	432,729	0	432,729	400,018	(4,640)	395,378

(*) See Note 20 c)

NOTE 12. PROPERTY, PLANT AND EQUIPMENT

a) Classes of Property, Plant and Equipment, Net

	Figures in ThUS\$ as of 12.31.2018			Figures in ThUS\$ as of 12.31.2017		
	Gross value	Accumulated Depreciation	Net value	Gross value	Accumulated Depreciation	Net value
Construction in progress	1,363,544	0	1,363,544	984,645	0	984,645
Land	1,801,429	0	1,801,429	1,825,497	0	1,825,497
Buildings	5,265,999	(2,277,444)	2,988,555	5,196,455	(2,154,555)	3,041,900
Plant and equipment	7,484,678	(4,048,129)	3,436,549	7,557,091	(3,874,031)	3,683,060
IT equipment	142,889	(92,862)	50,027	123,425	(86,266)	37,159
Fixtures and fittings	549,905	(193,871)	356,034	549,018	(180,587)	368,431
Motor vehicles	201,836	(115,358)	86,478	180,816	(100,859)	79,957
Leasehold improvements	75,575	(25,607)	49,968	39,415	(8,904)	30,511
Other property, plant and equipment	825,442	(404,815)	420,627	906,735	(467,079)	439,656
Total	17,711,297	(7,158,086)	10,553,211	17,363,097	(6,872,281)	10,490,816

The depreciation expense as of December 31, 2018 and 2017 was as follows:

Depreciación del Ejercicio en resultado (*)	31.12.2018 MUS\$	31.12.2017 MUS\$
Costos de ventas	522.666	513.081
Gastos de administración	39.237	76.290
Otros Gastos varios de operación	26.916	17.624
Total	588.819	606.995

(*) The depreciation shown in the above table is the charge to the net income statement for 2018 and 2017, excluding the portion included in inventories.

b) The movements on property, plant and equipment categories were as follows:

As of December 31, 2018

	Construction in progress	Land	Buildings	Plant and equipment	IT equipment	Fixtures and fittings	Motor vehicles	Improvements to leased assets	Other property, plant and equipment	Property, plant and equipment
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance	984,645	1,825,497	3,041,900	3,683,060	37,159	368,431	79,957	30,511	439,656	10,490,816
Changes:										
Additions	925,713	26,258	52,222	55,351	10,710	8,003	9,549	8,585	26,903	1,123,294
Acquisitions through business combinations	595	37,012	21,641	18,416	487	760	569	0	0	79,480
Transfers of closed works in progress	(215,161)	1,241	64,673	132,945	5,557	5,591	955	0	4,199	0
Disposals	(1,994)	(899)	(4,047)	(8,284)	(125)	(631)	(588)	0	(1,136)	(17,704)
Transfers to (from) construction in progress	(257,239)	19,198	95,810	58,709	7,955	13,605	15,183	6,501	40,278	0
Transfers to (from) non-current assets held for sale	0	0	0	(1,005)	0	0	0	0	0	(1,005)
Withdrawals	(10,904)	(8,166)	(8,504)	(15,071)	(112)	(774)	(2,941)	(63)	(5,883)	(52,418)
Depreciation expense	0	0	(178,670)	(366,681)	(12,687)	(29,346)	(16,354)	(6,224)	(28,623)	(638,585)
Impairment provision	0	0	(654)	(7,126)	(5)	(20)	0	0	0	(7,805)
Increases (decreases) for revaluations and impairment losses	0	0	0	(1,665)	0	0	0	0	0	(1,665)
Reversal of impairment losses recorded in statement of net income	0	0	0	0	0	0	0	0	0	0
Increases (decreases) in foreign currency translation	(43,562)	(95,853)	(93,495)	(118,069)	956	(9,743)	498	6,051	(23,339)	(376,556)
Other increases (decreases)	(18,549)	(2,859)	(2,321)	5,969	132	158	(350)	4,607	(31,428)	(44,641)
Total changes	378,899	(24,068)	(53,345)	(246,511)	12,868	(12,397)	6,521	19,457	(19,029)	62,395
Closing balance	1,363,544	1,801,429	2,988,555	3,436,549	50,027	356,034	86,478	49,968	420,627	10,553,211

As of December 31, 2017

	Construction in progress	Land	Buildings	Plant and equipment	IT equipment	Fixtures and fittings	Motor vehicles	Improvements to leased assets	Other property, plant and equipment	Property, plant and equipment
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance	745,602	1,762,852	2,903,984	3,830,690	36,715	340,312	71,302	31,561	408,344	10,131,362
Changes:										
Additions	772,744	5,609	30,099	81,687	6,110	13,155	6,429	8,135	31,459	955,427
Acquisitions through business combinations	3,460	4,009	17,214	46,415	164	986	241	0	2,022	74,511
Transfers of closed works in progress	0	0	0	0	0	0	0	0	0	0
Disposals	(6)	(1,878)	(52)	(5,931)	(27)	133	(376)	0	(295)	(8,432)
Transfers to (from) construction in progress	(357,572)	22,424	191,854	66,382	7,658	22,362	15,720	1,243	29,929	0
Transfers to (from) non-current assets held for sale	0	5	0	119	0	0	0	0	0	124
Withdrawals	(11,370)	(4,655)	(7,432)	(12,713)	(567)	(1,269)	(2,837)	(4,304)	(8,182)	(53,329)
Depreciation expense	0	0	(176,684)	(374,505)	(12,208)	(27,853)	(14,979)	(4,090)	(42,253)	(652,572)
Impairment provision	(208)	(16,390)	(19,747)	(45,467)	(100)	(5,599)	(134)	0	(1,972)	(89,617)
Increases (decreases) for revaluations and impairment losses	0	0	0	(1,802)	0	0	(26)	0	0	(1,828)
Reversal of impairment losses recorded in statement of net income	0	0	0	0	0	0	0	0	0	0
Increases (decreases) in foreign currency translation	17,314	31,276	35,230	11,589	(4,519)	20,226	3,754	(358)	19,002	133,514
Other increases (decreases)	(185,319)	22,245	67,434	86,596	3,933	5,978	863	(1,676)	1,602	1,656
Total changes	239,043	62,645	137,916	(147,630)	444	28,119	8,655	(1,050)	31,312	359,454
Closing balance	984,645	1,825,497	3,041,900	3,683,060	37,159	368,431	79,957	30,511	439,656	10,490,816

Property, plant and equipment pledged in guarantee:

There were no significant assets given in guarantee in these Consolidated Financial Statements.

Disbursement commitments for projects or to acquire property, plant and equipment

	12.31.2018 ThUS\$	12.31.2017 ThUS\$
Disbursements for property, plant and equipment in construction	309,666	354,844
Commitments to acquire property, plant and equipment	846,292	189,831

c) Components temporarily out of service

There were no significant components of property, plant, and equipment that were temporarily out of service as of December 31, 2018 and 2017.

d) Impairment

The indirect affiliate Orizon S.A. recorded an impairment loss of ThUS\$ 79,716 during 2017 on specific assets associated with fishmeal, frozen and canned fish processing plants in Coquimbo (Coquimbo Region), Coronel (Bio bio Region) and Puerto Montt (Los Lagos Region). This was the result of market conditions, and of fishing and production availability, which Management believed affected the recoverable value of these assets.

e) Items fully depreciated, but still in use

There were no significant components of property, plant, and equipment that were fully depreciated and still in use as of December 31, 2018 and 2017.

NOTE 13. LEASES**Disclosure information about finance leases by asset class, Lessee:**

	12.31.2018 ThUS\$	12.31.2017 ThUS\$
Property, plant and equipment under finance leases, net	170,635	146,655
Plant and equipment; others	87,696	129,922
Land under finance leases, net	23,492	6,458
Buildings under finance leases, net	59,447	10,275

Reconciliation of minimum finance lease payments, Lessee

Minimum lease payments, finance leases	12.31.2018		
	Gross ThUS\$	Interest ThUS\$	Value ThUS\$
Under one year	38,798	153	38,951
One to five years	63,793	28	63,821
Over five years	53,331	0	53,331
Total	155,922	181	156,103

Minimum lease payments, finance leases	12.31.2017		
	Gross ThUS\$	Interest ThUS\$	Value ThUS\$
Under one year	48,254	49	48,303
One to five years	82,121	51	82,172
Over five years	5,981	0	5,981
Total	136,356	100	136,456

These obligations are presented in the consolidated statement of financial position under Current and non-current financial liabilities, depending on their due dates detailed above.

Minimum Lease Payments on Finance Leases, Lessor:

Minimum lease receipts, finance leases	12.31.2018		
	Gross ThUS\$	Interest ThUS\$	Value ThUS\$
Under one year	1,180	(49)	1,131
One to five years	837	0	837
Over five years	0	0	0
Total	2,017	(49)	1,968

Minimum lease receipts, finance leases	12.31.2017		
	Gross ThUS\$	Interest ThUS\$	Value ThUS\$
Under one year	12,001	(69)	11,932
One to five years	1,174	0	1,174
Over five years	0	0	0
Total	13,175	(69)	13,106

These leasing receivables are shown in the consolidated statement of financial position under Current and non-current trade and other receivables, depending on their due dates detailed above.

The Group has finance leases. Some of these contracts include machinery and equipment, covering periods not exceeding five years and at market interest rates. They also include early termination options, according to the general and special conditions established in each contract.

Meanwhile, the affiliate Compañía de Petróleos de Chile Copec S.A. has a leasing asset as it leases its corporate building. It was sold on November 29, 2018 through an agreement with Banco de Chile, and subsequently leased-back with an option to purchase it for ThUS\$ 73,054, payable in 180 monthly installments of UF 11,322,27, maturing in December 2033.

There are no contingent lease payments or reportable restrictions for finance leases as lessee or lessor shown in the tables above.

NOTE 14. INVESTMENT PROPERTIES

	12.31.2018 ThUS\$	12.31.2017 ThUS\$
Opening balance	44,217	45,447
Additions	1,820	1
Acquisitions through business combinations	0	0
Disposals	(4)	0
Disposals through sales of businesses	(422)	0
Transfers (to) from owner-occupied properties	0	0
Transfers (to) from non-current assets and disposal groups held for sale	0	(4,551)
Withdrawals	0	0
Impairment losses recorded in statement of net income	0	0
Reversal of impairment loss recorded in statement of net income	0	0
Depreciation	(48)	(48)
Increases (decreases) in foreign currency translation	(4,980)	3,368
Total Changes in Investment Property	(3,634)	(1,230)
Closing balance	40,583	44,217

As of December 31, 2018 and 2017, investment properties are land, minor facilities and their respective depreciation.

There are no significant rental income or operating expenses for investment properties.

There are no contractual obligations for the acquisition, construction or development of investment properties, or for their repair, maintenance or improvement.

The fair value of investment properties as of December 31, 2018 amounts to ThUS\$ 80,877 (ThUS\$ 77,579 as of December 31, 2017).

NOTE 15. DEFERRED TAXES

Deferred tax assets and liabilities can only be offset if this right has been legally recognized and the assets and liabilities refer to the same tax authority.

The tax rate applicable to the parent company's main affiliates in 2018 is 27% in Chile, 30% in Argentina, 34% in Brazil, 25% in Uruguay, 35% in the United States (federal rate), 34% in Colombia, 29.5% in Peru and 22% in Ecuador.

A new law was published in the United States on December 22, 2017, which amended the Income Tax Law. This law reduced the income tax rate from 35% for the year ended December 31, 2017 to 21% for the year ended December 31, 2018, and other important changes. This change caused an increase in net income of ThUS\$ 17,600 in Arauco's affiliates as of December 31, 2017, due to a reduction in net deferred liabilities.

Law 27,430 was published in Argentina on December 29, 2017, which reduced the income tax rate from 35% for the year ended December 31, 2017 to 30% for 2018 and 2019 and 25% for 2020 and onwards. This change caused an increase in net income of ThUS\$ 62,677 in Arauco's affiliates in Argentina as of December 31, 2017, due to a reduction in net deferred liabilities.

a) Deferred tax assets and liabilities are as follows:

	12.31.2018 ThUS\$	12.31.2017 ThUS\$
Deferred tax assets relating to:		
Depreciation	1,884	0
Inventories	7,075	6,044
Allowance for doubtful debts	12,717	12,400
Staff vacation provision	4,202	3,574
Prepaid revenue	7,557	8,696
Obligations for post-employment benefits	31,092	32,319
Financial instrument valuations	9,761	8,123
Valuation of property, plant and equipment.	10,127	11,659
Tax losses	184,103	147,305
Differences in accrued liabilities	10,946	11,547
Differences on intangible asset valuations	7,651	10,389
Differences on trade and other receivable valuations	5,001	5,149
Provisions	23,875	36,600
Others	27,089	33,437
Total deferred tax assets	343,080	327,242

	12.31.2018 ThUS\$	12.31.2017 ThUS\$
Deferred tax liabilities relating to:		
Differences between financial & taxation depreciation	1,024,028	1,059,654
Provisions	0	1
Obligations for post-employment benefits	865	923
Differences on prepaid income tax valuations when adopting IFRS	103,926	123,266
Biological asset valuations	661,582	676,876
Prepaid expenditure valuations	37,908	41,609
Intangible assets	253,746	206,884
Financial instrument valuations	14,596	13,023
Inventories	41,444	37,391
Others	26,706	21,652
Total deferred tax liabilities	2,164,801	2,181,279

(*) Mainly an asset at the indirect affiliate in Uruguay. According to their law, inflation indexing is applicable to taxable fixed assets, but not to financial fixed assets, which causes a differential.

b) Income (expenses) from current and deferred income taxes are as follows:

	12.31.2018 ThUS\$	12.31.2017 ThUS\$
Current income tax expense		
Current tax expense	(433,715)	(284,482)
Tax benefit arising from previously unrecognized tax assets used to reduce current tax expenses	4,471	3,018
Adjustments to prior period current tax	(2,781)	(927)
Other current tax expense	(220)	1,668
Total current tax expense, net	(432,245)	(280,723)
	12.31.2018 ThUS\$	12.31.2017 ThUS\$
Deferred tax expense		
Deferred expense for taxes related to creation and reversal of temporary differences	980	194,026
Deferred expense for taxes related to changes to tax rate or new rates	660	(13)
Tax benefit arising from assets for previously unrecognized taxes used to reduce deferred tax expense	53,103	7,053
Other deferred tax expense	(193)	(27)
Deferred tax expense, net, total	54,550	201,039
Income tax income (expense)	(377,695)	(79,684)

c) Income (expenses) from foreign and Chilean income taxes are as follows:

	12.31.2018 ThUS\$	12.31.2017 ThUS\$
Current foreign taxes	(104,837)	(84,205)
Current national taxes	(327,408)	(196,518)
Total Current Tax	(432,245)	(280,723)
Deferred foreign taxes	38,353	84,698
Deferred national taxes	16,197	116,341
Total Deferred Tax	54,550	201,039
Total Income Tax	(377,695)	(79,684)

d) Reconciliation of the tax expense using statutory rate with tax expense using the effective rate.

	12.31.2018 ThUS\$	12.31.2017 ThUS\$
Income tax expense using the statutory rate	(687,017)	(366,783)
Tax effect of rates in other jurisdictions		
Tax effect of rates in other jurisdictions	(6,651)	(19,209)
Tax effect of non-taxable revenue	390,672	230,265
Tax effect of non-deductible expenses	(68,841)	(37,516)
Tax effect of using previously unrecognized tax losses	(420)	6,953
Tax effect of tax benefit not previously recognized in income statement	(77)	766
Tax effect of a new evaluation of unrecognized deferred tax assets	15,621	8,975
Tax effect of change in tax rates	2,016	79,067
Tax effect of over provided tax in prior periods	(2,798)	562
Taxation calculated with the applicable rate	(2,409)	(538)
Liquidated investment abroad (*)	(11,261)	0
Other increase (decrease) in statutory tax charge	(6,530)	17,774
Total adjustments to tax expense using statutory rate	309,322	287,099
Tax expense using effective rate	(377,695)	(79,684)

(*) The affiliate Compañía de Petróleos de Chile Copec S.A. recorded an unfavorable effect under current taxes on the sale of ExxonMobil in Colombia.

Deferred tax assets from negative tax bases that have not yet been offset are recognized to the extent that it is likely that the corresponding benefit will be recovered in the future. In this regard, there are no unrecognized deferred tax assets.

	12.31.2018		12.31.2017	
Concept	Deductible Difference ThUS\$	Taxable Difference ThUS\$	Deductible Difference ThUS\$	Taxable Difference ThUS\$
Deferred tax assets	160,504	0	181,381	0
Tax losses	182,576	0	145,861	0
Deferred tax liabilities	0	2,164,801	0	2,181,279
Total	343,080	2,164,801	327,242	2,181,279

Effect of deferred taxes on net income	12.31.2018 ThUS\$	12.31.2017 ThUS\$
Deferred tax assets	(27,622)	7,913
Tax losses	54,916	11,008
Deferred tax liabilities	19,433	182,040
Decreases in foreign currency translation	7,823	78
Total	54,550	201,039

NOTE 16. TRADE AND OTHER PAYABLES

Trade and other payables are detailed as follows:

	12.31.2018 ThUS\$	12.31.2017 ThUS\$
Current		
Trade payables	1,488,163	1,554,713
Prepaid revenue	240,523	176,577
Other payables	15,740	16,752
Total	1,744,426	1,748,042

The main suppliers of the Group as of December 31, 2018 and 2017 are as follows: Enap Refinerías S.A., Oxiquim S.A., Occidental Chemical Chile Ltda. and Compañía de Leasing Tattersall S.A.

The stratification of trade payables as of December 31, 2018 and 2017 is as follows:

As of December 31, 2018

TRADE PAYABLES NOT YET DUE

Supplier	Amount by payment terms						Total ThUS\$
	up to 30 days	31-60	61-90	91-120	121-365	Over 365	
Products	845,888	37,079	8,554	449	2,906	1	894,877
Services	483,490	29,202	7,871	8,482	7,210	2	536,257
Others (*)	2,923	1,090	0	0	0	0	4,013
TotalThUS\$	1,332,301	67,371	16,425	8,931	10,116	3	1,435,147

TRADE PAYABLES OVERDUE

Supplier	Amount overdue by range in days						Total ThUS\$
	up to 30 days	31-60	61-90	91-120	121-180	Over 180	
Products	13,720	8,495	4,522	3,032	459	658	30,886
Services	14,996	1,667	466	711	881	3,329	22,050
Others (*)	0	16	4	0	0	60	80
TotalThUS\$	28,716	10,178	4,992	3,743	1,340	4,047	53,016

TotalThUS\$	1,361,017	77,549	21,417	12,674	11,456	4,050	1,488,163
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As of December 31, 2017

TRADE PAYABLES NOT YET DUE

Supplier	Amount by payment terms						Total ThUS\$
	up to 30 days	31-60	61-90	91-120	121-365	Over 365	
Products	841,379	28,455	2,121	783	3,158	0	875,896
Services	421,242	32,061	4,891	9,194	7,826	0	475,214
Others (*)	1,659	1,183	0	0	0	0	2,842
TotalThUS\$	1,264,280	61,699	7,012	9,977	10,984	0	1,353,952

TRADE PAYABLES OVERDUE

Supplier	Amount overdue by range in days						Total ThUS\$
	up to 30 days	31-60	61-90	91-120	121-180	Over 180	
Products	167,327	766	652	650	1,025	463	170,883
Services	20,583	4,228	687	1,154	433	2,699	29,784
Others (*)	0	2	6	6	0	80	94
TotalThUS\$	187,910	4,996	1,345	1,810	1,458	3,242	200,761

TotalThUS\$	1,452,190	66,695	8,357	11,787	12,442	3,242	1,554,713
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(*) The *Other* item is deferred revenue, tax liabilities other than income tax, staff payables and other payables.

The Parent Company, Empresas Copec S.A., has an average payment period of 30 days. The average payment period for each affiliate varies depending on their business.

NOTE 17. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Related parties are the entities defined in IAS 24, in the standards issued by the Chilean Financial Markets Commission (formerly the Superintendent of Securities and Insurance) and in Corporate Law.

Balances receivable from and payable to related parties as of each period-end primarily arise from business transactions. They are agreed in Chilean pesos and U.S. dollars, they have payment terms that do not exceed 60 days, and in general do not have any indexation or interest clauses.

No guarantees have been granted and there are no provisions for doubtful accounts in relation to balances between related parties at the reporting date.

The "Transactions" table includes all transactions with related parties that total over ThUS\$ 200 per annum in any period (which is 0.001% of operating revenues and 0.001% of cost of sales).

17.1 Related party receivables

Related party receivables, current		Country	Relationship	12.31.2018 ThUS\$	12.31.2017 ThUS\$
96,942,120-8	AIR BP COPEC S.A.	Chile	Joint venture	30,339	28,926
96,505,760-9	Colbún S.A.	Chile	Director in common	445	3,010
96,893,820-7	Corpesca S.A.	Chile	Indirect Associate	1,548	658
99,500,140-3	Eka Chile S.A.	Chile	Joint venture	2,362	2,027
79,825,060-4	Forestal del Sur S.A.	Chile	Indirect Associate	3,740	4
96,722,460-K	Metrogas S.A.	Chile	Associate	7,387	14
76,349,706-2	Hualpén Gas S.A.	Chile	Indirect Associate	240	387
96,731,890-6	Cartulinas CMPC S.A.	Chile	Common shareholder	1,339	944
79,895,330-3	Compañía Puerto Coronel S.A.	Chile	Indirect Associate	802	642
96,641,810-9	Gas Natural Producción S.A.	Chile	Indirect Associate	0	5
95,304,000-K	CMPC Maderas S.A.	Chile	Common shareholder	138	160
96,532,330-9	CMPC Celulosa S.A.	Chile	Common shareholder	319	184
76,122,974-5	Algae Fuels S.A.	Chile	Indirect Associate	381	321
65,097,218-K	Fundación Acerca Redes	Chile	Common executives	221	726
-	Arauco Sonae Portugal S.A.	Portugal	Indirect Associate	370	0
93,628,000-5	Molibdenos y Metales S.A.	Chile	Common shareholder	201	188
-	Montagas S.A. ESP	Colombia	Indirect Associate	117	216
-	Unillin Arauco Pisos Ltda	Brazil	Indirect Associate	83	171
91,440,000-7	Forestal Mininco S.A.	Chile	Common shareholder	63	74
76,384,550-8	Sociedad Nacional Marítima S.A.	Chile	Indirect Associate	45	102
82,777,100-7	Puertos y Logística S.A.	Chile	Indirect Associate	23	56
96,529,310-8	CMPC Tissue S.A.	Chile	Common shareholder	38	55
76,044,336-0	Golden Omega S.A.	Chile	Indirect Associate	1	18
76,456,800-1	Mina Invierno S.A.	Chile	Joint venture	22	21
76,659,730-0	Elemental S.A.	Chile	Indirect Associate	13	27
96,853,150-6	Papeles Cordillera S.A.	Chile	Common shareholder	29	28
92,580,000-7	Entel S.A.	Chile	Common shareholder	11	20
76,839,949-2	Parque Eólico Ovejeras del Sur S.A.	Chile	Indirect Associate	5	0
96,925,430-1	Servicios Corporativos Sercor S.A.	Chile	Indirect Associate	7	82
76,307,309-2	Naviera Los Inmigrantes S.A.	Chile	Joint venture	0	2,499
96,942,870-9	Kabsa	Chile	Indirect Associate	0	17
Total				50,289	41,582

Related party receivables, non-current		Country	Relationship	12.31.2018 ThUS\$	12.31.2017 ThUS\$
76,040,469-1	Logística Ados Ltda.	Chile	Director in common	7,054	6,679
79,895,330-3	Compañía Puerto Coronel S.A.	Chile	Indirect Associate	481	1,056
96,641,810-9	Gas Natural Producción S.A.	Chile	Indirect Associate	332	375
-	Fibroacero S.A.	Ecuador	Indirect Associate	0	25
Total				7,867	8,135

17.2 Related party payables

Related party payables, current		Country	Relationship	12.31.2018 ThUS\$	12.31.2017 ThUS\$
96,636,520-K	Gasmar S.A.	Chile	Indirect Associate	4,279	6,445
96,959,030-1	Puerto Lirquén S.A.	Chile	Indirect Associate	1,003	1,354
79,895,330-3	Compañía Puerto de Coronel S.A.	Chile	Indirect Associate	772	0
71,625,800-8	Fundación Educacional Arauco	Chile	Common executives	616	54
82,040,600-1	Sociedad de Inversiones de Aviación Ltda.	Chile	Indirect Associate	580	691
-	Fibroacero S.A.	Ecuador	Indirect Associate	485	448
96,893,820-7	Corpesca S.A.	Chile	Indirect Associate	446	25
92,580,000-7	Entel S.A.	Chile	Common shareholder	284	165
76,384,550-8	Sociedad Nacional Marítima S.A.	Chile	Indirect Associate	199	359
96,925,430-1	Servicios Corporativos Sercor S.A.	Chile	Indirect Associate	52	91
86,370,800-1	Red To Green S.A.	Chile	Common shareholder	34	16
96,555,810-1	Inst. Investigacion Pesquera Octavia Region	Chile	Common executives	30	0
96,942,120-8	AIR BP COPEC S.A.	Chile	Joint venture	29	33
76,724,000-7	Woodtech S.A.	Chile	Director in common	28	86
88,566,900-K	Edipac	Chile	Director in common	8	0
96,871,870-3	Depósitos Portuarios Lirquén S.A.	Chile	Indirect Associate	2	0
76,659,730-0	Elemental S.A.	Chile	Indirect Associate	1	4
96,722,460-K	Metrogas S.A.	Chile	Associate	0	106
78,096,080-9	Portaluppi, Guzmán y Bezanilla Abogados	Chile	Partner Director	0	150
96,529,310-8	CMPC Tissue S.A.	Chile	Common shareholder	0	6
96,679,410-9	Entel Telefonía Local S.A.	Chile	Common shareholder	0	9
96,766,590-8	Lota Protein S.A.	Chile	Indirect Associate	0	5
Total				8,848	10,047

17.3 Related party transactions

As of December 31, 2018

Chilean ID Number	Related Entity	Country	Relationship	Goods or Service	Transaction Value without VAT ThUS\$	Effect on net income ThUS\$
96,942,120-8	AIR BP COPEC S.A.	Chile	Joint venture	Sale of fuel	406,850	406,850
96,942,120-8	AIR BP COPEC S.A.	Chile	Joint venture	Administrative services	1,869	1,869
96,942,120-8	AIR BP COPEC S.A.	Chile	Joint venture	Other purchases	338	(338)
96,731,890-6	CARTULINAS CMPC S.A.	Chile	Common shareholder	Sale of lubricants	342	342
96,731,890-6	CARTULINAS CMPC S.A.	Chile	Common shareholder	Other sales	418	418
96,731,890-6	CARTULINAS CMPC S.A.	Chile	Common shareholder	Sale of fuel	4,311	4,311
96,731,890-6	CARTULINAS CMPC S.A.	Chile	Common shareholder	Pulp	79	79
96,532,330-9	CMPC CELULOSA S.A.	Chile	Common shareholder	Sale of lubricants	926	926
96,532,330-9	CMPC CELULOSA S.A.	Chile	Common shareholder	Sales of material, etc.	153	153
96,532,330-9	CMPC CELULOSA S.A.	Chile	Common shareholder	Other purchases	11	(11)
95,304,000-K	CMPC Maderas S.A.	Chile	Common shareholder	Sale of fuel	123	123
95,304,000-K	CMPC Maderas S.A.	Chile	Common shareholder	Sale of lubricants	476	476
95,304,000-K	CMPC Maderas S.A.	Chile	Common shareholder	Other sales	38	38
95,304,000-K	CMPC Maderas S.A.	Chile	Common shareholder	Logs	644	(644)
96,529,310-8	CMPC Tissue S.A.	Chile	Common shareholder	Sale of lubricants	171	171
96,529,310-8	CMPC Tissue S.A.	Chile	Common shareholder	Other sales	2	2
96,529,310-8	CMPC Tissue S.A.	Chile	Common shareholder	Sale of fuel	209	209
96,529,310-8	CMPC Tissue S.A.	Chile	Common shareholder	Other purchases	22	(22)
96,505,760-9	Colbún S.A.	Chile	Director in common	Sale of fuel	8,585	8,585
96,505,760-9	Colbún S.A.	Chile	Director in common	Electricity	286	286
96,505,760-9	Colbún S.A.	Chile	Director in common	Sale of lubricants	69	69
76,218,856-2	Colbún Transmisión S.A.	Chile	Director in common	Electricity	453	(453)
79,895,330-3	Compañía Puerto de Coronel S.A.	Chile	Indirect Associate	Sale of fuel	2,527	2,527
79,895,330-3	Compañía Puerto de Coronel S.A.	Chile	Indirect Associate	Sale of lubricants	130	130
79,895,330-3	Compañía Puerto de Coronel S.A.	Chile	Indirect Associate	Mobilization and stevedoring	10,607	(10,607)
79,895,330-3	Compañía Puerto de Coronel S.A.	Chile	Indirect Associate	Other sales	13	13
79,895,330-3	Compañía Puerto de Coronel S.A.	Chile	Indirect Associate	Other sales	50	50
96,893,820-7	Corpesca S.A.	Chile	Indirect Associate	Sale of fuel	27,002	27,002
96,893,820-7	Corpesca S.A.	Chile	Indirect Associate	Sale of lubricants	926	926
96,893,820-7	Corpesca S.A.	Chile	Indirect Associate	Other sales	164	164
96,893,820-7	Corpesca S.A.	Chile	Indirect Associate	Raw materials purchase	2,548	(2,548)
99,500,140-3	Eka Chile S.A.	Chile	Joint venture	Electricity	24,857	24,857
99,500,140-3	Eka Chile S.A.	Chile	Joint venture	Purchase of sodium chlorate	47,209	(47,209)
76,659,730-0	Elemental S.A.	Chile	Indirect Associate	Other sales	5,155	5,155
92,580,000-7	Empresa Nacional de Telecomunicaciones S.A.	Chile	Common shareholder	Telephone services	2,008	(2,008)
92,580,000-7	Empresa Nacional de Telecomunicaciones S.A.	Chile	Common shareholder	Sale of fuel	619	619
79,825,060-4	Forestal del Sur S.A.	Chile	Common shareholder	Harvesting services	26,308	26,308
79,825,060-4	Forestal del Sur S.A.	Chile	Common shareholder	Wood and logs	1,675	(1,675)
91,440,000-7	Forestal Mininco S.A.	Chile	Common shareholder	Sale of fuel	798	798
91,440,000-7	Forestal Mininco S.A.	Chile	Common shareholder	Logs and others	261	(261)
96,636,520-K	Gasmar S.A.	Chile	Indirect Associate	Purchase of fuel	278,315	(278,315)
76,349,706-2	Hualpen Gas S.A.	Chile	Indirect Associate	Sale of gas	4,302	4,302
94,082,000-6	Inversiones Siemel S.A.	Chile	Common shareholder	Facilities rental	326	(326)
96,722,460-K	Metrogas S.A.	Chile	Associate	Purchase natural gas	1,489	(1,489)
96,722,460-K	Metrogas S.A.	Chile	Associate	Sale of fuel	215	215
93,628,000-5	Molibdenos y Metales S.A.	Chile	Common shareholder	Sale of fuel	1,436	1,436
78,096,080-9	Portaluppi, Guzmán y Bezanilla Attorneys	Chile	Partner Director	Legal advisory services	1,262	(1,262)
96,959,030-1	Puerto Lirquén S.A. (ex Portuaria Sur de Chile S.A.)	Chile	Indirect Associate	Port services	8,488	(8,488)
86,370,800-1	Red To Green S.A.	Chile	Common shareholder	Sales of material, etc.	682	682
86,370,800-1	Red To Green S.A.	Chile	Common shareholder	IT services	475	(475)
96,925,430-1	Servicios Corporativos Sercor S.A.	Chile	Indirect Associate	Management consultancy services	555	(555)
96,925,430-1	Servicios Corporativos Sercor S.A.	Chile	Indirect Associate	Administrative services	629	(629)
96,925,430-1	Servicios Corporativos Sercor S.A.	Chile	Indirect Associate	Other purchases	7	7
96,925,430-1	Servicios Corporativos Sercor S.A.	Chile	Indirect Associate	Reimbursable expenses	62	(62)
82,040,600-1	Sociedad de Inversiones de Aviación Ltda.	Chile	Indirect Associate	Storage services	4,712	(4,712)
76,384,550-8	Sociedad Nacional Marítima S.A.	Chile	Indirect Associate	Sale of fuel	1,451	1,451
76,384,550-8	Sociedad Nacional Marítima S.A.	Chile	Indirect Associate	Administrative services	635	635
76,384,550-8	Sociedad Nacional Marítima S.A.	Chile	Indirect Associate	Sale of lubricants	88	88
76,384,550-8	Sociedad Nacional Marítima S.A.	Chile	Indirect Associate	Other sales	10	10
76,384,550-8	Sociedad Nacional Marítima S.A.	Chile	Indirect Associate	Maritime transport	8,028	(8,028)
-	Unillin Arauco Pisos Ltda.	Brazil	Joint venture	Timber	1,474	1,474
76,724,000-7	Woodtech S.A.	Chile	Common shareholder	Timber volume measurement services	2,449	(2,449)

Empresas Copec S.A. - Consolidated Financial Statements as of December 31, 2018

As of December 31, 2017

Chilean ID Number	Related Entity	Country	Relationship	Goods or Service	Transaction Value without VAT ThUS\$	Effect on net income ThUS\$
96,942,120-8	AIR BP COPEC S.A.	Chile	Joint venture	Sale of fuel	344,198	344,198
96,942,120-8	AIR BP COPEC S.A.	Chile	Joint venture	Administrative services	1,594	1,594
96,942,120-8	AIR BP COPEC S.A.	Chile	Joint venture	Various purchases	382	(382)
96,731,890-6	CARTULINAS CMPC S.A.	Chile	Common shareholder	Sale of lubricants	190	190
96,731,890-6	CARTULINAS CMPC S.A.	Chile	Common shareholder	Other sales	509	509
96,731,890-6	CARTULINAS CMPC S.A.	Chile	Common shareholder	Sale of fuel	2,756	2,756
96,532,330-9	CMPC CELULOSA S.A.	Chile	Common shareholder	Sale of lubricants	780	780
96,532,330-9	CMPC CELULOSA S.A.	Chile	Common shareholder	Other purchases	965	(965)
96,532,330-9	CMPC CELULOSA S.A.	Chile	Common shareholder	Other sales	85	85
95,304,000-K	CMPC Maderas S.A.	Chile	Common shareholder	Sale of fuel	123	123
95,304,000-K	CMPC Maderas S.A.	Chile	Common shareholder	Sale of lubricants	451	451
95,304,000-K	CMPC Maderas S.A.	Chile	Common shareholder	Other sales	17	17
95,304,000-K	CMPC Maderas S.A.	Chile	Common shareholder	Logs	330	(330)
96,529,310-8	CMPC Tissue S.A.	Chile	Common shareholder	Sale of lubricants	145	145
96,529,310-8	CMPC Tissue S.A.	Chile	Common shareholder	Various purchases	40	(40)
96,529,310-8	CMPC Tissue S.A.	Chile	Common shareholder	Sale of fuel	152	152
96,505,760-9	Colbún S.A.	Chile	Director in common	Sale of fuel	26,232	26,232
96,505,760-9	Colbún S.A.	Chile	Director in common	Electricity	1,163	1,093
96,505,760-9	Colbún S.A.	Chile	Director in common	Sale of gas	4	4
96,505,760-9	Colbún S.A.	Chile	Director in common	Sale of lubricants	57	57
96,505,760-9	Colbún S.A.	Chile	Director in common	Other sales	1,849	1,849
76,218,856-2	Colbún Transmisión S.A.	Chile	Director in common	Electricity	389	(389)
79,895,330-3	Compañía Puerto de Coronel S.A.	Chile	Indirect Associate	Sale of lubricants	96	96
79,895,330-3	Compañía Puerto de Coronel S.A.	Chile	Indirect Associate	Mobilization and stevedoring	9,986	(9,986)
79,895,330-3	Compañía Puerto de Coronel S.A.	Chile	Indirect Associate	Wharf rental	122	(122)
79,895,330-3	Compañía Puerto de Coronel S.A.	Chile	Indirect Associate	Sale of fuel	1,616	1,616
96,893,820-7	Corpesca S.A.	Chile	Indirect Associate	Sale of fuel	16,824	16,824
96,893,820-7	Corpesca S.A.	Chile	Indirect Associate	Sale of lubricants	833	833
96,893,820-7	Corpesca S.A.	Chile	Indirect Associate	Other sales	104	104
96,893,820-7	Corpesca S.A.	Chile	Indirect Associate	Consultancy and other services	30	30
96,893,820-7	Corpesca S.A.	Chile	Indirect Associate	Raw materials purchase	79	(79)
99,500,140-3	Eka Chile S.A.	Chile	Joint venture	Electricity	19,182	19,182
99,500,140-3	Eka Chile S.A.	Chile	Joint venture	Purchase of sodium chlorate	44,055	(44,055)
92,580,000-7	Empresa Nacional de Telecomunicaciones S.A.	Chile	Common shareholder	Sale of fuel	529	529
92,580,000-7	Empresa Nacional de Telecomunicaciones S.A.	Chile	Common shareholder	Sale of lubricants	2	2
92,580,000-7	Empresa Nacional de Telecomunicaciones S.A.	Chile	Common shareholder	Telephone services	1,800	(1,800)
96,806,980-2	Entel PCS Telecomunicaciones S.A.	Chile	Common shareholder	Telephone services	1	(1)
79,825,060-4	Entel PCS Telecomunicaciones S.A.	Chile	Common shareholder	Telephone services	100	(100)
91,440,000-7	Forestal Mininco S.A.	Chile	Common shareholder	Sale of fuel	699	699
91,440,000-7	Forestal Mininco S.A.	Chile	Common shareholder	Logs and others	62	(62)
79,825,060-4	Forestal del Sur S.A.	Chile	Common shareholder	Harvesting services	25,322	25,322
79,825,060-4	Forestal del Sur S.A.	Chile	Common shareholder	Wood and logs	1,310	(1,310)
96,636,520-K	Gasmar S.A.	Chile	Indirect Associate	Purchase of fuel	184,877	(184,877)
76,349,706-2	Hualpen Gas S.A.	Chile	Indirect Associate	Sale of gas	2,875	2,875
96,942,870-9	Kabsa S.A.	Chile	Indirect Associate	Renting facilities	292	292
94,082,000-6	Inversiones Siemel S.A.	Chile	Indirect Associate	Facilities rental	959	(959)
96,722,460-K	Metrogas S.A.	Chile	Associate	Purchase natural gas	1,638	(1,638)
93,628,000-5	Molibdenos y Metales S.A.	Chile	Common shareholder	Sale of fuel	1,389	1,389
-	Montagas S.A. ESP	Colombia	Indirect Associate	Sale of cylinders	204	204
78,096,080-9	Portaluppi, Guzmán y Bezanilla Attorneys	Chile	Partner Director	Legal advisory services	1,829	(1,829)
78,096,080-9	Portaluppi, Guzmán y Bezanilla Attorneys	Chile	Partner Director	Canned food sales	5	5
96,959,030-1	Puerto Lirquén S.A. (ex Portuaria Sur de Chile S.A.)	Chile	Indirect Associate	Port services	7,011	(7,011)
96,925,430-1	Servicios Corporativos Sercor S.A.	Chile	Indirect Associate	Management consultancy services	473	(473)
96,925,430-1	Servicios Corporativos Sercor S.A.	Chile	Indirect Associate	Administrative services	562	(562)
96,925,430-1	Servicios Corporativos Sercor S.A.	Chile	Indirect Associate	Other purchases	31	(31)
86,370,800-1	Red To Green S.A.	Chile	Common shareholder	Sales of material, etc.	3	3
86,370,800-1	Red To Green S.A.	Chile	Common shareholder	IT services	772	(772)
82,040,600-1	Sociedad de Inversiones de Aviación Ltda.	Chile	Indirect Associate	Storage services	4,981	(4,981)
82,040,600-1	Sociedad de Inversiones de Aviación Ltda.	Chile	Indirect Associate	Other purchases	422	(422)
76,384,550-8	Sociedad Nacional Marítima S.A.	Chile	Indirect Associate	Sale of fuel	2,083	2,083
76,384,550-8	Sociedad Nacional Marítima S.A.	Chile	Indirect Associate	Administrative services	579	579
76,384,550-8	Sociedad Nacional Marítima S.A.	Chile	Indirect Associate	Sale of lubricants	309	309
76,384,550-8	Sociedad Nacional Marítima S.A.	Chile	Indirect Associate	Other sales	46	46
76,384,550-8	Sociedad Nacional Marítima S.A.	Chile	Indirect Associate	Maritime transport	13,861	(13,861)
76,384,550-8	Sociedad Nacional Marítima S.A.	Chile	Indirect Associate	Other purchases	230	(230)
76,724,000-7	Woodtech S.A.	Chile	Common shareholder	Timber volume measurement services	2,239	777

17.4 Board of Directors and Senior Management

Remuneration of senior executives includes directors, managers and deputy managers and comprises a fixed monthly amount, as well as discretionary annual bonuses.

The compensation for Directors and senior executives are as follows:

Senior Management and Director's Remuneration	12.31.2018 ThUS\$	12.31.2017 ThUS\$
Remuneration and bonuses	113,898	97,457
Board fees	7,676	6,639
Termination benefits	9,735	5,629
Total	131,309	109,725

NOTE 18. PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES**I. Lawsuits and other legal actions of the affiliate Celulosa Arauco y Constitución S.A. ("Arauco"), its affiliates and associates:**

1. Arauco Argentina S.A.

Within the scope of Law No.25,080, the former Department of Agriculture, Livestock, Fisheries and Food was authorized to approve Resolution 952/2000 containing forestry and forestry-industrial investment projects submitted by Arauco Argentina S.A. These projects allowed the Company to plant: 1) 4,777 ha. of forests during 2000 in compliance with the annual plan; and 2) 23,012 ha. between 2000 and 2006 as part of its multiple year forestation plan. It also built a sawmill with installed capacity to produce 250,000 m³ of timber per year.

On January 11, 2001 Arauco Argentina S.A. presented an extension to the approved forestry-industrial project. This extension was approved by Resolution 84/03 by the former Department of Agriculture, Livestock, Fisheries and Food. The Company complied with its obligations by building an MDF board plant (panels) and planted 8,089 ha of forest between 2001 and 2006.

The Company has submitted annual forestry plans from 2007 through to 2017 for its plantations located in the provinces of Misiones and Buenos Aires.

In March 2005 the Department of Agriculture, Livestock and Forestation issued Note 145/05, which suspended the exemption of export duties that Arauco Argentina S.A. had enjoyed in accordance with Law 25,080. This measure is being discussed by the Company. On November 8, 2006 the Fifth Court of the National Appeals Chamber for Contentious, Federal and Administrative Matters issued a decision authorizing Arauco Argentina S.A. to continue enjoying the export duty exemption as it had done previously before the suspension issued in Note 145/05. But that goods should be released using the guarantee regime established in Article 453(a) of the Customs Code, for the export duty exempt from payment. The legal measure was enforced from March 2007 by pledging guarantees through providing bail policies for each of the shipping permits exempt from export duty. Arauco Argentina S.A. has a provision for AR\$ 885,528,092 Argentine pesos (equivalent to ThUS\$ 23,463 as of December 31, 2018) for the aforementioned export duties, presented in the heading "Other long-term provisions". The Company also initiated a repetition claim for US\$ 6,555,207, plus interest from the transfer notification date, for export duties paid between March 2005 and March 2007 as a result of Note 145/05 issued by the Department of Agriculture, Livestock and Forestry being enforced. Both the underlying issue and the repetition claim are pending resolution.

Furthermore, in April 2016 the Department of Agriculture, Livestock, Fisheries and Food issued resolution 154-E/2016 requiring the owners of undertakings that received certain fiscal benefits in accordance with Law 25,080 to pledge guarantees to cover a third of the project duration with a minimum of five years. In May 2018, the Company amended its guarantee constituted in accordance with this Resolution, to become a total of AR\$ 330,929,852 Argentine pesos (equivalent to ThUS\$ 8,768 as of December 31, 2018).

The Company believes that it has met all its obligations under Law 25,080.

2. Celulosa Arauco y Constitución S.A.:

2.1 On August 25, 2005, the Chilean Servicio de Impuestos Internos (the "Chilean IRS") issued tax calculations 184 and 185 of 2005. These challenged the capital reduction transactions effected by Arauco on April 16, 2001 and October 31, 2001, and requested the Company to reimburse amounts returned to it in respect of tax losses, and to amend to its taxable profits and losses carried forward. Considering the above, the tax calculations ordered the reimbursement of the historical amount of Ch\$ 4,571,664,617 (equivalent to ThUS\$ 6,580 as of December 31, 2018). On November 7, 2005, the Company requested a Review of Tax Inspection Activities (Revisión de la Actuación Fiscalizadora, or "RAF"), and a claim was filed against the abovementioned tax calculations 184 and 185 of 2005. The RAF was resolved on January 9, 2009 by the Chilean IRS, which only partially sustained Arauco's request and reduced the sum to Ch\$ 1,209,399,164 (equivalent to ThUS\$ 1,741 as of December 31, 2018), leaving an amount in dispute of Ch\$ 3,362,265,453 (equivalent to ThUS\$ 4,839 as of December 31, 2018) plus fines, interest and indexation. On February 19, 2010, the Court issued an order in which the claim was filed against the RAF.

On September 26, 2014 Arauco requested to submit this complaint to the jurisdiction of the new tax and customs courts. On October 10, 2014, Arauco's request was granted, and the case was submitted to the new Courts under RUC 14-9-0002087-3.

On September 20, 2017, the Court passed judgment of first instance, confirming the assessments. On October 12, 2017 Arauco filed an appeal requesting the Santiago Appeals Court to revoke the judgment of the court of first instance and instead accept Arauco's appeal. On June 29, 2018 the Santiago Appeals Court issued a second ruling confirming the first ruling. On July 19, 2018, Arauco filed an appeal before the Supreme Court, which has been pending since November 26, 2018. Case pending.

There is a reasonable possibility of obtaining a favorable result for Arauco, as the Company's position is based on solid legal arguments. Therefore, Arauco has not created any provisions for this contingency as of December 31, 2018.

Plants

2.2 The Environment Superintendent ("SMA" in Spanish) issued Resolution 1 dated January 8, 2016, notified on January 14, 2016, which leveled 11 allegations against the Company for breaches in Environmental Approval Resolutions at the Valdivia plant and DS 90/2000. The 11 allegations were classified by the SMA as follows: 1 very serious, 5 serious and 5 minor.

On February 12, 2016, the company presented its defense.

On December 15, 2017, the SMA issued Resolution 1487, terminating the administrative proceedings, acquitting one allegation and upholding ten allegations with a penalty of UTA 7,777 (equivalent to ThUS\$ 6,495 as of December 31, 2018). On December 22, 2017, the company filed an appeal with the SMA against Resolution 1487, requesting that all allegations are acquitted, with the exception of allegation number 7 (late submission of the water quality report for the Cruces River).

The SMA notified the Company of Resolution 357 on March 23, 2018, which rejected the appeal submitted by the company. Therefore, on April 5, 2018 a judicial appeal was submitted to the Third Environmental Tribunal. On November 12, 2018, the case was settled and Minister Sibel Villalobos Volpi was appointed to prepare the judgement. Case pending.

There is a reasonable possibility of obtaining a favorable result for Arauco, as the Company's position is based on solid legal arguments. Therefore, Arauco has not created any provisions for this contingency as of December 31, 2018.

2.3 The SMA issued Resolution 1 dated February 17, 2016, notified on February 23, 2016, which leveled eight allegations against the company for breaches in Environmental Approval Resolutions at the Nueva Aldea Plant. The 8 allegations were classified by the SMA as follows: 7 serious and 1 minor.

On March 15, 2016 the company submitted a compliance program within the time limit, which contains 30 tasks and goals, related to each of the 8 alleged offenses. On July 15, 2016 the Company was notified of Resolution 11 issued by the SMA, which approved the compliance program and suspended the penalty proceedings. If the program is implemented satisfactorily, it may be possible to conclude the procedure without sanctions being applied.

On August 3, 2016, third party plaintiffs in the administrative procedure filed an appeal against Resolution 11 issued by the SMA, which approved the compliance program. On December 24, 2016 the Third Environmental Tribunal rejected this appeal. The plaintiffs have not filed an appeal.

On October 31, 2017, a final report on the Compliance Program was submitted, which reported the complete and comprehensive implementation of all the tasks and measures referred to in the program. The SMA issued Resolution 1611 on December 20, 2018 declaring that the Compliance Program had been successfully completed and terminated the penalty proceedings. Case closed.

2.4 Resolution 1/Role F-031-2016, dated September 15, 2016, described three demands filed by the SMA against the Company for alleged breaches to specific Environmental Qualification Resolutions granted for the Constitución Plant, and for an alleged breach to Law 19,300 for having evaded the Environmental Impact Assessment System. The three demands were classified by the SMA as follows: 1 serious and 2 minor.

On October 17, 2016, the Company submitted a Compliance Program that contained 7 tasks and goals. On January 3, 2017 the Company was notified of the resolution approving this compliance program. If the program is implemented satisfactorily, it may be possible to conclude the procedure without sanctions being applied.

On October 2, 2017, a final report on the Compliance Program was submitted, and supplemented on December 11, 2017, which reported the complete and comprehensive implementation of all the tasks and measures referred to in the program. The SMA will now issue a decision on the successful completion of the Compliance Program.

Celulosa Arauco y Constitución S.A., Forestal Arauco S.A., Maderas Arauco S.A. and Servicios Logísticos Arauco S.A.

2.5 On August 13, 2018, the Asociación Gremial de Dueños de Camiones de Constitución ("Asoducam") filed a lawsuit for forced compliance plus damages against Forestal Arauco S.A., Servicios Logísticos Arauco S.A., Celulosa Arauco y Constitución S.A. and Maderas Arauco S.A. The lawsuit was based on alleged breaches of the 2001 and 2005 cargo allocation, distribution and supply agreements entered into by Asoducam's associates with Forestal Arauco S.A. initially, and then allegedly, according to the plaintiff, with Servicios Logísticos Arauco S.A., in favor of the other two defendants, Celulosa Arauco y Constitución S.A. and Maderas Arauco S.A. It requests forced performance of the contract, plus Ch\$575,000,000 (equivalent to ThUS\$ 828 as of December 31, 2018) for damages. The detailed demand requests (a) Ch\$ 11,189,270,050 (equivalent to ThUS\$ 16,105 as of December 31, 2018), for consequential damages; (b) Ch\$ 11,189,270,050 per month throughout the trial, until the contract is terminated for loss of profits, and (c) Ch\$ 5,000,000,000 (equivalent to ThUS\$ 7,197 as of December 31, 2018) for moral damages.

Celulosa Arauco y Constitución S.A., Forestal Arauco S.A. and Maderas Arauco S.A. were notified of the demand on August 28, 2018. Servicios Logísticos Arauco S.A. Has not yet been notified (Case C-757-2018 at the Constitution Court).

There is a reasonable possibility of obtaining a favorable result for Arauco, as the Company's position is based on solid legal arguments. Therefore, Arauco has not created any provisions for this contingency as of December 31, 2018.

3. Forestal Arauco S.A.:

3.1 On April 28, 2015, the Company was notified and responded to a regular repossession procedure, case number C-334-2014 from the Constitución Civil Court, filed by Mr. Rodrigo Huanquimilla Arcos and Mr. Mario Andrades Rojas, lawyers, in representation of 24 members of the Arcos beneficiaries, alleged to be the owners of the Quivolgo Estate, containing 5,202 hectares, request that Forestal Celco SA, now called Forestal Arauco SA, is required to restore this property with its civil and natural benefits, and the attached properties and any impairments to the property, with costs. They base their claims on the alleged Forestal Celco SA, now called Forestal Arauco SA, being custodian but not owner of this property.

The Company responded to the demand requesting full rejection, with costs, alleging that Forestal Celco SA, now called Forestal Arauco SA is the only legitimate and exclusive owner of the property.

The Tribunal ordered this trial to be combined with case C-54-2015, which is mentioned in 3.2.

3.2 On April 6, 2015, the Company was notified in Santiago of a regular repossession procedure, case number C-54-2015, filed by Mr. Gustavo Andrés Ochagavía Urrutia, lawyer, in representation of 23 members of the Arcos beneficiaries, alleged to be the owners of the Quivolgo Estate, containing 5,202 hectares, and requesting that Forestal Celco SA, now Forestal Arauco SA, is required to restore this property with its civil and natural benefits, and the attached properties and any impairments to the property, with costs. They base their claims on the alleged Forestal Celco SA, now called Forestal Arauco SA, being custodian but not owner of this property.

On April 28, 2015, the Company filed a response requesting full rejection, with costs, alleging that Forestal Celco SA, now Forestal Arauco SA is the only legitimate and exclusive owner of the property.

On January 8, 2016, the defendant applied for these cases to be added to Case No. C-334-2014. The Tribunal accepted this request that these cases be combined.

On February 24, 2017 the final judgment of first instance was notified, which rejected the entire demand with costs.

On March 8, 2017, the plaintiff filed an appeal against the judgment of the court of first instance. On May 25, 2018, the Talca Appeals Court confirmed the judgment of the court of first instance, with costs (Talca Appeals Court Case No. 949-2017).

On June 12, 2018, the plaintiff contested the decision of the Appeals Court by filing an appeal with the Supreme Court. The appeal has been pending since September 11, 2018. (Case No. 16.583-2018).

There is a reasonable possibility of obtaining a favorable result for Arauco, as the Company's position is based on solid legal arguments. Therefore, Arauco has not created any provisions for this contingency as of December 31, 2018.

3.3 On July 11, 2017, the Company was notified of a civil lawsuit claiming land ownership, filed by Ms. Carmen Muñoz Dominguez in representation of Forestal Ezreze S.A., who argued that her client is the owner by assignment and sale of 87.5% of the inheritance rights of the rural property called "Pino Huacho" located in Los Alamos and Cañete, in the Lebu province, Biobio Region. The land has an area of 5,144.22 hectares, alleged to be owned by Forestal Arauco S.A., and requesting the Court to resolve that Forestal Arauco S.A. should be condemned and must restore the land to its rightful owner. Forestal Arauco S.A. responded to the demand, requesting that it should completely rejected with costs, and adding a counterclaim based on the statute of limitations.

Currently, the case is pending the pronouncement of the subpoena to hear judgment. Pending. (Case C-109-2017 at Lebu Civil Court)

There is a reasonable possibility of obtaining a favorable result for Arauco, as the Company's position is based on solid legal arguments. Therefore, Arauco has not created any provisions for this contingency as of December 31, 2018.

3.4 Ms. Estela Jaramillo filed a lawsuit in special indigenous proceedings before the First Court of Osorno (Case C-2540-2018), requesting the absolute nullity of the purchase agreement entered into in 1999, by which Consorcio Forestal S.A. sold to Forestal Valdivia S.A., now Forestal Arauco S.A., a 1505.6 hectare piece of land called Fundo San Nicolás Dos Lote Uno Norte. It also claims damages for the exploitation, use and enjoyment of indigenous lands against Forestal Arauco S.A.

On November 10, 2018, Forestal Arauco S.A. was notified of the lawsuit. On January 16, 2019, the Tribunal withdrew the lawsuit against Consorcio Forestal S.A., which had not been notified of the demand.

The rebuttal and conciliation hearing is currently pending.

There is a reasonable possibility of obtaining a favorable result for Arauco, as the Company's position is based on solid legal arguments. Therefore, Arauco has not created any provisions for this contingency as of December 31, 2018.

3.5 Mr. Ricardo Guzmán Reyes filed a claim for damages before the Constitutional Court (Case C-678-2018), in which he requests compensation for alleged damages caused by a precautionary measure decreed in a lawsuit filed by Forestal Celco S.A., which was rejected by the court in 2014, alleging that this precautionary measure would have prevented the plaintiff from extracting rocks and moving aggregates from the mining property called "Puente nuevo 1, 1 al 14 de la comuna de Constitución", for a period of 463 days.

The plaintiff values the damages at Ch\$8,519,046,182 (equivalent to ThUS\$12,262 as of December 31, 2018), which comprise Ch\$7,899,046,182 (equivalent to ThUS\$11,369 as of December 31, 2018) for consequential damages, Ch\$500,000,000 (equivalent to ThUS\$720 as of December 31, 2018) for loss of profits and Ch\$120,000,000 (equivalent to ThUS\$173 as of December 31, 2018) for moral damages.

On December 26, 2018, Forestal Arauco S.A. filed an disqualification claim against the subrogation judge Mr. Rodrigo Silva Marchant, requesting that the actions and resolutions dictated by him be declared null and void. On January 11, 2019, subrogation Judge Rodrigo Silva Marchant declared himself unable to continue hearing the matter, and the Court accepted the invalidity claim on January 16, 2019.

On February 14, 2019, the court issued a resolution accepting the res judicata exception filed as a delay by Forestal Arauco S.A. This resolution was not appealed by the plaintiff, so the case is terminated.

3.6 Inversiones Forestales Los Alpes Limitada and Forestal Neltume-Carrasco S.A. filed a claim against Forestal Arauco S.A. before the Angol Court (Case C-502-2015), in which they request that Forestal Arauco S.A. restores its possession of 1,855.9 hectares, which is part of their property "Resto del Fundo Los Alpes" that covers approximately 2,700 hectares. They also request that the plaintiffs are declared exclusive owners of the property, that its civil and natural benefits are restored, plus any deterioration of the property, with costs.

On January 22, 2019, Forestal Arauco S.A. was notified of the lawsuit, and on February 13, 2019, Forestal Arauco S.A. filed delaying objections, which are pending resolution.

There is a reasonable possibility of obtaining a favorable result for Arauco, as the Company's position is based on solid legal arguments. Therefore, Arauco has not created any provisions for this contingency as of December 31, 2018.

4. Arauco do Brasil S.A.:

On November 8, 2012, Brazilian Tax Authorities issued an Infraction Notice against a Brazilian affiliate, Arauco do Brasil S.A., for alleged unpaid taxes purportedly due by such company for the years 2006 to 2010. In particular, the Tax Authorities (i) objected to the deductibility of certain payments made and expenses incurred (including premium amortization, interest and legal expenses) by Arauco do Brasil between 2005 and 2010 and (ii) alleged that Arauco do Brasil made certain underpayments in respect of the Brazilian Corporate Income Tax ("IRPJ") and the Brazilian Social Contribution on Net Profits ("CSLL") during 2010.

On July 20, 2015, Arauco do Brasil was notified of a decision at the first administrative level, to partially uphold the case, with an estimated value of R\$ 164,159,000 (ThUS\$ 42,435 as of December 31, 2018). An appeal was submitted against this decision, to revoke the Infraction Notice with the CARF (the Brazilian Taxation Appeals Administrative Council), which is the second administrative level. The CARF reached a decision on May 16, 2017 having considering some of the Company's arguments regarding the premiums, but retaining other charges. Arauco do Brasil was notified of a CARF decision on September 27, 2018 presenting the current value of this case at R\$ 57,556,262 (ThUS\$ 14,878 as of December 31, 2018), plus interest and inflation adjustments until the discussion is closed. Arauco do Brasil filed an appeal, to request clarification by CARF of some of its decision points. Subsequently, Arauco will present a Special Appeal to the CSRF - Upper Fiscal Resource Chamber (final administrative body) - to continue discussion of the remaining accusations.

The Company believes that its objection to the Infraction Notice is supported by solid legal arguments and that there is a reasonable likelihood that this matter will result in a favorable outcome for the Company. Otherwise, the next step would be for the Company to challenge the notification with Brazilian Justice.

There is a reasonable possibility of obtaining a favorable result for Arauco, as the Company's position is based on solid legal arguments. Therefore, Arauco has not created any provisions for this contingency as of December 31, 2018.

II. Lawsuits or other legal actions of the affiliate Compañía de Petróleos de Chile Copec S.A. and its affiliates:

1. Compensation for damages

- a) Sociedad Molinera del Sur S.A. and Sociedad Induservcom Ltda., both of the city of Puerto Montt, sued Compañía de Petróleos de Chile Copec S.A., citing potential environmental damage to both property located in the coastal city of Puerto Montt and that come from leaks of fuel from the former Copec plant in that city. The lower court decision, which was upheld by the Appeal Court, was unfavorable to Copec and an appeals was filed against that ruling. The Supreme Court partially upheld the appeal, as it rejected the claim for environmental reparation by declaring that the Court was not competent and upheld the action for damages. Therefore, the plaintiff will file a new demand for damages, and prove the damages he claims to have suffered, so the probability of contingency is reasonably possible.

- a)
- b) Mr. Mauricio Madrid Marticorena and Luis Sepulveda Marticorena filed three lawsuits in the Third Civil Court of Santiago. The first lawsuit in summary proceedings for damages caused by an alleged breach in Law 17,336 on Intellectual Property, during negotiations to launch a business making Biodiesel from algae. The amount claimed is ThUS\$ 1,223.

The plaintiffs are seeking compensation for damages before the same court and for the same events, alleging that COPEC has breached business secrecy rules, namely Law 19,039 on Intellectual Property. The amount claimed is ThUS\$ 335.

Finally, based on the same events, the plaintiffs brought an ordinary action for damages of tort. The amount is ThUS\$ 1,288.

Both cases ruled in Copec's favor in the first instance. Subsequently, the Appeal Court partially upheld one of the demands and ordered Copec to pay ThUS\$58. As a result, Copec appealed to the Supreme Court.

The possibility of an unfavorable outcome is remote.

2. Pureo Plant

On September 6, 2011, there was a spill of diesel fuel in the Fuel Storage Plant located in Pureo, Calbuco, which had the following consequences:

- A group of mussel farmers sued the Company in Puerto Montt for compensation for the damages following the fuel spill at the plant in Calbuco, Pureo. The demand totaled ThUS\$ 1,195.
- Subsequently, a second lawsuit for ThUS\$ 2,161, for consequential damages, lost profits and moral damage, was presented by Martinez, which is in addition to the first. In March 2017, the Court ruled in favor of Copec, which was appealed by the plaintiffs. Currently, the case is with the summoned parties to hear sentence. There are insurance policies involved.

3. SEC fines

There are several fines imposed by the Superintendence of Electricity and Fuels for approximately ThUS\$ 3.

According to Management and its legal counsel, an unfavorable result is possible.

4. Quintero Lubricants Plant

The Union of Independent Workers, Artisanal Fishermen, Sea-food Divers and similar trades in Horcón bay and other people in the area filed a demand with the second Santiago Environmental Court for environmental damage caused by several companies operating in the "Ventanas Industrial Complex", which is located in the Quintero and Ventanas bays, including Empresas Copec S.A. as alleged operator of the Lubricants Plant located on the edge of Quintero Bay, Loncura sector, which is described in Case file D-30-2016, and notified on November 10, 2016.

The alleged environmental damage is based on operating an industrial plant that Empresas Copec does not control, as it is owned and operated by its affiliate Compañía de Petróleos de Chile Copec S.A. Therefore, Empresas Copec S.A. filed a defense that it is not responsible for this alleged environmental damage and requested that the case be dropped. Subsequently, the case went to trial, and the court decided that the dilatory exceptions will be resolved in the final judgment. Currently, the trial is suspended, waiting for one of the defendants to be correctly notified of the claim.

According to the legal advisers, the Company's defense is sufficiently strong to expect that the court will reject the demand.

5. Affiliates

AIR BP Copec S.A.

AIRBP Copec S.A. requested the 14th Civil Court of Santiago to declare Aerolíneas Principal Chile S.A. bankrupt, due to the non-payment of a promissory note for ThUS\$ 559. The corresponding VAT was recovered in accordance with the Law and the sum of ThUS\$21 at the auction of property owned by a joint and several debtor.

The certification of uncollectibility is currently being processed.

Organización Terpel Colombia

- On July 3, 2013, the DIAN (the Colombian Directorate of Taxes and Customs) rejected the deduction of ThUS\$ 38,497, being amortization of goodwill generated on the acquisition of shares in GAZEL included in the income declaration presented by TERPEL for the fiscal year 2010. Organización Terpel S.A. responded to this special requirement stating how it had satisfied all the requirements established by law to deduct as an expense the amortization of goodwill in the 2010 tax year and accordingly asked the DIAN to accept the declaration with this deduction, but as a result of its rejection, legal action was taken. In June 2018, the court of first instance ruled in favor of TERPEL, so the fiscal authority filed an appeal within the legal terms and conditions, July 10, 2018. Once the appeal has been resolved, the extraordinary review appeal will be processed by the Council of State, whose final decision could take up to four years. According to legal counsel, the likelihood of success is high.
- PGN GASNORTE S.A.C. filed a lawsuit against the Lima Metropolitan Municipality, Peru and PROTRANSPORTE for a breach of the Concession Agreement for Gasocentro Norte, which caused the following damages: a) Accrued interest, b) Finance costs overrun on the accrued interest on the Loan with Interbank, and c) Lower income received by PGN GASNORTE. The amount claimed was ThUS\$3,251, and the arbitral award that resolved the dispute was recently reported and upheld PGN GASNORTE S.A.C. However, the Lima Metropolitan Municipality filed a clarification claim, which is pending. The estimated time frame for the judicial resolution is September 2019.

- The entire NGV industry in Peru (including the affiliate Terpel Peru) is being investigated for alleged price agreements between 2011 and 2015, and a technical report was issued by the secretary of the competition authority (INDECOPi) who recommended applying sanctions to the affiliate of MUS\$17.5. On August 7, 2018, Gazel Peru was granted an audience before the Free Trade Commission, in order to undermine the recommendation in the technical report. New hearings were scheduled for October 12, 15 and 16 following the resignation of one of the Commissioners. The closing arguments took place on November 5, 2018 and January 16, 2019. The related companies (Bacthor and Bacpetrol, subsidiaries of Terpel Peru, were linked and fined) were notified in Resolution 104-2018/CLC-INDECOPi of the following fines:
 - Terpel approx. MUS\$17
 - Bacthor y Bacpetrol approx. MUS\$1.5

On February 1, an appeal was filed, which will be resolved by the Free Trade Court within 8 to 12 months. If the appeal decision is not favorable (which is to be expected, given that the decision is made by the same entity that sanctioned it), the demands would be filed before the contentious jurisdiction against the resolution that imposed the sanction. This process will take approximately 5 years.

After the appeal was filed, INDECOPi unofficially reduced Terpel's fine by approximately MUS\$5, to leave a total fine of approximately MUS\$12. This is not a decision resulting from the appeal, as this has not yet been decided.

6. Guarantees

Guarantees are received from third parties in favor of the Company and are mortgages, pledges and retentions on concession and consignment agreements, fuel supply contracts, lines of credit and construction contracts.

The main guarantees as of the reporting date were as follows:

GUARANTEE	TRANSACTION	ThUS\$	COMPANY	RELATIONSHIP
Mortgage	Fuel and Lubricant Supply Contract	1,100	EST DE SERV VEGA ARTUS LTDA.	Concession
Mortgage	Fuel and Lubricant Supply Contract	720	AMELIA MARTINEZ RASSE Y COMPAÑIA LT	Concession
Mortgage	Fuel and Lubricant Supply Contract	730	COMERCIAL Y SERVICIOS PINCAL LTDA.	Concession
Mortgage	Fuel and Lubricant Supply Contract	687	PATRICIO ABRAHAM GHIARDO JEREZ	Concession
Mortgage	Fuel and Lubricant Supply Contract	635	JAIME ALEJANDRO VILLANUEVA LOZANO	Concession
Mortgage	Fuel and Lubricant Supply Contract	587	DINO PEIRANO Y CIA LTDA.	Concession
Mortgage	Fuel and Lubricant Supply Contract	575	ALTO MELIMOYU S.A.	Concession
Mortgage	Fuel and Lubricant Supply Contract	565	SOCIEDAD COMERCIAL RINCON LIMITADA	Concession
Mortgage	Fuel and Lubricant Supply Contract	560	COMBUSTIBLES Y SERVICIOS LTDA.	Concession
Mortgage	Fuel and Lubricant Supply Contract	546	DISTR. DE COMB. COKE LTDA.	Concession
Mortgage	Fuel and Lubricant Supply Contract	520	COMERCIAL Y SERVICIOS FERSOF LTDA	Concession
Mortgage	Fuel and Lubricant Supply Contract	514	COMERCIAL DE PABLO Y MARIN LTDA.	Concession
Mortgage	Fuel and Lubricant Supply Contract	505	GAJARDO E HIJOS LIMITADA	Concession
Mortgage	Fuel and Lubricant Supply Contract	484	COMERCIAL LINCOYAN LTDA.	Concession
Mortgage	Fuel and Lubricant Supply Contract	458	COMERCIALIZADORA LONCOMILLA LTDA.	Concession
Mortgage	Fuel and Lubricant Supply Contract	458	AUTOMOTRIZ Y COMERCIAL LONCOMILLA LTDA.	Concession
Mortgage	Fuel and Lubricant Supply Contract	451	COMERCIAL F. Y H. LTDA.	Concession
Mortgage	Fuel and Lubricant Supply Contract	451	COMERCIAL MAHO LIMITADA	Concession
Mortgage	Fuel and Lubricant Supply Contract	447	COMERCIAL Y SERVICIOS SAN IGNACIO LTDA	Concession
Mortgage	Fuel and Lubricant Supply Contract	444	SOCIEDAD COMERCIAL CAROLINA HERNAND	Concession
Mortgage	Fuel and Lubricant Supply Contract	435	MARTINEZ RASSE Y CIA. LTDA.	Concession
Mortgage	Fuel and Lubricant Supply Contract	435	DE LA FUENTE MARTINEZ Y COMPAÑIA	Concession
Mortgage	Fuel and Lubricant Supply Contract	434	INV Y COM LIRAY LTDA.	Concession
Mortgage	Fuel and Lubricant Supply Contract	434	COM. Y DISTRIBUIDORA LOS LIRIOS LTDA.	Concession
Mortgage	Fuel and Lubricant Supply Contract	425	COMERCIAL Y SERVICIOS DG LIMITADA	Concession
Mortgage	Fuel and Lubricant Supply Contract	423	GARCIA Y COMPAÑIA LIMITADA	Concession
Mortgage	Fuel and Lubricant Supply Contract	405	ESTACION DE SERVICIO VIÑA DEL MAR LTDA	Concession
Mortgage	Fuel and Lubricant Supply Contract	400	COMERCIAL BEFFERMANN E HIJOS LTDA	Concession
Mortgage	Fuel and Lubricant Supply Contract	397	ROSENBERG Y SEPULVEDA LIMITADA	Concession
Mortgage	Fuel and Lubricant Supply Contract	393	ADMINISTRACION DE E/S AUTONOMA LTDA.	Concession
Mortgage	Fuel and Lubricant Supply Contract	391	STEFFENS Y COMPAÑIA LIMITADA	Concession
Mortgage	Fuel and Lubricant Supply Contract	383	DELAC S.A.	Concession
Mortgage	Fuel and Lubricant Supply Contract	373	COMERCIALIZADORA Y DISTRIBUIDORA DEL	Concession
Mortgage	Fuel and Lubricant Supply Contract	370	SANTA LUISA DE NAVA DEL REY LIMITADA	Concession
Mortgage	Fuel and Lubricant Supply Contract	360	SERVICIOS KAYFER LIMITADA.	Concession
Mortgage	Fuel and Lubricant Supply Contract	371	COMERCIAL ONE STOP LIMITADA	Concession
Mortgage	Fuel and Lubricant Supply Contract	370	COMERCIAL ONE STOP LIMITADA	Concession
Mortgage	Fuel and Lubricant Supply Contract	361	COMERCIAL ELIZABETH OCARANZA	Concession
Mortgage	Fuel and Lubricant Supply Contract	348	DISTRIBUIDORA VALLE GRANDE LTDA.	Concession
Mortgage	Fuel and Lubricant Supply Contract	356	COMERCIAL J & C MOYA LTDA	Concession
Mortgage	Fuel and Lubricant Supply Contract	355	SOCIEDAD COMERCIAL LAS VIOLETAS	Concession
Mortgage	Fuel and Lubricant Supply Contract	354	COMERCIAL SOZA Y ARAVENA LTDA.	Concession
Mortgage	Fuel and Lubricant Supply Contract	351	COMERCIAL Y SERVICIOS EL TATIO LTDA	Concession
Mortgage	Fuel and Lubricant Supply Contract	351	COMERCIAL Y SERVICIOS PALAU LIMITADA	Concession
Mortgage	Fuel and Lubricant Supply Contract	346	EST. DE SERV. COLON TOMAS MORO LTDA	Concession
Mortgage	Fuel and Lubricant Supply Contract	345	COMERCIAL Y SERVICIOS LA ROCHELLE	Concession
Mortgage	Fuel and Lubricant Supply Contract	345	SOCIEDAD COMERCIAL EL PARRON	Concession
Mortgage	Fuel and Lubricant Supply Contract	344	COMERCIAL VARELA Y COMPAÑIA LTDA.	Concession
Mortgage	Fuel and Lubricant Supply Contract	343	COMBUSTIBLES VARELA LTDA.	Concession
Mortgage	Fuel and Lubricant Supply Contract	337	INVERSIONES JOTAS LIMITADA	Concession
Mortgage	Fuel and Lubricant Supply Contract	336	COM E INV SANTA CATALINA LIMITADA	Concession
Mortgage	Fuel and Lubricant Supply Contract	332	RAMIS Y RAMIS LTDA.	Concession
Mortgage	Fuel and Lubricant Supply Contract	330	COMERCIAL Y SERVICIOS SEGUEL- BEYZA	Concession
Mortgage	Fuel and Lubricant Supply Contract	329	DISTRIBUIDORA PERCAB LIMITADA	Concession
Mortgage	Fuel and Lubricant Supply Contract	328	COMERCIAL MAHANA Y COMANIA LIMITAD	Concession
Mortgage	Fuel and Lubricant Supply Contract	321	FL COMERCIAL LIMITADA	Concession
Mortgage	Fuel and Lubricant Supply Contract	321	COMERCIAL GRUPO MYDO LTDA.	Concession

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GUARANTEE	TRANSACTION	ThUS\$	COMPANY	RELATIONSHIP
Mortgage	Fuel and Lubricant Supply Contract	317	COM Y DIST PIRQUE LIMITADA	Concession
Mortgage	Fuel and Lubricant Supply Contract	313	COMERCIAL Y SERVICIOS S & J FULL LTDA.	Concession
Mortgage	Fuel and Lubricant Supply Contract	312	COMERCIAL E INVERSIONES SALARES	Concession
Mortgage	Fuel and Lubricant Supply Contract	311	COMERCIAL MALLKU LIMITADA	Concession
Mortgage	Fuel and Lubricant Supply Contract	310	EXPENDIO DE COMBUSTIBLES Y LU	Concession
Mortgage	Fuel and Lubricant Supply Contract	306	COMERCIAL DOMINGA LTDA.	Concession
Mortgage	Fuel and Lubricant Supply Contract	303	COMERCIAL Y SERVICIOS NEWEN L	Concession
Mortgage	Fuel and Lubricant Supply Contract	303	GERMAN LUIS CONTRERAS CHAVEZ	Concession
Mortgage	Fuel and Lubricant Supply Contract	299	SOCIEDAD LUIS FONG VERGARA Y CIA	Concession
Mortgage	Fuel and Lubricant Supply Contract	298	DE LA PAZ MERINO LTDA	Concession
Mortgage	Fuel and Lubricant Supply Contract	298	DISTRIBUIDORA B&B LTDA	Concession
Mortgage	Fuel and Lubricant Supply Contract	297	COMERCIAL Y SERVICIOS RIMED LTDA	Concession
Mortgage	Fuel and Lubricant Supply Contract	295	SOCIEDAD COMERCIAL PEREZ Y POBLETE	Concession
Mortgage	Fuel and Lubricant Supply Contract	295	COMERCIAL CAUTIN LIMITADA	Concession
Mortgage	Fuel and Lubricant Supply Contract	295	COMERCIAL Y SERVICIOS M & C LTDA.	Concession
Mortgage	Fuel and Lubricant Supply Contract	295	BODEGAJE, LOGISTICA Y DISTRIBUCION	Concession
Mortgage	Fuel and Lubricant Supply Contract	293	DANIEL VILLAR Y CIA. LTDA	Concession
Mortgage	Fuel and Lubricant Supply Contract	291	MUÑOZ Y DIMTER LTDA.	Concession
Mortgage	Fuel and Lubricant Supply Contract	291	SOC. COMERCIAL QUINWER LIMITADA	Concession
Mortgage	Fuel and Lubricant Supply Contract	287	AUTOMOTRIZ CRISTOBAL COLON LT	Concession
Mortgage	Fuel and Lubricant Supply Contract	284	COMERCIAL CSC LIMITADA	Concession
Mortgage	Fuel and Lubricant Supply Contract	284	COMERCIAL Y SERVICIOS FUTRONO LTDA	Concession
Mortgage	Fuel and Lubricant Supply Contract	282	GRANESE Y ROSELLI LTDA.	Concession
Mortgage	Fuel and Lubricant Supply Contract	282	NTEC SERVICIOS Y COMERCIALIZADORA	Concession
Mortgage	Fuel and Lubricant Supply Contract	281	SOCIEDAD COMERCIAL URQUIETA H	Concession
Mortgage	Fuel and Lubricant Supply Contract	278	COMERCIAL Y SERVICIOS BALMA L	Concession
Mortgage	Fuel and Lubricant Supply Contract	278	COM Y SERVICIOS SAN ALFONSO LTDA	Concession
Mortgage	Fuel and Lubricant Supply Contract	272	ANGELA HENRIQUEZ MAGGIOLO Y	Concession
Mortgage	Fuel and Lubricant Supply Contract	270	MARIA DE LOS ANGELES PRADO DE	Concession
Mortgage	Fuel and Lubricant Supply Contract	270	SOCIEDAD HERRERA PRADO LTDA.	Concession
Mortgage	Fuel and Lubricant Supply Contract	270	COMERCIAL GRONA LIMITADA	Concession
Mortgage	Fuel and Lubricant Supply Contract	268	SOC COMERCIAL SHARPE HNAS. LTDA.	Concession
Mortgage	Fuel and Lubricant Supply Contract	266	COMERCIAL Y SERVICIOS RIGA LT	Concession
Mortgage	Fuel and Lubricant Supply Contract	265	GEOMAZ COMERCIAL Y SERVICIOS LTDA.	Concession
Mortgage	Fuel and Lubricant Supply Contract	263	COMERCIAL E INVERSIONES BORQUEZ	Concession
Mortgage	Fuel and Lubricant Supply Contract	262	COMERCIAL Y SERVICIOS BRAXO	Concession
Mortgage	Fuel and Lubricant Supply Contract	260	COMERCIAL Y SERVICIOS LENGA	Concession
Mortgage	Fuel and Lubricant Supply Contract	259	COMERCIAL Y SERVICIOS R & R L	Concession
Mortgage	Fuel and Lubricant Supply Contract	259	DISTRIBUIDORA DIAZ Y COMPAÑIA	Concession
Mortgage	Fuel and Lubricant Supply Contract	258	COMERCIAL Y SERVICIO ALESANDRIA LTDA.	Concession
Mortgage	Fuel and Lubricant Supply Contract	258	COMERCIAL LOS CONQUISTADORES LTDA.	Concession
Mortgage	Fuel and Lubricant Supply Contract	258	DIST DE COMBUST SAN IGNACIO LTDA.	Concession
Mortgage	Fuel and Lubricant Supply Contract	257	COMERCIAL Y SERVICIOS MEDNAV LTDA.	Concession
Mortgage	Fuel and Lubricant Supply Contract	256	COMERCIAL P C LTDA.	Concession
Mortgage	Fuel and Lubricant Supply Contract	800	VALLE DORADO S.A.	Distributor
Mortgage	Fuel and Lubricant Supply Contract	599	DISTRIBUIDORA DE LUB. SAN JAVIER	Distributor
Mortgage	Fuel and Lubricant Supply Contract	560	SOCIEDAD LUBRICANTES Y SERVIC	Distributor
Mortgage	Fuel and Lubricant Supply Contract	582	COMERCIAL RENGO LUBRICANTES S.A.	Distributor
Mortgage	Fuel and Lubricant Supply Contract	532	LUBRICANTES ARTIGUES S.A.	Distributor
Mortgage	Fuel and Lubricant Supply Contract	532	LUBRICANTES ARTIGUES S.A.	Distributor
Mortgage	Fuel and Lubricant Supply Contract	532	COMERCIAL HARAMBOUR LTDA.	Distributor
Mortgage	Fuel and Lubricant Supply Contract	452	SOC. COM. NUEVA LONCOMILLA LTDA.	Distributor
Mortgage	Fuel and Lubricant Supply Contract	1,359	TRANSPORTES MARITIMOS KOCHIFAS S.A.	Industrial Customer
Mortgage	Fuel and Lubricant Supply Contract	871	BUSES METROPOLITANA S.A.	Industrial Customer
Mortgage	Fuel and Lubricant Supply Contract	740	PULLMAN CARGO S.A.	Industrial Customer
Mortgage	Fuel and Lubricant Supply Contract	871	BUSES METROPOLITANA S.A.	Industrial Customer
Mortgage	Fuel and Lubricant Supply Contract	511	FUENTES SALAZAR SANDRA	Industrial Customer
Mortgage	Fuel and Lubricant Supply Contract	469	SOTALCO II LTDA.	Industrial Customer
Mortgage	Fuel and Lubricant Supply Contract	459	COMERCIAL CALAMA S.A.	Industrial Customer
Mortgage	Fuel and Lubricant Supply Contract	342	PINTO LAGOS MIGUEL ANGEL	Industrial Customer
Mortgage	Fuel and Lubricant Supply Contract	341	PETROMAULE LTDA.	Industrial Customer
Mortgage	Fuel and Lubricant Supply Contract	334	SOCIEDAD COMERCIAL E INMOBILIARIA	Industrial Customer
Mortgage	Fuel and Lubricant Supply Contract	341	PETROMAULE LTDA.	Industrial Customer
Mortgage	Fuel and Lubricant Supply Contract	278	OSCAR GILBERTO HURTADO LOPEZ	Industrial Customer
Promissory Note	Fuel and Lubricant Supply Contract	288	ASOC. GREMIAL DE DUEÑOS DE CAMIONES	Industrial Customer
Promissory Note	Fuel and Lubricant Supply Contract	238	SOC. ELECTRICAS DE MEDELLIN S.A.	Industrial Customer
Promissory Note	Fuel and Lubricant Supply Contract	144	DISTRIBUIDORA DE COMBUSTIBLES	Industrial Customer
Promissory Note	Fuel and Lubricant Supply Contract	132	HUILO HUILO DESARROLLO TURISTICO	Industrial Customer
Promissory Note	Fuel and Lubricant Supply Contract	144	TRANSP. PUBLICO PASAJEROS RUTA LAS PLAYAS	Industrial Customer
Promissory Note	Fuel and Lubricant Supply Contract	120	ASOC. GREMIAL DE DUEÑOS DE CAMIONES	Industrial Customer
Promissory Note	Fuel and Lubricant Supply Contract	119	SERVICIOS FORESTALES Y COMERCIALES	Industrial Customer
Pledge	Fuel and Lubricant Supply Contract	511	FUENTES SALAZAR SANDRA	Industrial Customer
Pledge	Fuel and Lubricant Supply Contract	115	RICARDO LEIVA Y CIA. LTDA.	Industrial Customer
Pledge	Fuel and Lubricant Supply Contract	115	SALAZAR CRANE JULIA	Industrial Customer
Pledge	Fuel and Lubricant Supply Contract	115	RICARDO LEIVA Y CIA. LTDA.	Industrial Customer
Instrument	Fuel and Lubricant Supply Contract	57	SOCIEDAD HERRERABRAVO LTDA.	Concession
Instrument	Fuel and Lubricant Supply Contract	19	TANGOUR Y LOYOLA LTDA.	Concession
Instrument	Fuel and Lubricant Supply Contract	33	COMERCIAL MAR Y SOL LTDA.	Concession

Guarantees Granted**Celulosa Arauco y Constitución S.A.**

At the date of these consolidated financial statements, the affiliate Arauco has approximately MUS\$ 47 in financial assets transferred to third parties (beneficiaries), as direct guarantees. If the obligation is not satisfied by Arauco, the beneficiary may enforce this guarantee.

As of December 31, 2018 there are assets pledged as indirect guarantees amounting to US\$ 624 million. Unlike direct guarantees, indirect guarantees are provided to safeguard an obligation assumed by a third party.

On September 29, 2011, Arauco signed a Guarantee Agreement under which it granted a non-several commitment to guarantee 50% of the obligations of two Uruguayan companies (joint operations) Celulosa y Energía Punta Pereira S.A. and Zona Franca Punta Pereira S.A., under the IDB Facility Agreement for MUS\$ 454 and the Finnvera Guaranteed Facility Agreement for MUS\$ 900.

Below is a breakdown of the main direct and indirect guarantees granted by Arauco:

Direct					
Affiliate	Guarantee	Asset Committed	Currency	ThUS\$	Guarantee Beneficiary
Celulosa Arauco y Constitución S.A.	Performance bond	-	Chilean peso	488	General Directorate of Maritime Territory and the Merchant Navy
Celulosa Arauco y Constitución S.A.	Performance bond	-	Chilean peso	313	General Directorate of Maritime Territory and the Merchant Navy
Celulosa Arauco y Constitución S.A.	Performance bond	-	Chilean peso	230	General Directorate of Maritime Territory and the Merchant Navy
Celulosa Arauco y Constitución S.A.	Performance bond	-	Chilean peso	209	General Directorate of Maritime Territory and the Merchant Navy
Celulosa Arauco y Constitución S.A.	Performance bond	-	Chilean peso	120	National Customs Service
Forestal Arauco S.A.	Performance bond	-	Chilean peso	831	National Copper Corporation (Codelco)
Arauco Forest Brasil S.A.	Equipment	Property, plant and equipment	US dollars	97	Banco Bradesco S.A.
Arauco Forest Brasil S.A.	Equipment	Property, plant and equipment	US dollars	192	Banco Santander S.A.
Arauco Forest Brasil S.A.	Equipment	Property, plant and equipment	US dollars	115	Banco Santander S.A.
Arauco Forest Brasil S.A.	Endorsement of ADB and Guarantee Letter AISA	-	US dollars	3,022	Banco Votorantim S.A.
Arauco Forest Brasil S.A.	Endorsement of ADB	-	US dollars	550	Banco Votorantim S.A.
Arauco Forest Brasil S.A.	Mortgage of ADB's Jaguariava Industrial Plant	-	US dollars	39,566	BNDÉS
Arauco do Brasil S.A.	Equipment	Property, plant and equipment	US dollars	179	Banco Santander S.A.
Arauco do Brasil S.A.	Equipment	Property, plant and equipment	US dollars	176	Banco Alfa S.A.
Arauco Florestal Arapoti S.A.	Endorsement of ADB	-	US dollars	621	Banco Votorantim S.A.
Arauco Florestal Arapoti S.A.	Equipment	Property, plant and equipment	US dollars	172	Banco Itau BBA S.A.
Arauco Florestal Arapoti S.A.	Equipment	Property, plant and equipment	US dollars	332	Banco Safra S.A.
Arauco Florestal Arapoti S.A.	Equipment	Property, plant and equipment	US dollars	198	Banco Santander S.A.
		Total		47,411	

Indirect					
Affiliate	Guarantee	Asset Committed	Currency	ThUS\$	Guarantee Beneficiary
Celulosa Arauco y Constitución S.A.	Non several and non cumulative guarantee	-	US dollars	322,234	Joint Ventures (Uruguay)
Celulosa Arauco y Constitución S.A.	Full guarantee	-	US dollars	287,000	Arauco North America (ex Flakeboard America Ltd.) (USA)
Celulosa Arauco y Constitución S.A.	Guarantee letter	-	US dollars	4,039	Arauco Forest Brasil y Mahal (Brazil)
Celulosa Arauco y Constitución S.A.	Guarantee letter	-	Real	11,115	Arauco Forest Brasil y Mahal (Brazil)
		Total		624,388	

Compañía de Petróleos de Chile Copec S.A.

The Company has furnished performance bonds to guarantee delivery of fuels to customers and to guarantee works on public thoroughfares and other similar roads for a total of ThUS\$ 57,159 (ThUS\$ 62,061 as of December 31, 2017).

Pesquera Iquique – Guanaye S.A.

The indirect affiliate Orizon S.A. pledged 124,150 shares in the associate Boat Parking S.A. in favor of that company, in order to ensure compliance with all current or future contractual obligations of Orizon S.A. to Boat Parking S.A.

Minera Camino Nevado Limitada

On April 25, 2016 contracts were signed with Itau-Corpbanca and BC banks. These novated 50% of the remaining debt that Mina Invierno S.A. owes to Minera Camino Nevado Ltda., together with the renegotiation and reprogramming of maturity dates and financial conditions associated with the loan. The loan amounts approximately to US\$ 114 million and is repayable in 10 semiannual installments and is jointly and severally guaranteed by Empresas Copec S.A. The Company has recorded an investment in the shares of Inversiones Laguna Blanca S.A., the parent company of Mina Invierno S.A., for an equal amount, so maintaining a 50% stake in Inversiones Laguna Blanca S.A.

Previously, Minera Camino Nevado Ltda. had constituted pledges and subordinated loans in favor of a syndicate of banks headed by the Itaú Bank, under which the loans provided by the Company to Mina Invierno S.A. and related companies of approximately ThUS\$ 45,065 are subordinated to the payment of the loans granted by this syndicate to Mina Invierno S.A. and related companies. Furthermore, a pledge had been constituted over the same loans in favor of the syndicate. Also a pledge had been granted over the shares that Minera Camino Nevado Ltda. has in the Laguna Blanca S.A. group of companies, composed of Inversiones Laguna Blanca S.A. and related companies, as a guarantee of the loan repayment obligation granted by the syndicate.

All these guarantees were lifted on March 21, 2017.

Alxar Internacional SpA

On May 16, 2018 at an Extraordinary Shareholders' Meeting held by Empresas Copec and in relation to the Mina Justa project, it was agreed to provide guarantees under the following terms:

- 1) To secure during the project's construction and commissioning phase up to 40% of Marcobre's obligations with a syndicate of loan agencies, financial institutions and banks, who would provide a "Project Finance" loan. This loan would be between US\$ 800 million and US\$ 900 million, and the guarantee is limited to US\$360 million, which is 40% of the maximum figure.

2) Provided it is acceptable to the respective counterparties, to assume 40% of the guarantees provided by Minsur in favor of Ausenco, to guarantee Marcobre obligations under EPCM contracts in relation to the project. Or if for any reason it could not assume these guarantees, to authorize Empresas Copec to sign a back-to-back guarantee agreement, provided Minsur requires it, in order to reimburse Minsur or its related parties (as the case may be), of 40% of all costs payable by Minsur or its related parties under such guarantee. These contracts are valued at US\$75.4 million, and the guarantee was limited to 40% of this value, plus 10%, being US\$33.2 million.

Accordingly, on August 15, 2018, Grupo Cumbres Andinas S.A.C. signed a syndicated loan with a group of lenders composed of Export Development Canada, Export Finance and Insurance Corporation, KFW IPEX-Bank GMBH, The Export-Import Bank of Korea, Banco Bilbao Viscaya Argentaria, S.A.A., Hong Kong, Banco de Crédito del Perú and others, where it obtained a credit line of US\$900 million with a Libor variable interest rate (2.35% as of December 31, 2018). As of December 31, 2018, the Group had received disbursements of US\$72 million.

There are no other contingencies which could significantly affect the companies financial or operating conditions as of the reporting date.

Disclosure information regarding provisions:

Provisions are recognized when there is a legal or constructive obligation as a consequence of past events, it is likely that a payment will be necessary to settle the obligation, and the amount of such payment can be reliably estimated. The amount is the best possible estimate at each reporting date.

	Current		Non-current	
	12.31.2018 ThUS\$	12.31.2017 ThUS\$	12.31.2018 ThUS\$	12.31.2017 ThUS\$
Provisions				
Legal claims provisions	8,889	9,305	14,205	18,643
Onerous contracts provisions	0	0	23,188	0
Decommissioning, restoration and rehabilitation costs	214	149	27,508	26,304
Profit shares and bonuses	1,042	1,053	304	0
Other provisions	9,618	10,913	25,025	24,006
Total	19,763	21,420	90,230	68,953

Movements in Provisions ThUS\$	Guarantee provisions	Legal claims provisions	Onerous contracts provisions	Decommissioning, restoration and rehabilitation costs	Profit shares and bonuses	Other provisions	Total
Opening balance as of January 1, 2018	0	27,948	0	26,453	1,053	34,919	90,373
Movements in Provisions							
Increase (decrease) in provisions	0	4,232	0	2,703	412	12,799	20,146
Onerous contracts provision, current	0	0	0	0	0	0	0
Acquisitions through business combinations	0	0	0	0	0	0	0
Disposals through sales of businesses	0	0	23,622	0	0	0	23,622
Provisions used	0	(3,229)	0	(76)	0	(12,409)	(15,714)
Reversal of unused provisions	0	(2,469)	0	0	0	0	(2,469)
Increase for time value of money adjustment	0	0	0	0	0	0	0
Increase (decrease) from change in discount rate	0	0	0	0	0	0	0
Exchange differences	0	0	0	0	0	0	0
Increase (decrease) in foreign currency translation	0	(5,502)	(434)	(1,322)	2	(67)	(7,323)
Provisions added	0	0	0	0	0	141	141
Other increases (decreases)	0	2,114	0	(36)	(121)	(740)	1,217
Total movements	0	(4,854)	23,188	1,269	293	(276)	19,620
Total provision, closing balance as of December 31, 2018	0	23,094	23,188	27,722	1,346	34,643	109,993

Movements in Provisions ThUS\$	Guarantee provisions	Legal claims provisions	Onerous contracts provisions	Decomissioning, restoration and rehabilitation costs	Profit shares and bonuses	Other provisions	Total
Opening balance as of January 1, 2017	0	31,472	0	22,587	1,128	28,253	83,440
Movements in Provisions							
Increase (decrease) in provisions	0	8,908	0	2,221	(175)	(1,688)	9,266
Onerous contracts provision, current	0	0	0	0	0	0	0
Acquisitions through business combinations	0	0	0	0	0	2,106	2,106
Disposals through sales of businesses	0	0	0	0	0	0	0
Provisions used	0	(8,325)	0	0	0	0	(8,325)
Reversal of unused provisions	0	0	0	0	0	0	0
Increase for time value of money adjustment	0	0	0	0	0	0	0
Increase (decrease) from change in discount rate	0	0	0	0	0	0	0
Exchange differences	0	0	0	0	0	22	22
Increase (decrease) in foreign currency translation	0	(1,209)	0	921	0	(62)	(350)
Provisions added	0	0	0	0	0	2	2
Other increases (decreases)	0	(2,898)	0	724	100	6,286	4,212
Total movements	0	(3,524)	0	3,866	(75)	6,666	6,933
Total provision, closing balance as of December 31, 2017	0	27,948	0	26,453	1,053	34,919	90,373

The provision for legal claims primarily corresponds to labor and tax related lawsuits, and the term of payment is undetermined. The recognition of investments in associates with negative equity at the reporting date is presented in Other provisions.

The Group recognizes a provision for the present value of the dismantling, restoration and rehabilitation costs that will be incurred in the restoration of the locations of certain plants and service stations on property belonging to third parties and mine closures. The expected payment date is not yet known.

NOTE 19. EMPLOYEE BENEFITS OBLIGATIONS

These amounts are mainly obligations for service termination indemnities for certain employees, based on the provisions of collective and individual employment contracts.

	12.31.2018 ThUS\$	12.31.2017 ThUS\$
Vacation benefits	140	163
Post-employment benefits	11,015	11,737
Other employee benefits	0	0
Total current benefits	11,155	11,900
Post-employment benefits	111,463	117,940
Other employee benefits	0	0
Total non-current benefits	111,463	117,940
Total employee benefits	122,618	129,840

Reconciliation of post-employment benefits	12.31.2018 ThUS\$	12.31.2017 ThUS\$
Opening balance	129,840	111,576
Current service cost	4,702	10,954
Gain on business combination	2,249	0
Interest	6,219	5,184
Actuarial (gains) losses due to change in assumptions	(85)	(3,829)
Demographic and financial assumptions	0	89
Past service cost	4,710	0
Actuarial (gains) losses due to experience	(281)	3,532
Benefits paid (provisioned)	(9,818)	(8,797)
Increase (decrease) on foreign exchange	(14,918)	11,131
Changes in the period	(7,222)	18,264
Closing balance	122,618	129,840

The liability recognized in the consolidated statement of financial position is the present value of the obligation for defined benefits as of the reporting date based on actuarial calculations using the projected unit-credit method. This liability is for the defined benefits based on actuarial calculations in accordance with the projected unit-credit method. This calculation discounts the estimated future outflows of cash at interest rates on instruments denominated in the currency in which such benefits will be paid and with terms similar to those of the corresponding obligations.

Actuarial gains or losses arising from experience and from changes in actuarial assumptions are charged or credited to the changes in net equity statement in the period in which they occur.

Costs for past services are recognized immediately in the consolidated statement of net income.

NOTE 20. EQUITY METHOD INVESTMENTS IN AFFILIATES AND ASSOCIATES

- a) The ownership interest of the Empresas Copec S.A. Group in its main associates accounted for using the equity method is the following:

As of December 31, 2018

Chilean ID Number	Name	Percentage Interest %	Country	Relationship	Functional currency	Cost of Investments in associates ThUS\$	Net income ThUS\$
-	Cumbres Andinas S.A.	40.00	Peru	Indirect associate	US dollars	225,250	(7,788)
70,037,855-0	Inversiones Laguna Blanca S.A.	50.00	Chile	Joint venture	US dollars	207,654	3,183
-	Sonae Arauco	50.00	Spain	Joint venture	Euros	177,548	12,551
96,893,820-7	Corpesca S.A.	39.79	Chile	Indirect associate	US dollars	158,237	4,996
96,722,460-K	Metrogas S.A.	39.83	Chile	Associate	Chilean peso	113,656	25,952
82,777,100-7	Puertos y Logística S.A.	23.16	Chile	Indirect associate	US dollars	71,888	688
96,785,680-0	Inversiones Puerto Coronel S.A.	50.00	Chile	Indirect associate	US dollars	51,760	3,040
-	Vale do Corisco S.A.(ex Centaurus Holding Brasil)	49.00	Brazil	Indirect associate	Real	38,497	(296)
96,636,520-K	Gasmar S.A.	36.25	Chile	Indirect associate	US dollars	34,134	7,072
99,500,140-3	Eka Chile S.A.	50.00	Chile	Joint venture	Chilean peso	21,341	1,654
76,578,731-9	Aprovisionadora Global de Energía S.A.	39.83	Chile	Associate	US dollars	12,851	21,698
76,307,309-2	Naviera Los Inmigrantes S.A.	50.00	Chile	Joint venture	Chilean peso	7,835	1,442
76,044,336-0	Golden Omega S.A.	25.00	Chile	Indirect associate	US dollars	7,381	(4,493)
96,942,120-8	AIR BP Copec S.A.	50.00	Chile	Indirect associate	Chilean peso	6,107	660
82,040,600-1	Sociedad de Inversiones de Aviación Ltda.	33.33	Chile	Indirect associate	Chilean peso	3,753	2,121
-	Unillin Arauco Pisos Ltda.	49.99	Brazil	Joint venture	Real	3,555	(2)
-	Montagas S.A. ESP	33.33	Colombia	Indirect associate	Colombian peso	3,463	1,309
-	Fibroacero S.A.	26.00	Ecuador	Indirect associate	US dollars	2,944	68
76,879,577-0	E2E S.A.	49.99	Chile	Indirect associate	Chilean peso	2,044	(185)
-	PGN Gasnorte S.A.C	50.00	Colombia	Indirect associate	Colombian peso	1,557	521
76,349,706-2	Hualpen Gas S.A.	50.00	Chile	Indirect associate	US dollars	1,490	497
96,953,090-2	Boat Parking S.A.	21.36	Chile	Joint venture	Chilean peso	898	19
76,456,800-1	Mina Invierno S.A.	0.10	Chile	Joint venture	US dollars	716	(9)
-	PGN Gasur S.A.C	50.00	Colombia	Indirect associate	Colombian peso	636	317
-	Energas S.A. ESP	28.33	Colombia	Indirect associate	Colombian peso	604	165
76,839,949-2	Parque Eólico Ovejeras del Sur SpA.	49.99	Chile	Indirect associate	Chilean peso	597	(147)
76,659,730-0	Elemental S.A.	40.00	Chile	Indirect associate	Chilean peso	269	(3)
96,925,430-1	Servicios Corporativos Sercor S.A.	20.00	Chile	Indirect associate	Chilean peso	193	18
76,122,974-5	Algae Fuels S.A.	44.64	Chile	Indirect associate	Chilean peso	28	29
76,242,018-K	Forestal y Ganadera Estancia Invierno S.A.	14.39	Chile	Joint venture	Chilean peso	9	0
76,077,468-5	Consorcio Tecnológico Bionercel S.A.	20.00	Chile	Indirect associate	Chilean peso	7	(2)
76,384,550-8	Sociedad Nacional Marítima S.A.	39.33	Chile	Indirect associate	US dollars	0	(12,773)
76,743,130-9	Genómica Forestal S.A.	25.00	Chile	Indirect associate	Chilean peso	0	2
76,188,378-K	Compañía Minera Sierra Norte S.A.	50.00	Chile	Joint venture	US dollars	0	0
76,037,858-5	Producción y Servicios Mineros Ltda.	0.01	Chile	Joint venture	Chilean peso	(5)	(1)
96,919,150-4	Minera Invierno S.A.	0.01	Chile	Joint venture	US dollars	(15)	2
76,037,864-K	Portuaria Otway Ltda.	0.01	Chile	Indirect associate	US dollars	(28)	4
76,037,872-0	Rentas y Construcciones Fitz Roy Ltda.	0.01	Chile	Joint venture	Chilean peso	(54)	0
76,037,869-0	Equipos Mineros Rio Grande Ltda.	0.01	Chile	Indirect associate	Chilean peso	(58)	(8)
TOTAL						1,156,742	62,301

As of December 31, 2017

Chilean ID Number	Name	Percentage Interest %	Country	Relationship	Functional currency	Cost of Investments in associates ThUS\$	Net income ThUS\$
70,037,855-0	Inversiones Laguna Blanca S.A.	50.00	Chile	Joint venture	US dollars	204,471	6,626
-	Sonae Arauco	50.00	Spain	Joint venture	Euros	185,410	10,882
96,722,460-K	Metrogas S.A.	39.83	Chile	Associate	Chilean peso	159,012	26,445
96,893,820-7	Corpesca S.A.	39.79	Chile	Indirect associate	US dollars	157,778	29,664
82,777,100-7	Puertos y Logística S.A.	23.16	Chile	Indirect associate	US dollars	71,559	(521)
-	Vale do Corisco S.A.(ex Centaurus Holding Brasil)	49.00	Brazil	Indirect associate	Real	48,922	2,989
96,785,680-0	Inversiones Puerto Coronel S.A.	50.00	Chile	Indirect associate	US dollars	47,619	2,370
96,636,520-K	Gasmar S.A.	36.25	Chile	Indirect associate	US dollars	34,393	7,865
76,578,731-9	Aprovisionadora Global de Energía S.A.	39.83	Chile	Associate	US dollars	20,991	21,672
99,500,140-3	Eka Chile S.A.	50.00	Chile	Joint venture	Chilean peso	20,237	1,783
76,044,336-0	Golden Omega S.A.	25.00	Chile	Indirect associate	US dollars	11,913	(4,607)
76,307,309-2	Naviera Los Inmigrantes S.A.	50.00	Chile	Joint venture	Chilean peso	6,285	326
96,942,120-8	AIR BP Copec S.A.	50.00	Chile	Indirect associate	Chilean peso	6,234	299
-	Unillin Arauco Pisos Ltda.	49.99	Brazil	Joint venture	Real	4,158	(503)
82,040,600-1	Sociedad de Inversiones de Aviación Ltda.	33.33	Chile	Indirect associate	Chilean peso	3,601	2,018
-	Montagas S.A. ESP	33.33	Colombia	Indirect associate	Colombian peso	3,189	699
-	Fibroacero S.A.	26.00	Ecuador	Indirect associate	US dollars	2,899	(203)
-	PGN Gasnorte S.A.C	50.00	Colombia	Indirect associate	Colombian peso	1,538	502
76,349,706-2	Hualpen Gas S.A.	50.00	Chile	Indirect associate	US dollars	1,442	443
96,953,090-2	Boat Parking S.A.	21.36	Chile	Joint venture	Chilean peso	1,315	8
-	PGN Gasur S.A.C	50.00	Colombia	Indirect associate	Colombian peso	825	298
76,456,800-1	Mina Invierno S.A.	0.10	Chile	Joint venture	US dollars	725	(6)
-	Energas S.A. ESP	28.33	Colombia	Indirect associate	Colombian peso	589	120
76,659,730-0	Elemental S.A.	40.00	Chile	Indirect associate	Chilean peso	353	63
96,925,430-1	Servicios Corporativos Sercor S.A.	20.00	Chile	Indirect associate	Chilean peso	195	(12)
76,242,018-K	Forestal y Ganadera Estancia Invierno S.A.	14.39	Chile	Joint venture	Chilean peso	8	0
76,077,468-5	Consorcio Tecnológico Bionerel S.A.	20.00	Chile	Indirect associate	Chilean peso	6	(24)
76,384,550-8	Sociedad Nacional Marítima S.A.	35.59	Chile	Indirect associate	US dollars	0	(7,058)
76,122,974-5	Algae Fuels S.A.	44.64	Chile	Indirect associate	Chilean peso	0	(174)
76,743,130-9	Genómica Forestal S.A.	25.00	Chile	Indirect associate	Chilean peso	0	(2)
76,188,378-K	Compañía Minera Sierra Norte S.A.	50.00	Chile	Joint venture	US dollars	0	(1)
76,037,858-5	Producción y Servicios Mineros Ltda.	0.01	Chile	Joint venture	Chilean peso	(2)	1
96,919,150-4	Minera Invierno S.A.	0.01	Chile	Joint venture	US dollars	(16)	1
76,037,864-K	Portuaria Otway Ltda.	0.01	Chile	Indirect associate	US dollars	(33)	3
76,037,869-0	Equipos Mineros Río Grande Ltda.	0.01	Chile	Indirect associate	Chilean peso	(50)	2
76,037,872-0	Rentas y Construcciones Fitz Roy Ltda.	0.01	Chile	Joint venture	Chilean peso	(54)	3
TOTAL						995,512	101,971

Summarized financial information of associates:

	12.31.2018		12.31.2017	
	Assets ThUS\$	Liabilities ThUS\$	Assets ThUS\$	Liabilities ThUS\$
Associates, current	1,018,079	806,864	1,125,583	808,456
Associates, non-current	3,466,245	1,541,512	4,089,754	1,804,407
Total	4,484,324	2,348,376	5,215,337	2,612,863

	12.31.2018 ThUS\$	12.31.2017 ThUS\$
Associates, operating revenue	3,540,528	3,865,355
Associates, operating expenditure	(3,374,491)	(3,642,401)
	166,037	222,954

b) Interest in joint ventures:

Interests in joint ventures is accounted for using the equity method.

c) Movements in investments in associates are as follows:

Equity method investments in associates	12.31.2018 ThUS\$	12.31.2017 ThUS\$
Opening balance	995,512	979,004
Additions, investments in associates and joint ventures	249,004	51,417
Disposals, investments in associates and joint ventures	0	0
Immediately recognized purchased goodwill	0	0
Gain on the incorporation of joint ventures	14,203	12,162
Share of associates net profit (loss)	48,098	102,194
Share of prior period amounts	0	0
Dividends received	(70,998)	(60,861)
Impairment losses	0	0
Impairment loss reversals	0	(5,225)
Increases (decreases) in foreign currency translation	(64,894)	50,214
Other increase (decrease)	(24,536)	(139,150)
Exchange differences	10,353	5,757
Total changes	161,230	16,508
Closing balance	1,156,742	995,512

The principal purchases and sales of shares, capital increases, mergers and divisions for affiliates are as follows:

Exxon Mobil

On November 16, 2016, Compañía de Petróleos de Chile Copec S.A. signed an agreement with Mobil Petroleum Overseas Company Limited and ExxonMobil Ecuadis Holding B.V. This is a regional agreement to develop and distribute Mobil lubricants, which includes:

- i) The operation and marketing of fuels for the Jorge Chavez International Airport in Lima, Peru;
- ii) The transfer of the fuels business currently operated by ExxonMobil in Colombia and Ecuador.

The objective of the agreement is to expand the distribution networks for lubricants in other countries within the Andean area of South America and capture growth opportunities offered by markets in Chile, Colombia, Peru and Ecuador.

The agreement is subject to approval by governmental authorities in each country.

The transaction was closed on March 15, 2018, which resulted in:

1. Organización Terpel Corporation (an affiliate of Terpel), acquired the companies ExxonMobil Andean Holding LLC.; ExxonMobil del Peru S.R.L.; ExxonMobil Aviacion Peru S.R.L.; ExxonMobil de Colombia S. A. and ExxonMobil de Colombia Sociedad Portuaria S.A.
2. Terpel acquired ExxonMobil Ecuador Ltda.
3. In accordance with the conditions imposed on the transaction by the Colombian Superintendent of Industry and Commerce:
 - 3.1) Organización Terpel Corporation transferred ownership of the shares in ExxonMobil Colombia S. A. to an autonomous entity, controlled by a third party.
 - 3.2) This autonomous entity should transfer the lubricants business with all the associated logistics to Terpel as soon as possible, and then sell the fuel business to a third party.
4. The total indexed price was US\$ 714.7 million, which includes the cash held by the companies included in the transaction of approximately US\$ 230 million, which shall be reconciled.

Finally, on November 30, 2018, the indirect affiliate Organización Terpel S.A. was notified by its shareholders that a contract was signed to sell the share capital of ExxonMobil Colombia S.A. to Inversiones Primax S.A.S. and Primax Holdings S.A.S., both companies belonging to Corporación Primax and Grupo Romero for US\$ 231.9 million.

Between the date of taking control through to December 31, 2018, the acquisition of ExxonMobil's businesses in Peru, Ecuador and Colombia contributed ThUS\$42,924 in operating revenue and ThUS\$9,561 in net income after tax to the Group's results, net of financing costs for these transactions.

Merger and acquisitions of forestry companies

- On December 31, 2018, Arauco Wood Products Inc. and Arauco Panels USA, LLC were merged into Flakeboard America Limited (now Arauco North America, Inc). This transaction did not affect Arauco's results.

- On August 3, 2018, Arauco Wood (China) Company Limited was created through the subsidiary Arauco Internacional Ltda. with a share capital of US\$500,000.

- On May 7, 2018 Arauco created Maderas Arauco Costa Rica S.A. through Inversiones Arauco Internacional Ltda., and its share capital is 10,000 colones (equivalent to US\$ 18). On December 24, 2018, Inversiones Arauco Internacional Ltda. made a capital contribution of ThUS\$300 to Sociedad Maderas Arauco Costa Rica S.A.

- On May 2, 2018 Maderas Arauco S.A. created E2E S.A., and its share capital is ThUS\$ 6,000, with Arauco owning 50%. As of December 31, 2018, ThUS\$ 2,241 has been contributed.

- On January 19, 2018 Parque Eólico Ovejera Sur SpA was created through Arauco Bioenergy S.A. and its share capital is ThCh\$ 1,000,000, with Arauco owning 50%. The capital contributed by Arauco was ThUS\$ 782.

- On December 6, 2017, the affiliate Arauco do Brasil acquired all the shares of Masisa do Brasil Ltda. (currently Arauco Industria de Paineis Ltda.) for ThUS\$ 32,914 (equivalent to ThBRL\$ 107,352 converted at the November 30, 2017 exchange rate). In December 2017, Arauco paid ThUS\$ 15,918 (equivalent to ThBRL\$ 53,164). Subsequently, in February 2018, Arauco paid the remaining amount of ThUS\$16,996 (equivalent to ThBRL\$53,164). The main assets comprise two industrial complexes, which provide Arauco with an installed capacity of close to 10 million m³.

Arauco initially registered the acquisition of Arauco Industria de Paineis Ltda. based on the information available to date, using a preliminary estimate of fair value allocation on acquiring this company. The value of assets and liabilities acquired were considered provisional values and may be adjusted during the acquisition measurement period to reflect new information about facts and circumstances at the acquisition date that would have affected the valuations recognized at that date had they been known. After estimating fair values for the acquisition of Arauco Industria de Paineis Ltda., the affiliate recorded in Other Gains (Losses) in the Consolidated Statement of Income a gain of ThUS\$ 16,501 net of exchange differences on conversion of ThUS\$ 2,288 during 2018.

Other Investments

- On August 17, 2017, the associate Corpesca S.A. through its Brazilian affiliate Corpesca do Brasil Empreendimentos e Participações Ltda., sold 60% of the shares in Sementes Selecta S.A., for US\$ 214 million, which were bought by CJ Logistics do Brasil Ltda. and the Stic CJ Global Investment Partnership Private Equity Fund (net proceeds of US\$ 161.8 million).

- On September 14, 2017, Pesquera Iquique-Guanaye S.A. together with Empresa Pesquera Eperva S.A. and AntarChile S.A. bought from Sociedad Pesquera Coloso S.A. all 642,459,000 of the shares that it owns in Corpesca S.A. for US\$ 69.39 million. These represent 23% of the subscribed and paid share capital of Corpesca S.A. Therefore, Pesquera Iquique-Guanaye S.A. paid US\$ 27,611,812 to Coloso, and increased its participation in Corpesca by 9.15%, to give it 39.79% of this company in total.

- Management of Sociedad Nacional Marítima S.A. (Sonamar), discovered evidence that their main assets (ships) were impaired as of December 31, 2017, as the income that these assets would expect to generate in the future was less than their book value. The impairment of that date was valued at ThUS\$40,125. The Group has a 35.5902% interest in Sonamar, valued at ThUS\$ 7,185 before registering the impairment. As required by IAS 28, a loss of the total investment was recorded.

- On May 11, 2018, the shareholders of the associate Sociedad Nacional Marítima S.A. agreed to increase the company's capital to cover a cashflow shortfall, which increased the Group's interest to 39.3319% through a capital contribution of ThUS\$12,865.

- In May 2018 Empresas Copec S.A. acquired a 40% interest in the Peruvian company Cumbres Andinas S.A.C., which wholly owns Marcobre S.A.C., through the affiliate Alxar Internacional SpA for ThUS\$ 182,447.

Marcobre is executing the "Mina Justa" mining project in the Ica Department in southern Peru, and began construction during the second half of 2018. When Mina Justa is fully operational, which is expected to take place at the beginning of 2021, subject to obtaining the necessary permits and environmental approvals, average production of concentrate and cathodes is forecast to be approximately 100,000 tons of fine copper a year. The mine has a total resource base of 432 million tons at a copper grade of 0.75%, and it is expected to operate for 18 years. However, there is also potential for growth associated with the development of nearby mining concessions. Exploration and development will continue in the surrounding mining concessions, covering an area of over 60,000 hectares, in order to extend the useful life of the Justa Mine Project.

- On December 27, 2018, Pesquera Iquique-Guanaye S.A. together with Empresa Pesquera Eperva S.A. bought from Sociedad Pesquera Coloso S.A. 205,719,290 shares that it owned in Orizon S.A., which represents 20% of that company's subscribed and paid share capital, for ThUS\$20,000. Therefore, Pesquera Iquique-Guanaye S.A. paid ThUS\$16,700 to Coloso for an increase of 16.7% in its interest in Orizon, giving it an 83.5% interest in this indirect affiliate.

d) Interests in joint arrangements

- Arauco has a 50% interest in Sonae Arauco, which will manufacture and market wooden MDF, PB and OSB panels and cut timber, at two panel plants and a sawmill in Spain; two panel plants and one resin plant in Portugal; four panel plants in Germany and two panel plants in South Africa.

- The investments in Uruguay are considered a joint operation. The joint arrangement aims to provide the parties with an output, and as stated in the "Pulp Supply Agreement", both Arauco and its partner are obliged to acquire all the total annual production of pulp produced by the joint operation. Arauco has recognized assets, liabilities, income and expenses in connection with its ownership interest from January 1, 2013 in accordance with IFRS 11.

- Moreover, Arauco has a 50% interest in a Brazilian company Unilin Arauco Pisos Laminados Ltda., and in Eka Chile SA, which sells sodium chlorate to pulp mills in Chile. Arauco has a contractual agreement with it that involves a financial undertaking under joint control, classified as a joint venture.

- The Group also has an interest in Air BP Copec S.A. This company is the result of a joint venture established in 2001 between Copec and BP Global Investments Ltd., in which each partner holds a 50% interest. The company sells fuel for commercial and civil aviation. Currently, Air BP Copec operates in eight airports throughout the country and holds the leading market share in Chile, supplying the fuel needs of Latam and international airlines arriving in Santiago, such as American Airlines, Aerolíneas Argentinas, Delta, Varig, Avianca and Pluna, among others. The company also serves important consumers in the cargo air industry such as Polar Cargo and Cielos Airlines and numerous civil aviation customers.

- The Company has a 50% ownership interest in Inversiones Laguna Blanca S.A. through its affiliate Camino Nevado Limitada. The former is the result of a strategic alliance started in 2007 between Empresas Copec S.A. and Inversiones Ultraterra in equal parts. The company was incorporated in order to undertake a project to explore and produce coal in Riesco Island, located north of Punta Arenas in the Magellan Region. For this purpose, in 2007 the company was awarded Corfo tenders through its investee Minera Invierno S.A. for coal exploration with purchase options on two coal areas located in that island, where the biggest proven sub-bituminous coal reserves in Chile are located.

Production reached 2,257 thousand tons and sales reached 2,355 thousand tons during the year. The main destination of Mina Invierno production is the electricity generation industry in Chile, which represented 82% of sales, while exports to Spain and India represented 7.5% each, and exports to Holland were 3%.

There are no contingent liabilities relating to the Group's interest in joint ventures.

e) The most significant joint arrangements are outlined below:

		December 31, 2018								
		Assets		Liabilities		Net equity	Revenue		Expenses	Net income (loss)
Joint venture	Eka Chile S.A.	19,840	32,363	4,443	5,078	42,682	47,798	(44,490)	3,308	
	Inversiones Laguna Blanca S.A.	108,706	342,095	18,398	15,929	416,474	131,003	(124,636)	6,367	
	Air BP Copec S.A.	38,928	5,743	31,768	689	12,214	405,834	(404,515)	1,319	
	Sonae Arauco S.A.	272,030	655,856	221,393	351,397	355,096	1,057,535	(1,032,435)	25,100	
	Unillin Arauco Pisos Ltda	6,165	4,574	3,591	37	7,111	16,984	(16,881)	103	
Joint operation	Forestal Cono Sur S.A.	23,528	170,443	1,668	1,957	190,346	25,642	(19,748)	5,894	
	Eurofores S.A.	160,708	638,832	159,988	8,282	631,270	284,039	(261,683)	22,356	
	Celulosa Energía Punta Pereira S.A.	220,699	2,044,534	204,455	441,010	1,619,768	904,853	(611,444)	293,409	
	Zona Franca Punta Pereira S.A.	5,482	472,539	106,676	27,863	343,482	17,880	(23,975)	(6,095)	

		December 31, 2017								
		Assets		Liabilities		Net equity	Revenue		Expenses	Net income (loss)
Joint venture	Eka Chile S.A.	18,876	32,040	5,388	5,054	40,474	43,678	(40,111)	3,567	
	Inversiones Laguna Blanca S.A.	88,353	357,975	18,857	17,333	410,138	112,188	(98,930)	13,258	
	Air BP Copec S.A.	37,252	6,927	30,896	814	12,469	352,512	(351,927)	585	
	Sonae Arauco S.A.	265,578	664,689	235,676	323,770	370,821	976,936	(954,979)	21,957	
	Unillin Arauco Pisos Ltda	7,270	5,535	4,461	28	8,316	17,910	(18,736)	(826)	
Joint operation	Forestal Cono Sur S.A.	33,012	174,943	22,582	2,314	183,059	15,113	(9,926)	5,187	
	Eurofores S.A.	183,175	612,187	180,298	7,948	607,116	336,705	(286,616)	50,089	
	Celulosa Energía Punta Pereira S.A.	202,669	2,076,255	186,626	586,034	1,506,264	768,508	(650,174)	118,334	
	Zona Franca Punta Pereira S.A.	6,105	483,884	97,233	43,180	349,576	22,129	(24,413)	(2,284)	

f) Dividends received from associates

The parent company Empresas Copec S.A. received dividends of ThUS\$ 28,222 from Metrogas S.A. and ThUS\$ 29,621 from Aproveionadora Global de Energía as of December 31, 2018 (ThUS\$ 14,199 from Metrogas S.A., ThUS\$ 38,390 from Aproveionadora Global de Energía and ThUS\$ 31 from Puertos y Logística S.A. as of December 31, 2017).

Celulosa Arauco y Constitución S.A. received dividends of ThUS\$10,880 from its associated companies during 2018, (ThUS\$ 7,287 as of December 31, 2017).

Compañía de Petróleos de Chile Copec S.A. and affiliates received ThUS\$ 2,475 in dividends from its associates during 2018 (ThUS\$ 2,358 as of December 31, 2017).

Abastible S.A. received dividends of ThUS\$ 7,926 from its associates as of December 31, 2018 (ThUS\$ 8,893 as of December 31, 2017).

During 2018 and 2017, Pesquera Iquique-Guanaye S.A. did not receive any dividends from its associates.

NOTE 21. NATIONAL AND FOREIGN CURRENCY

Foreign currency (assets)	12.31.2018 ThUS\$	12.31.2017 ThUS\$
Liquid assets	1,933,646	1,528,859
US dollar	1,256,618	974,987
Euros	8,335	4,351
Other currencies	186,412	169,181
Non-indexed Chilean pesos	482,273	380,332
UF	8	8
Cash and cash equivalents	1,713,803	1,341,704
US dollar	1,067,298	854,923
Euros	8,335	4,351
Other currencies	185,276	169,006
Non-indexed Chilean pesos	452,886	313,416
UF	8	8
Other financial assets, current	219,843	187,155
US dollar	189,320	120,064
Euros	0	0
Other currencies	1,136	175
Non-indexed Chilean pesos	29,387	66,916
UF	0	0
Receivables, current and non-current	2,029,038	1,780,524
US dollar	777,154	642,749
Euros	7,399	20,498
Other currencies	382,687	348,753
Non-indexed Chilean pesos	848,846	755,689
UF	12,952	12,835
Trade and other receivables, current	1,970,882	1,730,807
US dollar	763,416	629,701
Euros	7,399	20,498
Other currencies	382,486	346,157
Non-indexed Chilean pesos	810,226	727,679
UF	7,355	6,772
Related party receivables, current	50,289	41,582
US dollar	13,738	13,024
Euros	0	0
Other currencies	201	2,596
Non-indexed Chilean pesos	31,234	20,955
UF	5,116	5,007
Related party receivables, non-current	7,867	8,135
US dollar	0	24
Euros	0	0
Other currencies	0	0
Non-indexed Chilean pesos	7,386	7,055
UF	481	1,056
Other assets	19,524,591	18,864,832
US dollar	13,516,664	12,978,967
Euros	177,935	185,514
Other currencies	3,051,116	2,856,852
Non-indexed Chilean pesos	2,774,969	2,840,809
UF	3,907	2,690
Total Assets	23,487,275	22,174,215
US dollar	15,550,436	14,596,703
Euros	193,669	210,363
Other currencies	3,620,215	3,374,786
Non-indexed Chilean pesos	4,106,088	3,976,830
UF	16,867	15,533

Foreign currency (liabilities)	12.31.2018		12.31.2017	
	ThUS\$		ThUS\$	
	Up to 90 days	91 days to 1 year	Up to 90 days	91 days to 1 year
Current liabilities				
Other financial liabilities, current	453,436	690,587	489,274	479,414
US dollar	326,396	443,064	368,233	324,962
Euros	0	0	0	0
Other currencies	115,529	70,545	79,106	16,018
Non-indexed Chilean pesos	2,407	98,302	31,074	72,357
UF	9,104	78,676	10,861	66,077
Bank loans	414,159	379,045	383,310	393,530
US dollar	298,902	226,338	275,530	322,920
Euros	0	0	0	0
Other currencies	115,059	69,075	78,650	14,575
Non-indexed Chilean pesos	198	83,632	29,072	55,883
UF	0	0	58	152
Finance Leases	10,233	28,718	11,134	37,207
US dollar	582	1,341	215	465
Euros	0	0	0	0
Other currencies	470	1,470	456	1,443
Non-indexed Chilean pesos	2,209	4,447	2,002	4,881
UF	6,972	21,460	8,461	30,418
Bank overdraft	0	0	5	0
US dollar	0	0	5	0
Euros	0	0	0	0
Other currencies	0	0	0	0
Non-indexed Chilean pesos	0	0	0	0
UF	0	0	0	0
Other loans	29,044	282,824	94,825	48,677
US dollar	26,912	215,385	92,483	1,577
Euros	0	0	0	0
Other currencies	0	0	0	0
Non-indexed Chilean pesos	0	10,223	0	11,593
UF	2,132	57,216	2,342	35,507
Other current liabilities	1,583,015	683,269	1,642,791	462,733
US dollar	665,507	473,481	585,453	376,038
Euros	7,506	0	9,260	0
Other currencies	394,352	41,278	503,673	0
Non-indexed Chilean pesos	483,430	167,079	520,468	85,113
UF	32,220	1,431	23,937	1,582
Total Current Liabilities	2,036,451	1,373,856	2,132,065	942,147
US dollar	991,903	916,545	953,686	701,000
Euros	7,506	0	9,260	0
Other currencies	509,881	111,823	582,779	16,018
Non-indexed Chilean pesos	485,837	265,381	551,542	157,470
UF	41,324	80,107	34,798	67,659

	12.31.2018		12.31.2017	
	ThUS\$		ThUS\$	
	12 months to 5 years	Over 5 years	12 months to 5 years	Over 5 years
Non-current liabilities				
Other financial liabilities, non-current	1,962,971	4,358,073	2,444,255	3,182,426
US dollar	1,164,648	2,218,392	1,261,932	1,508,999
Euros	0	0	0	0
Other currencies	253,437	437,162	545,144	202,722
Non-indexed Chilean pesos	100,429	95,870	134,324	129,323
UF	444,457	1,606,649	502,855	1,341,382
Bank loans	948,413	648,376	893,715	356,043
US dollar	630,650	214,772	601,945	138,161
Euros	0	0	0	0
Other currencies	247,175	433,604	200,817	198,362
Non-indexed Chilean pesos	70,588	0	90,953	19,520
UF	0	0	0	0
Finance Leases	57,167	59,985	81,075	7,040
US dollar	244	0	274	0
Euros	0	0	0	0
Other currencies	6,262	3,558	8,498	4,360
Non-indexed Chilean pesos	11,448	0	13,624	1,621
UF	39,213	56,427	58,679	1,059
Bank overdraft	0	0	0	0
US dollar	0	0	0	0
Euros	0	0	0	0
Other currencies	0	0	0	0
Non-indexed Chilean pesos	0	0	0	0
UF	0	0	0	0
Other loans	957,391	3,649,712	1,469,465	2,819,343
US dollar	533,754	2,003,620	659,713	1,370,838
Euros	0	0	0	0
Other currencies	0	0	335,829	0
Non-indexed Chilean pesos	18,393	95,870	29,747	108,182
UF	405,244	1,550,222	444,176	1,340,323
Other liabilities, non-current	1,514,636	1,047,388	1,730,517	829,352
US dollar	352,019	612,831	843,114	159,189
Euros	0	0	0	0
Other currencies	493,904	0	401,823	0
Non-indexed Chilean pesos	445,152	121,236	484,272	139,114
UF	223,561	313,321	1,308	531,049
Total non-current liabilities	3,477,607	5,405,461	4,174,772	4,011,778
US dollar	1,516,667	2,831,223	2,105,046	1,668,188
Euros	0	0	0	0
Other currencies	747,341	437,162	946,967	202,722
Non-indexed Chilean pesos	545,581	217,106	618,596	268,437
UF	668,018	1,919,970	504,163	1,872,431

NOTE 22. EQUITY**1) Share capital**

The Company's subscribed and paid capital as of December 31, 2018 was ThUS\$ 686,114 (ThUS\$ 686,114 as of December 31, 2017). Such capital is composed of 1,299,853,848 ordinary shares, all of the same value.

There were no capital increases as of December 31, 2018 and 2017.

2) Reserves

Other reserves as of December 31, 2018 and 2017 were as follows:

	12.31.2018 ThUS\$	12.31.2017 ThUS\$
Legal and Statutory Reserves	3	3
Available-for-sale reserves	(309)	(4)
Foreign currency translation reserves	(1,644,811)	(1,318,279)
Defined Benefit Plan Reserves	(27,068)	(28,047)
Hedge reserves	34,917	16,695
Other miscellaneous reserves	457,481	443,418
Total Reserves	(1,179,787)	(886,214)

Movements in reserves for the periods indicated are the following:

	Legal and Statutory Reserves	Available-for-sale reserves	Foreign currency translation reserves	Defined benefit plan reserves	Hedge reserves	Other miscellaneous reserves	Total Reserves
Opening balance 01.01.2018	3	(4)	(1,318,279)	(28,047)	16,695	443,418	(886,214)
Effect on comprehensive income	0	(305)	(326,532)	979	18,222	14,063	(293,573)
No effect on comprehensive income	0	0	0	0	0	0	0
Closing balance 12.31.2018	3	(309)	(1,644,811)	(27,068)	34,917	457,481	(1,179,787)

	Legal and Statutory Reserves	Available-for-sale reserves	Foreign currency translation reserves	Defined benefit plan reserves	Hedge reserves	Other miscellaneous reserves	Total Reserves
Opening balance 01.01.2017	3	(261)	(1,431,364)	(28,148)	9,900	440,397	(1,009,473)
Effect on comprehensive income	0	257	113,085	101	6,795	3,021	123,259
No effect on comprehensive income	0	0	0	0	0	0	0
Closing balance 12.31.2017	3	(4)	(1,318,279)	(28,047)	16,695	443,418	(886,214)

3) Other comprehensive income

Under this concept, the Parent Company includes movements for conversion adjustments from the recognition of foreign investments, adjustments to financial instruments, its other adjustments, and those of its affiliates. The amount shown in the consolidated statement of changes in equity.

4) Retained earnings (accumulated losses)

Movements in retained earnings during the years ended December 31, 2018 and 2017 were as follows:

	12.31.2018 ThUS\$	12.31.2017 ThUS\$
Opening balance	10,598,425	10,278,553
Net income for the year	1,070,698	639,322
Interim dividends	(462,374)	(320,542)
Others	(3,947)	1,092
Closing balance	11,202,802	10,598,425

5) Non-controlling interests

Non-controlling interests as of December 31, 2018 and 2017 were as follows:

Chilean ID Number	Company	% non- controlling interest	Non-controlling interests		Non-controlling interests	
			Equity	Net Income	Equity	Net Income
			12.31.2018 ThUS\$	12.31.2018 ThUS\$	12.31.2017 ThUS\$	12.31.2017 ThUS\$
- Organización Terpel S.A.		41.49%	272,382	27,744	247,885	25,531
96,929,960-7 Orizon S.A.		33.20%	31,000	(5,556)	69,158	(28,816)
- Inversiones del Nordeste Colombia SAS		49.00%	56,518	8,959	62,005	8,172
81,095,400-0 Sociedad Nacional de Oleoductos S.A.		47.20%	48,734	17,352	55,079	17,616
91,123,000-3 Pesquera Iquique - Guanaye S.A.		18.07%	34,663	(2,363)	34,840	(3,784)
- Arauco Forestal Arapoti S.A.		20.00%	22,834	574	27,859	824
78,049,140-K Forestal Los Lagos S.A.		20.00%	7,551	375	7,169	(257)
93,838,000-7 Forestal Cholguan S.A.		1.48%	4,996	352	5,026	143
91,806,000-6 Abastible S.A.		0.80%	3,452	509	3,495	571
93,458,000-1 Celulosa Arauco y Constitución S.A.		0.02%	1,603	159	1,553	59
96,668,110-1 Compañía Latinoamericana Petrolera S.A.		40.00%	232	7	255	(10)
96,657,900-5 Consorcio Protección Fitosanitaria Forestal S.A.		42.86%	210	3	233	(2)
76,268,260-5 Muelle Pesquero María Isabel Ltda.		32.00%	179	(17)	196	11
- Arauco Argentina S.A.		0.02%	113	(10)	126	12
93,458,000-1 Solgas S.A.		0.14%	291	(26)	249	(13)
- Lutexsa Industrial Comercial Cía. Ltda.		0.01%	13	0	0	0
Total			484,771	48,062	515,128	20,057

6) Earnings per share

The Board of Directors of Empresas Copec S.A. agreed to establish as a general policy that the net income eligible for distribution as dividends shall be based on earned income, subtracting any significant variations in the value of unrealized assets and liabilities, which shall be included when those assets and liabilities are recovered or settled.

Therefore, the Company's net distributable income to calculate mandatory minimum and additional dividends excludes the following unrealized income for the period:

- a) Income related to the recording at fair value of forestry assets regulated by IAS 41; such income is reintegrated into net income when these assets are recovered. For this purpose, the portion of such increases in fair value are recovered when such assets are sold or disposed of by some other means.

b) Income from the acquisition of entities. These results will be reintegrated into net income upon recovery. For this purpose, this is when income is generated by the entities following their acquisition, or when these entities are sold.

The effects of deferred taxes associated with the items mentioned in points a) and b) will follow the same accounting procedure as the originating item.

	12.31.2018 ThUS\$	12.31.2017 ThUS\$
Income attributable to owners	1,070,698	639,322
Adjustments:		
Biological assets		
Unrealized	(83,225)	(82,764)
Realized	208,316	303,601
Deferred taxes	(30,475)	(54,932)
Biological assets (net)	94,616	165,905
Income for incorporation of joint venture	0	0
Purchased goodwill and others	(9,379)	(3,869)
Total adjustments	85,237	162,036
Distributable earnings	1,155,935	801,358

The general dividend policy for future periods consists of distributing 40% of distributable net income for each period, including the possibility of an interim dividend at the end of the year.

As of December 31, 2018, the minimum dividend provision for 2018 was ThUS\$ 206,906 (ThUS\$ 191,433 as of December 31, 2017) and was presented in the Classified Statement of Financial Position under "Other current liabilities".

At Ordinary Shareholders Meeting 83 held on April 25, 2018, a final dividend of US\$ 0.147374 per share was agreed, which was paid on May 10, 2018.

On November 16, 2018 the Board agreed to distribute an interim dividend of US\$ 0.150377 per share, to be paid on December 13, 2018, from net income for the year.

On November 30, 2017 the Board agreed to distribute an interim dividend of US\$ 0.099326 per share, to be paid on December 21, 2017, from net income for the year.

At an Ordinary Shareholders Meeting 82 held on April 26, 2017, a final dividend of US\$ 0.1068 per share was agreed, which was paid on May 11, 2017.

Earnings per share are calculated by dividing income attributable to the Company's shareholders by the weighted average number of common shares in circulation. The Company does not have diluted shares.

Earnings (losses) per share	12.31.2018 ThUS\$	12.31.2017 ThUS\$
Net income attributable to owners of the parent company	1,070,698	639,322
Weighted average number of shares	1,299,853,848	1,299,853,848
Earnings (loss) per share (US\$ per share)	0.823706	0.491841

Rights, Privileges and Restrictions on Ordinary Share Capital:

Liabilities recorded under “Interest-bearing loans” require the Parent Company to have a consolidated borrowing ratio no greater than 1.2; otherwise the borrowing under these contracts could become due. As of the reporting date, the Group is in compliance with this restriction.

NOTE 23. OPERATING REVENUE

Operating revenue is as follows:

	12.31.2018 ThUS\$	12.31.2017 ThUS\$
Sale of goods	23,503,250	19,939,283
Services provided	466,819	414,032
Interest income	0	0
Total	23,970,069	20,353,315

NOTE 24. EXPENDITURE AND INCOME BY NATURE:

The detail of accumulated expenditure and income by nature for Empresas Copec S.A. as of December 31, 2018 and 2017 is as follows:

Description	Accumulated as of 12.31.2018 ThUS\$	Accumulated as of 12.31.2017 ThUS\$
Cost of sales	(19,804,796)	(16,907,433)
Distribution costs	(1,344,531)	(1,246,840)
Administrative expenses	(1,066,232)	(988,235)
Other expenses, by function	(147,845)	(368,702)
Other income, by function	188,258	144,651

Cost of sales are as follows:

Description	Accumulated as of 12.31.2018 ThUS\$	Accumulated as of 12.31.2017 ThUS\$
Direct production costs	18,022,983	15,507,470
Depreciation	522,933	513,299
Remuneration costs	369,274	365,905
Maintenance costs	280,715	262,764
Other production costs	553,360	217,993
Amortization	55,531	40,002
Total cost of sales	19,804,796	16,907,433

Distribution costs are as follows:

Description	Accumulated as of 12.31.2018 ThUS\$	Accumulated as of 12.31.2017 ThUS\$
Transport of goods cost	654,907	604,331
Remuneration	127,208	112,219
Insurance and basic service costs	54,593	48,393
Marketing and promotion costs	210,910	193,442
Consultancy and professional service costs	56,024	53,375
Maintenance and repair costs	73,078	65,300
Other distribution costs	87,265	87,430
Lease costs	33,449	30,926
Depreciation	20,574	35,029
Unrecoverable taxes	15,214	14,753
Amortization	11,309	1,642
Total Distribution Costs	1,344,531	1,246,840

Sales and administration expenses are as follows:

Description	Accumulated as of 12.31.2018 ThUS\$	Accumulated as of 12.31.2017 ThUS\$
Remuneration	484,041	433,513
Marketing and promotional expenses	22,886	17,615
Maintenance expenses	48,218	46,670
Insurance and basic service expenses	55,128	52,041
Consultancy and professional service expenses	96,554	95,126
Depreciation	38,971	47,928
Amortization	37,863	26,392
Subscriptions, property and municipal taxes	20,497	19,752
Computational services	40,361	39,668
Unrecoverable taxes	4,363	6,125
Donations	15,052	13,870
Lease expenses	17,469	16,940
Other administrative expenses	184,829	172,595
Total Administration and Sales Expenses	1,066,232	988,235

Other expenses by function are as follows:

Description	Accumulated as of 12.31.2018 ThUS\$	Accumulated as of 12.31.2017 ThUS\$
Unrecoverable tax expense	35,658	31,397
Plant closure expenses	19,838	97,244
Other expenses, by function	17,436	30,487
Consultancy and professional service expenses	21,217	8,615
Depreciation	6,341	10,739
Disposals of property, plant and equipment	40,500	38,037
Compensation	0	0
Accident expenses	768	7,641
Fines and sanctions	1,373	4,371
Donations	2,130	2,032
Forestry incidents	2,584	138,139
Total Other Expenses by Function	147,845	368,702

Other income by function is as follows:

Description	Accumulated as of 12.31.2018 ThUS\$	Accumulated as of 12.31.2017 ThUS\$
Dividends on investments in other companies	2,116	790
Tax indexation, prepaid tax, tax credits	900	1,319
Reimbursement of costs and expenses	11,200	7,533
Fair value of biological assets	84,476	83,031
Income from export promotion	3,570	3,542
Easements	260	565
Sale of fishing rights	604	0
Gain on sales of property, plant and equipment	34,382	15,779
Income from compensation claims	2,103	4,826
Real estate leases	3,253	4,478
Gain on sale of participation	1,686	13,854
Gain on business combination	22,737	0
Others	20,971	8,934
Total Other Income, by Function	188,258	144,651

Finally, depreciation and amortization are as follows:

Description	Accumulated as of 12.31.2018 ThUS\$	Accumulated as of 12.31.2017 ThUS\$
Depreciation	588,819	606,995
Amortization	104,703	68,036
Total	693,522	675,031

NOTE 25. FINANCIAL INCOME AND COSTS

Financial costs are as follows:

	12.31.2018 ThUS\$	12.31.2017 ThUS\$
Interest and indexation on bank loans	(129,247)	(83,358)
Cost of employee financial obligations	(2,265)	(1,961)
Other financial costs	(30,357)	(24,145)
Bond interest and issue expenses	(169,910)	(277,317)
Interest on related company loans	(38,500)	(15,706)
Gain (loss) on hedging	0	0
Financial cost of remediation provision	(326)	(152)
Conversion differences	(14)	(10)
Total	(370,619)	(402,649)

Financial income is as follows:

	12.31.2018 ThUS\$	12.31.2017 ThUS\$
Interest on financial instruments	9,443	7,372
Interest on loans and receivables	28,084	33,442
Other income	9,806	5,704
Total	47,333	46,518

NOTE 26. EXCHANGE DIFFERENCES

The effect of exchange differences is as follows:

	12.31.2018 ThUS\$	12.31.2017 ThUS\$
Differences generated by assets		
Cash equivalents	(5,341)	(10,208)
Mutual Fund investments, term deposits and covenants	(25,532)	1,508
Trade and other receivables	(6,970)	11,733
Tax receivables	(24,057)	14,249
Related company receivables	7,922	3,165
Other financial assets	(2,629)	5,006
Other assets	(38,869)	3,641
Subtotal	(95,476)	29,094
Differences generated by liabilities		
Trade and other payables	52,739	1,790
Related company payables	(381)	(102)
Loans from financial institutions (includes bonds)	(3,615)	490
Dividends payable	6,620	(430)
Other financial liabilities	1,180	(2,415)
Other liabilities	6,465	(1,974)
Subtotal	63,008	(2,641)
Total	(32,468)	26,453

NOTE 27. ASSET IMPAIRMENT**1) Asset impairment details for the affiliate Celulosa Arauco y Constitución S.A.**

As of December 31, 2018 and 2017 there are impairment provisions for property, plant and equipment as a result of obsolescence at the affiliate Arauco.

Disclosure of asset impairment

Principal asset classes affected by impairment losses and reversals Principal facts and circumstances that led to impairment losses and reversals	Machinery and equipment Technical obsolescence and claims	
	12.31.2018 ThUS\$	12.31.2017 ThUS\$
Impairment information	16,328	17,396

2) Asset impairment details for the affiliate Pesquera Iquique-Guanaye S.A.

As mentioned in Note 12, the indirect affiliate Orizon S.A. recorded an impairment loss of ThUS\$ 79,716 as of December 31, 2017 on specific assets associated with fishmeal, frozen and canned fish processing plants in Coquimbo (Coquimbo Region), Coronel (Biobio Region) and Puerto Montt (Los Lagos Region). This was the result of market conditions, and of fishing and production availability, which Management believed affected the recoverable value of these assets.

NOTE 28. THE ENVIRONMENT

Sustainability at Empresas Copec S.A. requires a management strategy that incorporates values, commitments and standards, together with the adoption of the best practices and technologies available in the industry, to secure constant improvements in the company's environmental management. The Environment department has specialists in each business area, and ensures that these guidelines are put into practice every day.

All the production units at the affiliate Arauco have certified environmental management systems that reinforce the Company's commitment to environmental performance and ensure the traceability of raw materials.

The affiliate Arauco uses various inputs, such as wood, chemicals, water, etc., in its production processes, which in turn generate liquid and gaseous emissions. Significant advances have been made in reducing consumption and emissions, in order to improve the company's operating efficiency.

Environmental investments relating to atmospheric emission control, processes improvements, water management, waste management and sewage treatments have been undertaken, in order to improve environmental performance within business units of the affiliate Arauco.

These investments are reflected in Arauco's financial statements in property, plant and equipment when they relate to disbursements for major works and are reflected in the expenditure when they relate to improvements or disbursements not directly connected with investment projects.

The affiliate Abastible S.A. has continued to make investments this year that mitigate the impact on the environment, with regard to the Maritime Terminal located in the of Biobio Region. These investments are referred to within the environmental appraisal report on the project.

The indirect affiliate Orizon S.A. invested in its production facilities, which were aimed at recovering solids, avoiding unscheduled stoppages in productive processes, reducing thermal energy leakage, increasing the overall system efficiency, and ensuring compliance with environmental regulations. Similarly, improvements to the unloading and storage of raw materials systems increased the storage capacity in temperature controlled conditions so avoiding raw material deterioration, improved raw material unloading time, and ensured that rails complied with environmental commitments.

On August 16, 2016, the indirect associate Compañía Paso San Francisco S.A. submitted a mining closure plan to Sernageomin (Chilean Geology and Mining Service) in accordance with the requirements of Law 20,551. This plan was approved until July 25, 2019.

Similarly, on July 25, 2016, Sernageomin approved the closure plan submitted by the indirect associate Compañía Minera Can-Can S.A. for the El Bronce mine, by issuing Resolution 1530, whose guarantee was duly extended to July 25, 2018.

Expenditures incurred and committed during the period relating to environmental protection are detailed below:

Forestry Sector

Company	12.31.2018	2018 Disbursements				Committed Future Disbursements	
	Project name	Project Status	Amount ThUS\$	Asset/Expense	Asset/Expenditure Category	Amount ThUS\$	Estimated Date
Arauco do Brasil S.A.	Managing the implementation of environmental improvements	In progress	1,771	Assets	Property, plant and equipment	4,001	2019
Arauco do Brasil S.A.	Managing the implementation of environmental improvements	In progress	3,284	Expense	Administrative expenses	2,723	2019
Celulosa Arauco y Constitución S.A.	Investment projects for the control and management of gases produced in industrial processes	In progress	6,467	Assets	Property, plant and equipment	8,271	2019
Celulosa Arauco y Constitución S.A.	Managing the implementation of environmental improvements	In progress	29,419	Assets	Property, plant and equipment	63,035	2019
Celulosa Arauco y Constitución S.A.	Investment projects for the control and management of gases produced in industrial processes	In progress	563	Expense	Cost of sales	0	
Celulosa Arauco y Constitución S.A.	Investment projects to control hazardous liquids and optimize the energy required for water in industrial plants	In progress	21,978	Assets	Property, plant and equipment	9,233	2019
Celulosa Arauco y Constitución S.A.	Managing the implementation of environmental improvements	In progress	25,684	Assets	Property, plant and equipment	0	
Arauco Argentina S.A.	Managing the implementation of environmental improvements	In progress	1,454	Assets	Property, plant and equipment	797	2019
Maderas Arauco S.A.	Expansion of solid industrial waste landfill sites to manage future demand	In progress	499	Expense	Cost of sales	0	
Maderas Arauco S.A.	Investment projects to control hazardous liquids and optimize the energy required for water in industrial plants	In progress	1,471	Expense	Cost of sales	0	
Maderas Arauco S.A.	Managing the implementation of environmental improvements	In progress	0	Assets	Property, plant and equipment	291	2019
Celulosa y Energía Punta Pereira S.A.	Investment projects to control hazardous liquids and optimize the energy required for water in industrial plants	In progress	52	Assets	Property, plant and equipment	3,266	2019
Celulosa y Energía Punta Pereira S.A.	Investment projects to control hazardous liquids and optimize the energy required for water in industrial plants	Terminated	281	Assets	Property, plant and equipment	0	
Forestal Arauco S.A. (formerly Forestal Celco S.A.):	Managing the implementation of environmental improvements	In progress	1,547	Expense	Administrative expenses	1,957	2019
Forestal Los Lagos S.A.	Managing the implementation of environmental improvements	In progress	236	Expense	Cost of sales	273	2019
Total			94,706			93,847	

Company	12.31.2017	2017 Disbursements				Committed Future Disbursements	
	Project name	Project Status	Amount ThUS\$	Asset/Expense	Asset/Expenditure Category	Amount ThUS\$	Estimated Date
Arauco do Brasil S.A.	Managing the implementation of environmental improvements	In progress	1,008	Assets	Property, plant and equipment	48	2018
Arauco do Brasil S.A.	Managing the implementation of environmental improvements	In progress	1,058	Expense	Administrative expenses	296	2018
Celulosa Arauco y Constitución S.A.	Investment projects for the control and management of gases produced in industrial processes	In progress	55,655	Assets	Property, plant and equipment	18,226	2018
Celulosa Arauco y Constitución S.A.	Managing the implementation of environmental improvements	In progress	18,501	Assets	Property, plant and equipment	6,928	2018
Celulosa Arauco y Constitución S.A.	Investment projects to control hazardous liquids and optimize the energy required for water in industrial plants	In progress	48,512	Assets	Property, plant and equipment	65,798	2018
Celulosa Arauco y Constitución S.A.	Managing the implementation of environmental improvements	In progress	26,578	Expense	Cost of sales	6,214	2018
Celulosa Arauco y Constitución S.A.	Managing the implementation of environmental improvements	In progress	10,326	Assets	Property, plant and equipment	0	0
Arauco Argentina S.A.	Construction of outlets	In progress	2,312	Assets	Property, plant and equipment	797	2018
Arauco Argentina S.A.	Expansion of solid industrial waste landfill sites to manage future demand	In progress	139	Assets	Property, plant and equipment	28	2018
Arauco Argentina S.A.	Investment projects to control hazardous liquids and optimize the energy required for water in industrial plants	In progress	19	Assets	Property, plant and equipment	5,921	2018
Maderas Arauco S.A.	Expansion of solid industrial waste landfill sites to manage future demand	In progress	432	Expense	Administrative expenses	0	0
Maderas Arauco S.A.	Investment projects to control hazardous liquids and optimize the energy required for water in industrial plants	In progress	1,346	Expense	Cost of sales	0	0
Maderas Arauco S.A.	Managing the implementation of environmental improvements	In progress	89	Assets	Property, plant and equipment	332	2018
Forestal Arauco S.A. (formerly Forestal Celco S.A.):	Managing the implementation of environmental improvements	In progress	983	Expense	Administrative expenses	1,165	2018
Forestal Los Lagos S.A.	Managing the implementation of environmental improvements	In progress	229	Expense	Cost of sales	290	2018
Total			167,187			106,043	

Fuel Sector

Company	12.31.2018	2018 Disbursements				Committed Future Disbursements	
	Project name	Project Status	Amount ThUS\$	Asset/Expense	Asset/Expenditure Category	Amount ThUS\$	Estimated Date
Compañía de Petróleos de Chile Copec S.A.	Sprinklers	Valid	166 Assets		Works in progress	30	2019
Compañía de Petróleos de Chile Copec S.A.	Waste disposal	Valid	106 Expense		Administrative expenses	0	
Compañía de Petróleos de Chile Copec S.A.	Wastewater treatment and environmental assessment	Valid	9 Assets		Works in progress	0	
Compañía de Petróleos de Chile Copec S.A.	Wastewater treatment and environmental assessment	Valid	70 Expense		Administrative expenses	0	
Compañía de Petróleos de Chile Copec S.A.	Treatment plants for effluents and sewage	Valid	236 Assets		Works in progress	1	2019
Via Limpia SpA	Removal of oils, filters, batteries and industrial waste	Valid	8 Expense		Operating costs	0	0
Mapco Express, Inc.	Contamination from leaking tanks	In progress	0 Expense		Administrative expenses	85	2019
Abastible S.A.	Environmental management	In progress	346 Expense		Expense	0	
Abastible S.A.	Managing the implementation of environmental improvements	In progress	53 Investment		Property, plant and equipment	199	2019
Sonacol S.A.	Cathodic protection system improvements	In progress	1,603 Assets		Works in progress	0	
Sonacol S.A.	Improving and deepening pipeline agricultural areas SF-M	In progress	3,534 Assets		Works in progress	0	
Sonacol S.A.	Improving pipeline post inspection CC-M-LPG	Terminated	8,066 Assets		Works in progress	0	
Sonacol S.A.	Improving internal post inspection and post integrity evaluation for San Fernando pipeline	In progress	3,534 Assets		Deferred charges	0	
Total			17,731			315	

Company	12.31.2017	2017 Disbursements				Committed Future Disbursements	
	Project name	Project Status	Amount ThUS\$	Asset/Expense	Asset/Expenditure Category	Amount ThUS\$	Estimated Date
Compañía de Petróleos de Chile Copec S.A.	Sprinklers	Valid	22 Assets		Works in progress	31	2018
Compañía de Petróleos de Chile Copec S.A.	Waste disposal	Valid	245 Expense		Administrative expenses	0	
Compañía de Petróleos de Chile Copec S.A.	Sewage treatment plant	Valid	11 Expense		Administrative expenses	0	
Compañía de Petróleos de Chile Copec S.A.	Treatment plant for effluents and sewage	In progress	626 Assets		Works in progress	29	2018
Abastible S.A.	Environmental legal requirements (ownership enquiries, permits)	In progress	28 Expense		Expense	0	
Abastible S.A.	Sample of environmental parameters	In progress	20 Expense		Expense	0	
Abastible S.A.	Marine monitoring program	In progress	42 Expense		Expense	0	
Abastible S.A.	Hazardous waste handling	In progress	137 Expense		Expense	0	
Abastible S.A.	Household garbage handling	In progress	25 Expense		Expense	0	
Abastible S.A.	Industrial liquid waste handling	In progress	9 Expense		Expense	0	
Abastible S.A.	Environmental equipment	In progress	3 Expense		Expense	0	
Abastible S.A.	Treatment plant maintenance and operation	In progress	37 Expense		Expense	0	
Abastible S.A.	Vermin eradication and disinfection	In progress	17 Expense		Expense	0	
Abastible S.A.	Hazardous substances storage - PAR	In progress	0 Investment		Property, plant and equipment	14	2018
Abastible S.A.	Hazardous substances storage - PAN	In progress	8 Investment		Property, plant and equipment	6	2018
Abastible S.A.	Water treatment plant at El Peñon	In progress	45 Investment		Property, plant and equipment	12	2018
Abastible S.A.	Commission warehouse for RESPEL and SUSPEL PCY	In progress	7 Investment		Property, plant and equipment	1	2018
Abastible S.A.	Commission warehouse for RESPEL PLE	In progress	0 Investment		Property, plant and equipment	14	2018
Abastible S.A.	Sewerage treatment plant - POS	In progress	12 Investment		Property, plant and equipment	31	2018
Abastible S.A.	Puerto Montt Office	In progress	40 Investment		Property, plant and equipment	9	2018
Sonacol S.A.	Cathodic protection system improvements	Terminated	14 Assets		Works in progress	0	
Sonacol S.A.	Improving and deepening pipeline agricultural areas SF-M	In progress	1,592 Assets		Works in progress	0	
Sonacol S.A.	Improving pipeline post inspection CC-M-LPG	Terminated	4 Assets		Works in progress	0	
Sonacol S.A.	Soil resistivity	In progress	47 Assets		Deferred charges	0	2017
Total			2,991			147	

Fishing Sector

Company	12.31.2018	2018 Disbursements				Committed Future Disbursements	
	Project name	Project Status	Amount ThUS\$	Asset/Expense	Asset/Expenditure Category	Amount ThUS\$	Estimated Date
Pesquera Iquique - Guanaye S.A.	Improvements in unloading local fishing catches	In progress	25 Assets		Property, plant and equipment	81	2019
Total			25			81	

Company	12.31.2017	2017 Disbursements				Committed Future Disbursements	
	Project name	Project Status	Amount ThUS\$	Asset/Expense	Asset/Expenditure Category	Amount ThUS\$	Estimated Date
Pesquera Iquique - Guanaye S.A.	Suitability of systems in plants	Capitalized	208 Assets		Property, plant and equipment	99	2017
Pesquera Iquique - Guanaye S.A.	Improvements in unloading local fishing catches	Capitalized	2 Assets		Property, plant and equipment	174	2017
Total			210			273	

NOTE 29. OPERATING SEGMENTS

Operating segments have been defined in accordance with the manner in which senior management internally analyze segments in order to make operating decisions and to allocate resources. In addition, the availability of relevant financial information has also been considered when defining operating segments.

Segments have been defined according to the main direct affiliates: Celulosa Arauco y Constitución S.A., Compañía de Petróleos de Chile Copec S.A., Abastible S.A. and Pesquera Iquique-Guanaye S.A. These Companies together represent more than 90% of the sales, Ebitda, net income, and consolidated assets and liabilities.

- Celulosa Arauco y Constitución S.A.

Arauco has provided a wide variety of high quality and sustainable products for the paper, construction, packaging and furniture industries since 1979, in order to improve people's lives. It has established itself as one of the leading forestry companies in Latin America, in terms of area and plantation yields, kraft pulp manufacturing, and sawn timber and panel production.

Arauco's forest plantations and land cover 1.8 million hectares in Chile, Argentina, Brazil and Uruguay. It has modern industrial facilities that include 7 pulp mills, 5 in Chile, 1 in Argentina and 1 in Uruguay (50% owned by Arauco) with a total production capacity of 4 million tons. It has 8 sawmills, 7 in Chile and 1 in Argentina, which process 2.9 million m³ of timber per year and 19 panel plants, 5 in Chile, 2 in Argentina, 4 in Brazil and 8 in the United States and Canada, with a total production capacity of 7.4 million m³.

It has a Joint Venture called Sonae Arauco (Arauco has a 50% interest in its results), which manufactures and sells MDF, PB and OSB panels, and sawn timber. It has 2 panel plants and 1 sawmill in Spain; 2 panel plants and 1 resin plant in Portugal; 4 panel plants in Germany and 2 panel plants in South Africa, with a total production capacity of 1.5 million m³ of MDF, 2.3 million m³ of PB, 516,000 m³ of OSB and 50,000 m³ of sawn timber.

Arauco has plants with a total production capacity of 4.6 million m³ of MDF, 4.0 million m³ of PB, 258,000 m³ of OSB and 2.9 million m³ of sawn timber, including 50% of Sonae Arauco.

As of December 31, 2018, Arauco's production totaled 3.8 million tons of pulp and 8.8 million m³ of sawn timber and panels.

Sales totaled US\$ 5,955 million, of which 51.1% was for pulp, 46.4% for sawn timber and panels and 2.5% for other segments.

32% of total sales was sold in the Chilean market and the rest overseas, primarily to Asia and the Americas.

- Compañía de Petróleos de Chile Copec S.A.

Compañía de Petróleos de Chile Copec S.A. is one of the country's most important sellers and distributors of fuel for domestic and industrial use. It was established in 1934 and the following year began operations selling gasoline. Over time it expanded its business and diversified its activities. Copec has 653 service stations throughout the country, forming the most extensive network in Chile, which includes 91 Pronto convenience stores and 287 Punto stores. The company also manages an industrial channel that supplies nearly 4,000 customers, belonging to the most important segments of the Chilean economy. It manages the lubricant trademark Mobil and Esso for vehicles and machinery. This requires 15 fuel storage plants between Arica and the Chacabuco Port, with a total capacity of 384 thousand m³.

Copec's physical sales in Chile totaled 9.8 million m³ during 2018, and its market share of the liquid fuels business was 56.3%.

It began to internationalize its fuels business following the takeover of the Colombian company Terpel in 2010, and now operates in five markets: Colombia, Ecuador, Panama, Peru and Mexico.

Organizacion Terpel has a network of 2,296 service stations as of December 31, 2018, and 1,917 of these are service stations for liquid fuels in Colombia, its home country.

The Company also has 252 natural gas sales points for vehicles in Colombia through its affiliate Gazel, which represents a 46.3% market share of this segment as of December 31, 2018.

It is also the main wholesale distributor in Colombia with more than 2,000 customers in industry, transport and aviation. It has a 39.1% share of the diesel market, a 41.6% share of the gasoline market and a 81.7% share of the jet fuel market in the country in October 2018.

- Abastible S.A.

Abastible S.A. was incorporated in 1956 to market liquefied petroleum gas for domestic, commercial and industrial use. Today this company has become a major player in the Chilean energy sector, basing its strategy on delivering a quality, safe and timely service to all customers. In 2011, Abastible S.A. started to internationalize through the purchase of a 51% interest in Inversiones del Nordeste, a Colombian company. Abastible S.A. acquired a Liquefied Petroleum Gas (LPG) business in Peru and Ecuador from Repsol S.A. in April 2016, and became the third largest LPG supplier in Latin America. In June 2016, Abastible took operational control of Solgas S.A. and Solgas de la Amazonía in Peru. In October it took operational control of Duragas, in Ecuador.

The Company operates throughout Chile from the northernmost city (Arica) to the southernmost (Magallanes) with a complete and modern infrastructure for its liquefied gas business. The Company has 10 storage and filling facilities, plus 7.1 million cylinders and 67 thousand tanks, supported by a network of approximately 1,319 distributors and 23 sales offices in all the major cities of the country. Additionally, in the Biobio Region it has a port terminal for loading and unloading liquefied gas and liquid fuels and a plant with a capacity for storing 40,000 m³ managed by a related company Hualpén Gas S.A.

- Pesquera Iquique-Guanaye S.A.

Empresas Copec S.A. has been present in the Chilean commercial fishing sector since 1980 through Pesquera Guanaye Ltda., which many years later merged with Pesquera Iquique S.A. producing Pesquera Iquique-Guanaye Igemar as a result.

Through its partner Corpesca S.A., Igemar operates in the north of Chile, and with its affiliate Orizon S.A. in the country's central-south region.

These companies' products include fishmeal, which is mainly used as a raw material in food production for aquaculture and livestock, due to its high level of protein, Omega 3 fatty acids and favorable digestibility. Another of its products is fish oil, which is used extensively in aquaculture. However, in recent years, it has been gaining importance as a nutritional supplement in human nutrition and the pharmaceutical industry. Canned and frozen products, using mackerel as the main raw material, are produced for human consumption. Canned and frozen mussels are produced.

In an effort to expand its portfolio of products, the company entered the grocery market selling beans, rice and lentils under the brand San Jose, for the domestic market. In August 2018, the indirect affiliate Orizon S.A. purchased two businesses from Sociedad Comercializadora Novaverde S.A. These are distributing General Mills' products in Chile, and distributing and marketing processed avocado pears.

The primary destinations for these products are local, Asian, African and European markets.

- Sociedad Nacional Oleoductos S.A.

Sonacol has served the energy industry in Chile since 1957, providing a permanent transport system to develop productive activities in the central area.

The company's revenues are from transporting fuels through a network of 465 km of its own pipe lines from Quintero to San Fernando, which transport 98% of the fuel for the Metropolitan Region. Additionally, the company has 9 pump stations, a delivery terminal and a dispatch center strategically located at its corporate headquarters.

Sonamar sold the four tankers it owned, leaving it without assets as of December 31, 2018.

The financial figures associated with these segments, as of December 31, 2018 and 2017 are as follows:

Segments 2018	Arauco ThUS\$	Copec ThUS\$	Abastible ThUS\$	Sonacol ThUS\$	Igemar ThUS\$	Others ThUS\$	Subtotal ThUS\$	Eliminations ThUS\$	Total ThUS\$
Operating revenues from external customers	5,954,758	16,458,640	1,310,920	52,411	192,749	591	23,970,069	0	23,970,069
Inter-segment operating revenues	75	105,496	11,390	31,275	138	1,240	149,614	(149,614)	0
Interest income	20,895	10,739	4,143	96	538	10,922	47,333	0	47,333
Interest expense	(214,779)	(119,019)	(22,180)	(3,844)	(7,525)	(3,272)	(370,619)	0	(370,619)
Interest expense, net	(193,884)	(108,280)	(18,037)	(3,748)	(6,987)	7,650	(323,286)	0	(323,286)
Operating income	1,113,995	469,806	122,727	55,607	14,094	(21,719)	1,754,510	0	1,754,510
Depreciation	395,073	117,884	48,950	10,527	14,966	1,419	588,819	0	588,819
Amortization	12,349	79,605	11,962	0	776	11	104,703	0	104,703
Fair value of timber harvested	319,448	0	0	0	0	0	319,448	0	319,448
EBITDA	1,840,865	667,295	183,639	66,134	29,836	(20,289)	2,767,480	0	2,767,480
Income (loss) from the reporting segment	726,759	292,391	72,751	36,762	(18,651)	8,748	1,118,760	0	1,118,760
Share in income (loss) of associates	17,246	12,094	6,922	0	522	25,517	62,301	0	62,301
Income tax expense	(226,765)	(108,675)	(34,241)	(13,630)	(3,289)	8,905	(377,695)	0	(377,695)
Investments by segment									
Additions to property, plant and equipment	675,958	228,705	119,663	19,495	16,125	36	1,059,982	0	1,059,982
Acquisitions of other long-term assets	222,029	0	0	0	0	0	222,029	0	222,029
Payments to acquire subsidiaries and associates	20,072	585,160	6,606	0	20,414	234,113	866,365	(1,000)	865,365
Acquisitions of intangible assets	2,682	57,563	6,182	0	0	7,072	73,499	0	73,499
Payments to acquire other investments	0	0	0	0	0	0	0	0	0
Total investments	920,741	871,428	132,451	19,495	36,539	241,221	2,221,875	(1,000)	2,220,875
Operating revenue by country									
Operating revenue from Chilean companies	3,679,151	8,212,379	830,724	52,411	192,749	591	12,968,005	0	12,968,005
Operating revenue from foreign companies	2,275,607	8,246,261	480,196	0	0	0	11,002,064	0	11,002,064
Total operating revenue	5,954,758	16,458,640	1,310,920	52,411	192,749	591	23,970,069	0	23,970,069
Assets by segment	14,801,137	5,361,864	1,283,750	293,468	520,175	1,226,881	23,487,275	0	23,487,275
Equity method investments	358,053	54,477	55,025	0	166,516	522,671	1,156,742	0	1,156,742
Segment liabilities	7,462,166	3,488,693	794,157	190,217	297,118	61,024	12,293,375	0	12,293,375
Country of origin of non-current assets									
Chile	7,077,393	1,579,105	501,453	283,783	370,834	816,270	10,628,838	0	10,628,838
Foreign	4,282,584	1,731,594	540,555	0	0	0	6,554,733	0	6,554,733
Total non-current assets	11,359,977	3,310,699	1,042,008	283,783	370,834	816,270	17,183,571	0	17,183,571
Cash flows by segment									
Cash flows from (used by) operating activities	1,280,921	305,024	108,754	16,261	(4,804)	(19,768)	1,686,388	23,428	1,709,816
Cash flows from (used by) investing activities	(893,982)	(492,148)	(129,667)	(19,393)	(32,236)	66,343	(1,501,083)	(302,177)	(1,803,260)
Cash flows from (used by) financing activities	129,871	140,107	2,318	2,795	62,490	(107,146)	230,435	280,376	510,811
Increase (decrease) in cash & cash equivalents before effect of exchange rate variations	516,810	(47,017)	(18,595)	(337)	25,450	(60,571)	415,740	1,627	417,367

Segments 2017	Arauco ThUS\$	Copec ThUS\$	Abastible ThUS\$	Sonacol ThUS\$	Igemar ThUS\$	Others ThUS\$	Subtotal ThUS\$	Eliminations ThUS\$	Total ThUS\$
Operating revenues from external customers	5,238,139	13,753,459	1,153,877	49,498	156,853	1,489	20,353,315	0	20,353,315
Inter-segment operating revenues	202	72,006	10,300	31,434	0	696	114,638	(114,638)	0
Interest income	19,640	10,863	3,260	164	358	12,233	46,518	0	46,518
Interest expense	(287,958)	(89,096)	(17,146)	(4,037)	(5,153)	741	(402,649)	0	(402,649)
Interest expense, net	(268,318)	(78,233)	(13,886)	(3,873)	(4,795)	12,974	(356,131)	0	(356,131)
Operating income	619,215	454,260	107,404	55,208	(5,595)	(19,685)	1,210,807	0	1,210,807
Depreciation	408,224	106,220	57,433	9,860	24,211	1,047	606,995	0	606,995
Amortization	13,327	51,058	2,653	0	385	613	68,036	0	68,036
Fair value of timber harvested	334,100	0	0	0	0	0	334,100	0	334,100
EBITDA	1,374,866	611,538	167,490	65,068	19,001	(18,025)	2,219,938	0	2,219,938
Income (loss) from the reporting segment	270,352	283,607	79,544	37,321	(49,749)	38,304	659,379	0	659,379
Share in income (loss) of associates	17,017	14,918	9,773	0	25,065	35,198	101,971	0	101,971
Income tax expense	30,992	(100,952)	(23,651)	(13,006)	28,031	(1,098)	(79,684)	0	(79,684)
Investments by segment									
Additions to property, plant and equipment	448,314	283,778	71,194	11,880	16,170	91	831,427	0	831,427
Acquisitions of other long-term assets	179,184	0	0	0	0	0	179,184	0	179,184
Payments to acquire subsidiaries and associates	15,918	0	0	0	27,612	886	44,416	0	44,416
Acquisitions of intangible assets	10,468	38,433	904	0	0	3,986	53,791	0	53,791
Payments to acquire other investments	0	0	0	0	0	0	0	0	0
Total investments	653,884	322,211	72,098	11,880	43,782	4,963	1,108,818	0	1,108,818
Operating revenue by country									
Operating revenue from Chilean companies	3,103,366	6,942,221	534,195	49,498	156,853	1,489	10,787,622	0	10,787,622
Operating revenue from foreign companies	2,134,773	6,811,238	619,682	0	0	0	9,565,693	0	9,565,693
Total operating revenue	5,238,139	13,753,459	1,153,877	49,498	156,853	1,489	20,353,315	0	20,353,315
Assets by segment	14,173,218	4,869,271	1,293,749	315,999	484,995	1,036,983	22,174,215	0	22,174,215
Equity method investments	368,772	60,161	56,515	0	171,006	339,058	995,512	0	995,512
Segment liabilities	7,056,325	3,077,968	794,711	199,307	222,807	(90,356)	11,260,762	0	11,260,762
Country of origin of non-current assets									
Chile	6,920,237	1,640,369	527,252	307,470	374,682	643,581	10,413,591	0	10,413,591
Foreign	4,482,618	1,377,861	536,012	0	0	0	6,396,491	0	6,396,491
Total non-current assets	11,402,855	3,018,230	1,063,264	307,470	374,682	643,581	16,810,082	0	16,810,082
Cash flows by segment									
Cash flows from (used by) operating activities	1,072,425	382,699	128,795	16,107	(11,694)	(18,094)	1,570,238	23,836	1,594,074
Cash flows from (used by) investing activities	(633,348)	(310,763)	(70,717)	(11,772)	(45,291)	372,679	(699,212)	(316,235)	(1,015,447)
Cash flows from (used by) financing activities	(439,101)	(158,910)	(20,680)	(4,351)	56,485	(287,485)	(854,042)	291,454	(562,588)
Increase (decrease) in cash & cash equivalents before effect of exchange rate variations	(24)	(86,974)	37,398	(16)	(500)	67,100	16,984	(945)	16,039

Revenue by country is as follows:

	12.31.2018 ThUS\$	12.31.2017 ThUS\$	12.31.2018 %	12.31.2017 %
Operating revenue by country				
Argentina	479,698	451,255	2.0%	2.1%
Brazil	504,589	382,616	2.1%	1.9%
Chile	12,733,881	10,667,669	53.2%	52.5%
Colombia	5,150,269	4,436,794	21.5%	21.8%
Panama	705,751	589,061	2.9%	2.9%
Dominican Republic	158,445	139,533	0.7%	0.7%
Ecuador	487,105	271,227	2.0%	1.3%
Mexico	-	-	0.0%	0.0%
Peru	604,521	376,789	2.5%	1.9%
Uruguay	475,652	620,733	2.0%	3.0%
USA/Canada	2,670,158	2,417,638	11.1%	11.9%
Total	23,970,069	20,353,315	100.0%	100.0%

Non-current assets by country are as follows:

	12.31.2018 ThUS\$	12.31.2017 ThUS\$	12.31.2018 %	12.31.2017 %
Non-current assets				
Argentina	825,915	956,511	4.8%	5.7%
Brazil	984,746	1,274,536	5.7%	7.6%
Chile	10,644,592	10,304,619	61.9%	61.3%
Colombia	848,839	727,335	4.9%	4.3%
Panama	156,186	149,513	0.9%	0.9%
Dominican Republic	3,923	3,912	0.0%	0.0%
Ecuador	57,143	36,209	0.3%	0.2%
USA	569,632	603,181	3.3%	3.6%
British Virgin Islands	-	-	0.0%	0.0%
Peru	620,708	393,723	3.6%	2.3%
Uruguay	1,661,426	1,785,312	9.7%	10.6%
USA/Canada	810,461	575,231	4.7%	3.5%
Total	17,183,571	16,810,082	100.0%	100.0%

NOTE 30. BORROWING COSTS

The Group capitalizes interest on current investment projects. Interest is calculated using the average rate on loans intended to finance such investment projects.

Capitalized interest for property, plant and equipment	January - December	
	2018 ThUS\$	2017 ThUS\$
Rate of capitalized interest for property, plant and equipment	3.65%	4.25%
Capitalized interest for property, plant and equipment	17,481	6,885

NOTE 31. SUBSEQUENT EVENTS

The following Essential Events were communicated to the Financial Markets Commission (FMC) after these consolidated financial statements were closed:

1. Empresas Copec S.A.

1.1. On January 25, 2019, the following was communicated:

"The undersigned, in his authority as Chief Executive Officer of the publicly-held corporation Empresas Copec S.A., both domiciled in the Metropolitan Region at 150, El Golf Avenue, floor 17, Las Condes, registered in the Securities Registry as No. 0028, Chilean Identification Number 90,690,000-9, and fully authorized, communicate the following essential information about the Company and its businesses, its publically quoted securities or an offer for them, in accordance with Articles 9 and paragraph 2 of Article 10 of Law 18,045 and General Standard 30 issued by this Commission:

An "Essential Event" was sent today by our affiliate Celulosa Arauco y Constitución S.A. ("Arauco"), which reported that in December 2017 its affiliates Inversiones Arauco Internacional Limitada ("Arauco Internacional") and AraucoMex, S.A. de C.V. ("AraucoMex") had agreed with the Chilean company Masisa S.A. ("Masisa") to purchase all the shares of the Masisa's Mexican affiliates namely Maderas y Sintéticos de México, S.A. de C.V. ("Masisa México"), Maderas y Sintéticos Servicios, S.A. de C.V., Masisa Manufactura, S.A. de C.V., Placacentro Masisa México, S.A. de C.V. and Masnova Química, S.A. de C.V. (all of them jointly "Masisa's Mexican affiliates").

Furthermore, today Arauco Internacional and AraucoMex signed an amendment to the contract with Masisa to purchase all the shares of Masisa's Mexican affiliates. The price was agreed as US\$ 160,000,000, which will be payable when the transaction is closed, scheduled for next January 31.

The main assets acquired by Arauco in this transaction consist of two industrial complexes located in Durango and Zitácuaro, which together have three agglomerate lines (PB) with a total installed capacity of 339,000 m³ per year, a line of MDF boards with an installed capacity of 220,000 m³ per year, melamine coating lines with a total installed capacity of 309,000 m³ per year, a chemical plant with an installed capacity of 60,000 tons of resins and 60,600 tons of formaldehyde per year, and impregnation lines with an installed capacity of 28.9 million m² per year. Furthermore, Masisa Mexico leases a chemical plant in Lerma, with an annual installed capacity of 43,200 tons of resins and 21,600 tons of formaldehyde.

The transaction has been approved by the free trade authority in Mexico (Comisión Federal de Competencia Económica or "COFECE"), which was a preceeding condition defined in the purchase agreement dated December 2017. When this transaction is closed, Arauco will have an installed capacity to manufacture over 10 million m³ of panels, consolidating its position as the second largest panel producer in the world.

Arauco estimates that this Project will have positive effects on the Company's results, although at the moment these are not quantifiable."

2. Celulosa Arauco y Constitución S.A.

2.1. On January 22, 2019, the following was communicated:

"The undersigned, as representative of the publicly-held corporation Celulosa Arauco y Constitución S.A., hereinafter the "Company" or "Arauco", both domiciled in the Metropolitan Region at Avenida El Golf 150, floor 14, Las Condes, registered in the Securities Registry as No. 42, Chilean Identification Number 93,458,000-1, and fully authorized, communicates the following essential information about the company and its businesses in accordance with Articles 9 and paragraph 2 of Article 10 of Law 18,045 and General Regulation No. 30 issued by this Commission:

At an Arauco Board meeting held today January 22, 2019 the Board agreed to update the Manual for Handling Market Sensitive Information, which was approved on March 29, 2010.

The updated Manual is available to Arauco shareholders at the Company's head office and on the Company's website www.arauco.cl"

2.2. On January 25, 2019, the following was communicated:

"The undersigned, as representative of the publicly-held corporation Celulosa Arauco y Constitución S.A., hereinafter the "Company" or "Arauco", both domiciled in the Metropolitan Region at Avenida El Golf 150, floor 14, Las Condes, registered in the Securities Registry as No. 42, Chilean Identification Number 93,458,000-1, and fully authorized, communicates the following essential information about the company and its businesses in accordance with Articles 9 and paragraph 2 of Article 10 of Law 18,045 and General Regulation No. 30 issued by this Commission:

On December 2017, Arauco reported as an Essential Event that its affiliates Inversiones Arauco Internacional Limitada ("Arauco Internacional") and AraucoMex S.A. de C.V. ("AraucoMex") had agreed with the Chilean company Masisa S.A. ("Masisa") to purchase all the shares of the Masisa's Mexican affiliates namely Maderas y Sintéticos de México, S.A. de C.V. ("Masisa México"), Maderas y Sintéticos Servicios, S.A. de C.V., Masisa Manufactura, S.A. de C.V., Placacentro Masisa México, S.A. de C.V. and Masnova Química, S.A. de C.V.

On this date, Arauco Internacional and AraucoMex signed with Masisa an amendment to the aforementioned purchase agreement for all the shares of Masisa México, Maderas y Sintéticos Servicios, S.A. de C.V., Masisa Manufactura, S.A. de C.V., Placentro Masisa México, S.A. de C.V. and Masnova Química, S.A. de C.V. (the "Amended Agreement").

According to the Amended Agreement, the transaction price is US\$160,000,000, which will be payable when the transaction is closed, scheduled for next January 31.

The main assets acquired by Arauco in this transaction consist of two industrial complexes located in Durango and Zitácuaro, which together have three agglomerate lines (PB) with a total installed capacity of 339,000 m³ per year, a line of MDF boards with an installed capacity of 220,000 m³ per year, melamine coating lines with a total installed capacity of 309,000 m³ per year, a chemical plant with an installed capacity of 60,000 tons of resins and 60,600 tons of formaldehyde per year, and impregnation lines with an installed capacity of 28.9 million m² per year. Furthermore, Masisa Mexico leases a chemical plant in Lerma, with an annual installed capacity of 43,200 tons of resins and 21,600 tons of formaldehyde.

The transaction has been approved by the free trade authority in Mexico (Comisión Federal de Competencia Económica or "COFECE"), which was a preceeding condition defined in the purchase agreement dated December 2017.

When this transaction is closed, Arauco will have an installed capacity to manufacture over 10 million m³ of panels, consolidating its position as the second largest panel producer in the world.

Arauco estimates that this transaction will have positive effects on the Company's results, although at the moment these are not quantifiable."

2.3. On January 31, 2019, the following was communicated:

"The undersigned, as representative of the publicly-held corporation Celulosa Arauco y Constitución S.A., hereinafter the "Company" or "Arauco", both domiciled in the Metropolitan Region at Avenida El Golf 150, floor 14, Las Condes, registered in the Securities Registry as No. 42, Chilean Identification Number 93,458,000-1, and fully authorized, communicates the following essential information about the company and its businesses in accordance with Articles 9 and paragraph 2 of Article 10 of Law 18,045 and General Regulation No. 30 issued by this Commission:

As stated in the Essential Event reported to that Commission on January 25, 2019, we hereby report that the acquisition by the Company's affiliates, Inversiones Arauco Internacional Limitada and AraucoMex, S.A. de C.V., of all the shares of the Mexican affiliates of Masisa S.A. namely Maderas y Sintéticos de México, S.A. de C.V., Maderas y Sintéticos Servicios, S.A. de C.V., Masisa Manufactura, S.A. de C.V., Placacentro Masisa México, S.A. de C.V. and Masnova Química, S.A. de C.V. has been closed today.

The transaction price was US\$160,000,000, and has been paid today.

The main assets acquired consist of two industrial complexes located in Durango and Zitácuaro, which together have three agglomerate lines (PB) with a total installed capacity of 339,000 m³ per year, a line of MDF boards with an installed capacity of 220,000 m³ per year, melamine coating lines with a total installed capacity of 309,000 m³ per year, a chemical plant with an installed capacity of 60,000 tons of resins and 60,600 tons of formaldehyde per year, and impregnation lines with an installed capacity of 28.9 million m² per year. Furthermore, Masisa Mexico leases a chemical plant in Lerma, with an annual installed capacity of 43,200 tons of resins and 21,600 tons of formaldehyde.

Arauco now has an installed capacity to manufacture over 10 million m³ of panels, consolidating its position as the second largest panel producer in the world.

As indicated in the aforementioned Essential Event, Arauco estimates that this transaction will have positive effects on the Company's results, although at the moment these are not quantifiable."

3. Puertos y Logística S.A.

3.1. On January 13, 2019, the following was communicated:

"I wish to communicate an Essential Event in representation of Puertos y Logística S.A. (the "Company"), and according to the provisions in Article 9 and subparagraph 2 of Article 10 of Law 18,045 regarding the Stock Market and by this Commission in General Regulation 30, being duly empowered as follows:

The Company's management has become aware that its direct controller, Minera Valparaíso S.A., together with its related companies Forestal Constructora y Comercial del Pacífico Sur S.A., Viecal S.A., Forestal Cominco S.A., Coindustria Limitada, Inmobiliaria Rapel S.A., Inmobiliaria Ñague S.A. and Inmobiliaria Ñanco S.A. (jointly the "Committed Sellers"), signed a Share Purchase Agreement with DP WORLD HOLDING UK LTD., a subsidiary of DP World Limited, in which the Committed Sellers have promised to sell all of their interests in Puertos y Logística S.A., equivalent to approximately 71.3% of the shares issued by the Company.

According to the information provided, the transaction will take the form of a Takeover Bid for all the voting shares issued by the Company, in which the Committed Sellers must participate. The total price for all the Company's shares will be US\$502,000,000, equivalent to US\$42.1826086957 per share, subject to any adjustments agreed in the contract.

The Company shall keep the FMC duly informed of all relevant developments that arise regarding this matter."

3.2. On January 21, 2019, the following was communicated:

"I wish to communicate an Essential Event in representation of Puertos y Logística S.A. (the "Company" or "Pulogsa"), and according to the provisions in Article 9 and subparagraph 2 of Article 10 of Law 18,045 regarding the Stock Market and by this Commission in General Regulation 30, being duly empowered as follows:

On this date, the Company's Board of Directors has been presented with an offer made by its controlling company, Minera Valparaíso S.A. ("Minera"), which expresses its interest in acquiring the assets indicated below:

- a) An interest in "Forestal y Pesquera Callaqui S.A." ("Callaqui") which is 4.76% of its voting capital. The remaining shareholders in Callaqui are (i) Minera with 77.55%, and (ii) Forestal, Constructora y Comercial del Pacífico del Sur S.A. ("Pasur") with 17.69%.
- b) Unoccupied plots located at Avenida Marina 679-Lot B Infiernillo, Role 7400-8 and Avenida La Marina 693-Lot C Infiernillo, Role 7400-9, both in San Vicente, Talcahuano, and
- c) Unoccupied plot in Lot Las Dunas-Camino Internacional Lolleo, Role 9034-02, San Antonio (adjoining the property described in letter (b) above, the "Properties").

Therefore, Minera has declared that the aforementioned assets were not evaluated in the takeover process reported in Minera's Essential Event on January 12, as they are not related to Pulogsa's port operations. Minera has expressed its interest in acquiring such assets, and made a suitable offer to Pulogsa.

This transaction would involve two related privately-held corporations, so its approval is subject to the formalities and requirements established in Article 147 of Law 18,046 on Corporations, which implies that the transaction must be approved by holders of two thirds of the issued voting shares of both Minera and Pulogsa. Furthermore, each company must contract independent evaluators to issue an opinion on the transaction, in accordance with the Law on Corporations.

Therefore, the Company's Board received the offer made by Minera under the terms indicated above. It also unanimously agreed to approve the selection of Deloitte Advisory SpA to issue the independent evaluation report on the potential sale of Callaqui shares owned by the Company, and Real Data Consultores Inmobiliarios to issue the report on the property in San Antonio, and Transsa to issue the report on the properties in San Vicente. Finally, I report that Minera has declared that the price of each asset will be submitted to the Company, as soon as possible after receiving the reports from the independent evaluators.

The Company shall keep the FMC duly informed of all relevant developments that arise regarding this matter."

3.3. On January 30, 2019, the following was communicated:

"I wish to communicate an Essential Event in representation of Puertos y Logística S.A. (the "Company" or "Pulogsa"), and according to the provisions in Article 9 and subparagraph 2 of Article 10 of Law 18,045 regarding the Stock Market and by this Commission in General Regulation 30, being duly empowered as follows:

- 1) On January 21, 2019, Pulogsa reported on the expression of interest received from Minera Valparaíso S.A. ("Minera") in order to acquire non-operating assets owned by Pulogsa and identified in that Essential Event.

I report that at an Ordinary Board Meeting held today, the Board of Pulogsa has received a letter from Minera, which specifies the price offered to acquire the non-operating assets referred to in the Essential Event referred to above, as follows:

- a) A price of US\$16,303,500 for 79,739 shares issued by Forestal y Pesquera Callaqui S.A. owned by Pulogsa, representing 4.76% of its voting shares.
- b) A price of US\$3,991,000 for the plots at Avenida La Marina 346-Lot B Infiernillo, and Avenida La Marina 693-Lot C Infiernillo, both in San Vicente, Talcahuano.
- c) A price of US\$1,641,500 for the unoccupied plot at Lote Las Sunas-Camino Internacional Lillole, San Antonio.

On this date the Board received the independent evaluation reports commissioned by Pulogsa in order to approve the transaction referred to above. In accordance with the provisions of Article 147 of the Law 18,046 on Corporations, such reports shall be made available to the shareholders and the market in general on this date, on the Company's web site (www.puerto.cl) and in its offices in Teatinos 280, Floor 3, Santiago.

- 2) At the Board meeting referred to in (1) above, it was also agreed to propose the distribution of a dividend payable from retained earnings of US\$17,400,000, equivalent to US\$0.075652174 per share, or the amount freely agree to by the shareholders at the extraordinary meeting summoned for this purpose.
- 3) Therefore, the Board agreed to summon an Extraordinary Shareholders' Meeting to be held on February 21, 2019, at 9:00am, at the Convention Center at the Gran Palace Hotel, in Huérfanos 1178, Floor -2, Santiago, to address the following issues:
 - i) In accordance with Chapter XVI of the Law on Corporations, to approve transactions with related parties consisting in the sale of one or more non-operating assets owned by Pulogsa to its controlling company Minera Valparaíso S.A., as follows:
 - a. Its interest in "Forestal y Pesquera Callaqui S.A." which is 4.76% of the voting shares, for US\$16,303,500, or the amount freely agreed by the Meeting.
 - b. Unoccupied plots located at Avenida Marina 679-Lot B Infiernillo, and Avenida La Marina 693-Lot C Infiernillo, both in San Vicente, Talcahuano, for US\$ 3,991,000, or the amount freely agreed by the Meeting.
 - c. Unoccupied plot in Lot Las Dunas-Camino Internacional Lolleo, San Antonio, for US\$ 1,641,500, or the amount freely agreed by the Meeting.
 - ii) Approve the distribution of dividend 66 payable from retained earnings of US\$17,400,000, equivalent to US\$ 0.075652174 per share.
 - iii) Authorize the Board to complete all the procedures required to implement the previous agreements.
 - iv) Approve all the other agreements and measures required to implement the agreements approved by the Meeting."

3.4. On February 1, 2019, the following was communicated:

"I wish to communicate an Essential Event in representation of Puertos y Logística S.A. (the "Company" or "Pulogsa"), and according to the provisions in Article 9 and subparagraph 2 of Article 10 of Law 18,045 regarding the Stock Market and by this Commission in General Regulation 30, being duly empowered as follows:

Deloitte Advisory SpA (Deloitte) issued an independent evaluation report on the potential sale of shares in Callaqui owned by the Company, which was received on January 30, 2019. I report that today we received an addendum to that report issued by Deloitte.

In accordance with the provisions of Article 147 of the Law 18,046 on Corporations, the addendum referred to in the previous paragraph shall be made available to the shareholders and the market in general on this date, on the Company's web site (www.puerto.cl) and in its offices in Teatinos 280, Floor 3, Santiago.

3.5. On February 6, 2019, the following was communicated:

"I wish to communicate an Essential Event in representation of Puertos y Logística S.A. (the "Company" or "Pulogsa"), and according to the provisions in Article 9 and subparagraph 2 of Article 10 of Law 18,045 regarding the Stock Market and by this Commission in General Regulation 30, being duly empowered as follows:

In accordance with the provisions of Article 147 paragraphs 5 and 6 of Law 18,046 on Corporations, I report that the Company has received the individual views of Messrs. Juan Carlos Eyzaguirre Echenique, Chairman of the Board of Directors, Juan Manuel Gutiérrez Philippi, Vice Chairman of the Board of Directors, and the directors Messrs. Felipe Joannon Vergara, Jorge Bernardo Larraín Matte, Jorge Ferrando Yañez, Rodrigo José Donoso Munita and Bernardo Matte Izquierdo, referring to the offer to sell non-operating assets owned by the Company, due to its nature as a related party transaction.

The views mentioned above will be made available today to the shareholders on the Pulogsa website (www.puerto.cl). Furthermore, copies of these documents can be obtained by Pulogsa shareholders at its registered office, at Teatinos 280, Floor 3, Santiago from today."

3.6. On February 20, 2019, the following was communicated:

"In accordance with the provisions of Article 9 and subparagraphs 1 and 2 of Article 10 of Law 18,045, duly empowered, I report as an Essential Event for Puertos y Logística S.A. that the Extraordinary Shareholders' Meeting scheduled for February 21, 2019 has been suspended, and will be convened in March 2019 with the same agenda. The new meeting will be announced in the next few days, using notices and certified letters, in accordance with applicable laws and regulations.

I report to the Commission that the suspension of the aforementioned Meeting has been communicated by a notice published today, and a letter has been sent to the address of each shareholder."

3.7. On February 22, 2019, the following was communicated:

"I wish to communicate an Essential Event in representation of Puertos y Logística S.A. (the "Company" or "Pulogsa"), and according to the provisions in Article 9 and subparagraphs 1, 2 and 10 of Article 10 of Law 18,045 on the Stock Market and by the Financial Market Commission in General Regulation 30, being duly empowered, as follows:

- 1) Essential Events were reported on January 21 and 30, 2019, relating to the offer made by the parent company of Pulogsa, Minera Valparaíso S.A., in order to purchase certain assets owned by the Company. Accordingly, I report that at an Extraordinary Board Meeting held today the Board agreed to summon an Extraordinary Shareholders' Meeting to address the following issues:
 - i) In accordance with Chapter XVI of the Law on Corporations, to approve transactions with related parties consisting in the sale of one or more non-operating assets owned by Pulogsa to its controlling company Minera Valparaíso S.A., as follows:

- a) Its interest in "Forestal y Pesquera Callaqui S.A." which is 4.76% of the voting shares, for US\$16,303,500, or the amount freely agreed by the Meeting.
- b) Unoccupied plots located at Avenida Marina 679-Lot B Infiernillo, and Avenida La Marina 693-Lot C Infiernillo, both in San Vicente, Talcahuano, for US\$ 3,991,000, or the amount freely agreed by the Meeting.
- c) Unoccupied plot in Lot Las Dunas-Camino Internacional Llole, San Antonio, for US\$ 1,641,500, or the amount freely agreed by the Meeting.

In accordance with the provisions of Article 147 of Law 18,046, on Corporations, independent evaluation reports were made available to the shareholders and the market in general on January 30, 2019, without prejudice to their subsequent addenda, on the Company's web site (www.puerto.cl) and at its offices at Teatinos 250, Floor 3, Santiago. On February 6, 2019, the individual views of the Company's Directors, issued in accordance with the provisions of Article 147 of the Law on Corporations, were made available to shareholders in the same manner.

ii) Approve the distribution of dividend 66 payable from retained earnings of US\$30,400,000, equivalent to US\$0.1321739130 per share, or the amount freely agreed by the Meeting in accordance with the law. If the dividend is approved, it will be paid on March 21, 2019, in the usual manner that dividends are paid by the Company, which will be reported in a timely manner;

iii) Authorize the Board to complete all the procedures required to implement the transaction referred to in (i) above, and to perform everything required to close this transaction, with ample authority.

iv) Approve all the other agreements and measures required to implement the agreements approved by the Meeting, in accordance with the points described previously."

- 2) The Meeting referred to in (1) above shall be summoned to take place at 9:00am on March 13, 2019 at the Convention Center of the Gran Palace Hotel, in Huérfanos 1178, Floor -2, Santiago."

3.8. "DP World Holding UK Limited (the "Offeror"), pursuant to Article 202 of Law 18,045 on the Securities Market (the "Securities Market Law") and the provisions of General Regulation 104 issued by the Financial Market Commission (the "FMC"), published a commencement notice (the "Commencement Notice") in the electronic newspapers El Libero and El Mostrador on March 3, 2019 of a take-over bid for all the shares issued by Puertos y Logística S.A. ("Pulogsa") registered in the FMC Securities Registry under No. 241.

The Offeror intends to acquire 230,000,000 shares in Pulogsa (the "Shares"), representing the entire issued and outstanding shares at this date (the "Offer"), at a price of US\$2.1865302631 per share (the "Price"), in cash for each share agreed to be sold to the Offeror (and in respect of which no right of withdrawal has been exercised).

The Offer is subject to the condition that at least 163,980,326 Shares, equivalent to 71.2958% of Pulogsa's total issued and outstanding shares, are offered to the Offeror in accordance with the terms of the Offer and other conditions.

The Offer lasts from March 4, 2019 until the closing time of the Santiago Stock Exchange on April 2, 2019, without prejudice to any extension by the Offeror."