

SIGDO KOPPERS S.A. PERFORMANCE REPORT

HIGHLIGHTS – JUNE 2011

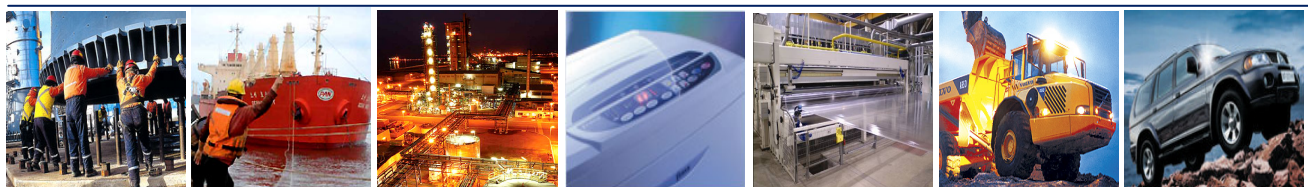
- The **Consolidated Revenues of Sigdo Koppers** totaled **US\$955 million** in the first semester of 2011, a growth of 12.1% compared to June 2010.
- At June 30, 2011, the **Consolidated EBITDA of Sigdo Koppers** was **US\$142.3 million**, a slight decrease of 1.8% compared to the first semester of 2010. The EBITDA margin was 14.9% as compared to June 2011. Of note are the rises in the EBITDA of SK Comercial (+40.8%) and Enaex (+23.5%).
- **Sigdo Koppers net profit** was **US\$56.3 million** in the first semester of 2011, which represents an increment of 4.2% with respect to June 2010.
- The **return on equity (ROE)** was **19.8%** at June 30, 2011.
- Sigdo Koppers' maintained a strong financial position with high liquidity. The **consolidated cash of Sigdo Koppers in particular** was **US\$123.7 million**.
- Sigdo Koppers maintained a conservative level of debt. Its **Net Financial Debt-to-EBITDA ratio** was **2.2**.

Consolidated Income Statement	Figures in ThUS\$		
	Jun-10	Jun-11	Var.
Sales	851.488	954.692	12,1%
EBITDA ⁽¹⁾	144.888	142.268	-1,8%
<i>EBITDA Margin</i>	<i>17,0%</i>	<i>14,9%</i>	
Sigdo Koppers Net Profit	54.052	56.337	4,2%

Consolidated Balance Sheet	Figures in ThUS\$		
	Dic-10	Jun-11	Var.
Total Assets	2.204.232	2.213.827	0,4%
Total Equity ⁽²⁾	1.060.942	994.743	-6,2%

⁽¹⁾ EBITDA = Gross Earnings + Other Income by Function - Distribution Costs - Administration Expenses - Other Expenses by Function + Depreciation and Amortization Expenses.

⁽²⁾ Total Equity includes non-controlling interests.



Sigdo Koppers S.A. is the parent company of a business conglomerate with a presence in the **Service, Industrial, Commercial and Automotive** areas through its subsidiaries and affiliates. The **Service** area encompasses construction and industrial erection, transportation and logistics. The **Industrial** area engages in the production of ammonium nitrate and rock-blasting for mining, the manufacture of large and small household appliances, the production of high-tech plastic film and a hydrogen plant. Finally, the **Commercial and Automobile** area engages in the representation of enterprises, distribution, machinery rental and the sale of automobiles.

1. CONSOLIDATED INCOME STATEMENT

Sigdo Koppers Consolidated Income	Figures in ThUS\$		
	Jun-10	Jun-11	Var.
Sales	851.488	954.692	12,1%
Sales expenses	-662.574	-754.015	13,8%
Gross income	188.914	200.677	6,2%
Other operating income	702	216	-69,2%
Distribution costs	-12.863	-11.982	-6,8%
Administrative expenses	-59.882	-84.413	41,0%
Other operating expenses	-4.048	-2.338	-42,2%
Operating income	112.823	102.160	-9,5%
EBITDA	112.823	102.160	-9,5%
<i>% EBITDA Margin</i>	<i>13,3%</i>	<i>10,7%</i>	
Interest income	3.417	2.321	-32,1%
Interest expenses	-13.060	-18.366	40,6%
Related companies income	17.608	24.061	36,6%
Exchange differentials	-6.110	-2.754	-54,9%
Price - level restatement	1.732	-507	-129,3%
Other income (losses)	698	-3.035	-534,8%
Income before taxes	117.108	103.880	-11,3%
Income tax	-18.119	-17.115	-5,5%
Net income	98.989	86.765	-12,3%
Income attributable to Sigdo Koppers	54.052	56.337	4,2%
Income attributable to non-controlling interests	44.937	30.428	-32,3%
Net income	98.989	86.765	-12,3%



Revenues

Consolidated revenues in the first semester of 2011 totaled US\$954.7 million, representing a growth of 12.1% compared to June 2010. If the income from SKBergé is included, Sigdo Koppers' total income amounted to US\$1.585 billion (+22.2%) at June 30, 2011.

Sales Business Areas	Figures in ThUS\$		
	Jun-10	Jun-11	Var.
Services	274.987	199.699	-27,4%
Ingeniería y Construcción SK	229.269	137.609	-40,0%
Puerto Ventanas	45.718	62.090	35,8%
Industrial	436.991	567.019	29,8%
Enaex	187.600	254.208	35,5%
CTI	190.091	241.036	26,8%
Sigdopack	56.948	69.512	22,1%
CHBB	2.352	2.263	-3,8%
Commercial & Automotive	143.194	191.249	33,6%
SK Comercial	143.194	191.249	33,6%
SKIA ⁽¹⁾	0	0	
Parent company & adjusments ⁽²⁾	-3.684	-3.275	
Consolidated Sales	851.488	954.692	12,1%

⁽¹⁾ SK Inversiones Automotrices S.A. (SKIA) does not account for the income of SKBergé because it holds 40% of its shares and, therefore, does not consolidate its Financial Statements.

⁽²⁾ Eliminations and adjustments as of June are mainly the result of consolidated intercompany eliminations.

The sales of Sigdo Koppers' **Service Area** decreased an average of 27.4% compared to June 2010. This decrease was due to the combined effect of a reduction in revenue (-45.6% in pesos) in Ingeniería y Construcción Sigdo Koppers (ICSK) because of a lower level of activity due to the end of several projects in the last months of 2010 and to the fact that projects that will be performed in 2011 are just starting. This was offset in part by an increase in the consolidated revenues of Puerto Ventanas, stemming from a rise in revenue in the port business (+28.7%) given the increase in cargo transferred (+21%) and in Fepasa (+26.7% in pesos) given the increase in cargo carried (+27.2%).

In the **Industrial Area**, Sigdo Koppers' companies increased their sales an average of 29.8% compared to June 2010. Of particular note is the increase of 35.5% in Enaex where sales of ammonium nitrate and other explosives rose 15.8%, the result of the enlargement of the ammonium nitrate plant in Mejillones (Panna 4); and in Sigdopack's revenues, the product of a rise in BOPP sales in Chile (+16.8%) and BOPA Argentina (+6.1%) and an increase in sale prices. Consolidated revenues of CTI increased 15% in pesos individually (Fensa and Mademsa) and in the subsidiaries Frimetal and Somela, a reflection of the great dynamics in the demand for large and small household appliances in Chile and Argentina.

Finally, revenues in Sigdo Koppers' **Commercial and Automobile Area** rose 33.6% with respect to the first semester of 2010. This rise is explained entirely by the significant growth in the sales of SK Comercial, which is proof of the higher level of activity in the machinery distribution and rental business, in line with the growth in the economies in Chile and Peru.



Cost of Sales

The Cost of Sales rose 13.8% compared to June 2010. This increase is largely due to the increase in business of several of the companies, the most notable being Enaex, which has experienced a significant rise in sales and an increase in the purchase price of ammonia. Also of note is SK Comercial, which has experienced a significant increase in its machinery distribution business.

Gross Margin

As of June 30, 2011, the Consolidated Gross Margin rose US\$11.3 million compared to the first semester of 2010. Highlightable is the increase of US\$15.5 million in the Gross Margin of Enaex and the increase of US\$10.5 million in the Gross Margin of SK Comercial.

Costs of Distribution, Administration and Other Expenses by Function (formerly SGA)

Distribution Costs, Administrative and Other Expenses by function (formerly SGA) totaled US\$98.7 million at June 30, 2011, an increase of US\$21.9 million compared to June 2010. This increase came from the combined effect of an increase in selling expenses due to the rise in business of the different Sigdo Koppers companies; extraordinary one-time expenses for operating assistance and royalty payments; a rise in the cost of insurance upon renewal of policies after the 27-F earthquake; and a higher representation in dollars of expenses incurred in pesos because of a drop in the average exchange rate between the periods compared (475.54 in June 2011 and 524.48 in June 2010). This latter effect involved recognizing an increase of approximately US\$9.2 million in expenses in dollars. As of June 30, 2011, SGA accounted for 10.3% of Sigdo Koppers' consolidated income. However, if the exchange effect is taken alone, SGA account for 9.4% of income, which means there is no significant change compared to the first semester of 2010 (9.0%).

On a parent company level, SGA totaled US\$4.0 million, or an increase of US\$1.3 million compared to the first semester of 2010. The reason was the higher expenses on investment project consulting, on the purchase of Enaex shares (commissions), and a higher representation in dollars of expenses in pesos, which accounts for an important percentage of the total SGA of the parent company.



EBITDA

The Consolidated EBITDA of Sigdo Koppers was US\$142.3 million in the first semester of 2011, representing a decrease of 1.8% with respect to June 2010. However, if we take into account ICSK's Pro-Forma EBITDA, which contains 50% of operating income of the BSK Consortium, the Pro-Forma Consolidated EBITDA of Sigdo Koppers did not change as compared to June 2010. The consolidated EBITDA margin was 14.9% at June 30, 2011.

EBITDA Business Areas	Figures in ThUS\$		
	Jun-10	Jun-11	Var.
Services	38.622	18.657	-51,7%
Ingeniería y Construcción SK	26.958	4.575	-83,0%
Puerto Ventanas	11.664	14.082	20,7%
Industrial	87.389	96.290	10,2%
Enaex	52.251	64.510	23,5%
CTI	34.183	37.691	10,3%
Sigdopack	-692	-7.478	-980,6%
CHBB	1.647	1.567	-4,9%
Commercial & Automotive	21.530	30.359	41,0%
SK Comercial	21.611	30.436	40,8%
SKIA ⁽¹⁾	-81	-77	-4,9%
Parent company & adjustments	-2.652	-3.038	
Consolidated EBITDA	144.888	142.268	-1,8%
Consolidated Pro-Forma EBITDA	148.301	148.328	0,0%

⁽¹⁾ SK Inversiones Automotrices S.A. (SKIA) does not account for the EBITDA of SKBergé because it owns 40% of its shares and, therefore, it does not consolidate its Financial Statement. SKIA's EBITDA corresponds to this company's overhead.

The EBITDA of the **Service Area** companies of Sigdo Koppers dropped an average of 51.7% compared to June 2010. ICSK's Pro-Forma EBITDA, which includes the operating figures of the BSK Consortium (50%) (which is building the enlargement of the Los Bronces Mine), was US\$10.6 million, a drop of 68.2% in pesos. The consolidated EBITDA of Puerto Ventanas rose 20.7% compared to the first semester of 2010 because of a better operating performance of the port business and of Fepasa.

The companies in the **Industrial Area** of Sigdo Koppers showed an average increase of 10.2% in their EBITDA with respect to the first semester of 2010. Of note is the growth of 23.5% in Enaex, due to the combined effect of an increase in sales, offset partly by a rise in costs of sale and a higher SGA. It had an EBITDA Margin of 25.4% at June 2011. The Consolidated EBITDA of CTI in pesos did not change as compared to the first semester of 2010 with an EBITDA Margin of 15.6% in pesos. Dynamism in the demand for large and small household appliances in Chile and Argentina remained high in the first semester of 2011.

Finally, in Sigdo Koppers' **Commercial and Automobile Area**, SK Comercial experienced a significant growth of US\$8.8 million in its EBITDA in comparison to June 2010, the result of an increase in activity of SKC Rental in Chile and Peru and in the machinery distribution subsidiaries.



Financial Income

Consolidated Financial Income totaled US\$2.3 million in the first semester of 2011, a decrease of US\$1.1 million compared to June 2010. This fall mainly came from drops in financial assets and in real deposit interest rates between the periods compared. On a parent company level, financial income amounted to ThUS\$453 at June 30, 2011.

The financial income of the parent company comes from the different fixed-income financial instruments that it holds, which totaled US\$32.9 million at June 30, 2011.

Financial Costs

As of June 30, 2011, Consolidated Financial Costs amounted to US\$18.4 million, an increase of US\$5.3 million compared to the first semester of 2010. This increase is due mainly to a rise of US\$1.4 million in financial costs in SK Comercial and of US\$1.2 million in Enaex. On a parent company level, financial costs totaled US\$4.6 million in the first semester of 2011.

The parent company owes financial debt on corporate bonds for UF 3 million placed in March 2009 and a loan from Banco BCI for US\$39 million received in February 2011. The parent company has three Cross-Currency Swap contracts in place to redenominate part of its UF debt to dollars, equal to UF 2.5 million.

Earnings of Associates and Joint Ventures

During the first semester of 2011, the Share in Earnings of Associates and Joint Ventures totaled US\$24.1 million, which represents a significant increase of US\$6.5 million compared to June 2010. The income of BSK Consortium is recorded in Earnings of Associates and Joint Ventures in ICSK. It is building the expansion of the Los Bronces Mine. SK Inversiones Automotrices (SKIA) recognizes the net profit of SKBergé, a company engaged in the import and distribution of automobiles. The improvement in Earnings of Associates and Joint Ventures comes mainly from the good performance of SKBergé, an indication of the high level of activity in the automobile industry in the first semester of 2011.

Exchange Differentials and Results by Unit of Adjustment

The Exchange Differentials and Results by Units of Adjustment (Net) in June 2011 were negative, totaling US\$3.3 million, an increase of US\$1.1 million compared to June 2010. This reduction is due mainly to higher income from Exchange Differentials and Results by Unit of Adjustment (net) of US\$1.9 million in ICSK. At the parent company level, these was a loss of ThUS\$519 as of June 30, 2011.



Net Profit

As of June 30, 2011, the Net Profit of Sigdo Koppers grew 4.2% compared to the first semester of 2010, to US\$56.3 million. As a result, the net profit for the last twelve months was US\$115.2 million, a return of 19.8% on equity (ROE). The total profit earned by the different companies in the first semester of 2011 was US\$99.8 million.

Net profit Business Areas	Total Companies Figures in ThUS\$			% SK Jun-11	Attributable to parent company Figures in ThUS\$		
	Jun-10	Jun-11	Var.		Jun-10	Jun-11	Var.
Services	25.153	17.256	-31,4%		14.741	9.841	-33,2%
Ingeniería y Construcción SK	21.363	12.758	-40,3%	60,43%	12.910	7.710	-40,3%
Puerto Ventanas ⁽¹⁾	3.790	4.498	18,7%	50,01%	1.831	2.131	16,4%
Industrial	55.901	52.064	-6,9%		26.985	24.915	-7,7%
Enaex	34.746	35.517	2,2%	60,06%	17.590	20.552	16,8%
CTI	23.420	24.595	5,0%	50,10%	11.733	12.322	5,0%
Sigdropack	-3.176	-8.883	-179,7%	97,39%	-3.093	-8.651	-179,7%
CHBB ⁽²⁾	911	835	-8,4%	74,59%	755	692	-8,3%
Commercial & Automotive	20.440	30.460	49,0%		17.125	28.333	65,4%
SK Comercial	7.340	12.365	68,5%	82,79%	6.004	10.238	70,5%
SKIA	13.100	18.095	38,1%	99,99%	11.121	18.095	62,7%
SK companies profit	101.494	99.781	-1,7%		58.851	63.089	7,2%
Parent company & adjustments					-4.799	-6.752	40,7%
Total consolidated profit					54.052	56.337	4,2%

⁽¹⁾ The profit of Puerto Ventanas is adjusted in SK Inversiones Portuarias S.A., which is the company through which Sigdo Koppers controls Puerto Ventanas.

⁽²⁾ The profit associated with CHBB is adjusted in SK Inversiones Petroquímicas S.A., the company through which Sigdo Koppers controls CHBB.

The net profit of Sigdo Koppers' **Service Area** dropped an average of 33.2% compared to June 2010. The profits in pesos of ICSK decreased 45.9% due to the combined effect of a lower operating yield and the recognition of higher income from the BSK Consortium in the Share in Earnings of Associates. The consolidated profit of Puerto Ventanas rose 18.7% compared to the first semester of 2010.

The companies in Sigdo Koppers' **Industrial Area** had an average drop of 7.7% as compared to June 2010. It is important to note that Enaex suffered an extraordinary loss of US\$5.4 million as a result of the sale of the ammonium plant. Excluding this extraordinary impact, profits were US\$40.9 million (+17.8%). Moreover, CTI stands out for its net profit of MCH\$11,696 (US\$25 million), or a decrease of 4.8%. Finally, Sigdropack suffered a loss of US\$8.9 million in the first semester of 2011.

The net profit of the **Commercial and Automobile Area** of Sigdo Koppers grew significantly in comparison to the first semester of 2010 (65.4%), the product of a better performance by SK Inversiones Automotrices and SK Comercial, which have benefited from the high demand for automobiles and machinery, respectively.



2. CONSOLIDATED BALANCE SHEET

Consolidated Balance Sheet	Figures in ThUS\$		
	Dic-10	Jun-11	Var.
Current Assets			
Cash and cash equivalent	199.769	123.681	-38,1%
Account and sales receivables	478.239	481.047	0,6%
Inventories	234.425	253.778	8,3%
Other current assets	25.472	69.900	174,4%
Total current assets	937.905	928.406	-1,0%
Long-term assets			
Property, plants & equipment	1.035.013	1.035.159	0,0%
Other long-term assets	231.314	250.262	8,2%
Total long-term assets	1.266.327	1.285.421	1,5%
Total assets	2.204.232	2.213.827	0,4%
Current liabilities			
Short-term financial debt	288.309	311.381	8,0%
Accounts payable	221.541	215.548	-2,7%
Other current liabilities	142.966	135.965	-4,9%
Total current liabilities	652.816	662.894	1,5%
Long-term liabilities			
Long-term financial debt	389.629	451.423	15,9%
Other long-term liabilities	100.845	104.767	3,9%
Total long-term liabilities	490.474	556.190	13,4%
Total liabilities	1.143.290	1.219.084	6,6%
Equity			
Attributable to the controller	614.673	580.730	-5,5%
Attributable to non-controlling interests	446.269	414.013	-7,2%
Total equity	1.060.942	994.743	-6,2%
Total liabilities and equity	2.204.232	2.213.827	0,4%

Sigdo Koppers Classified Consolidated Balance Sheet as of June 30, 2011 reports a Cash and Banks position of US\$124 million (comprised of "Cash and Cash Equivalent" and "Other Current Financial Assets"), which represents a decrease of US\$76 million compared to December 2010. Noteworthy is the level of cash in Enaex, amounting to US\$49 million. Enaex will use these resources to finance part of its nitrate investment plan in Peru. At the parent company level, the Cash and Bank position totaled US\$32.9 million, which represents a decrease compared to the figure of US\$88.1 million compared to Dec-10 that was caused mainly by the disbursement made by the parent company in February 2011 to increase its share in Enaex to 60.06%.



As of June 2011, total Current Assets decreased US\$9.5 million as compared to December 2010. The reason was a decrease of US\$76 million in financial assets, offset in part by an increase in Other Current Assets as a result of the income to be received by Enaex from the sale of an ammonium plant for US\$22.8 million. Moreover, accounts receivable did not change significantly as compared to December 2010. The average number of days in consolidated accounts receivable was 91 as of June 2011, indicating a decrease from the 95 days recorded as of December 2010.

In turn, the Consolidated Inventories as of June 30, 2011 increased by US\$19.4 million compared to December 2010. In particular, SK Comercial had a higher level of inventory (US\$12.2 million) as did Enaex (US\$9.7 million) because of the increase in its business activity. The average number of days of consolidated inventory totaled 50 as of June 2011, so there was a decrease compared to 54 days in December 2010.

Consolidated Fixed Assets (Property, Plant and Equipment) amounted to US\$1.035 billion as of June 30, 2011, only a slight variation compared to December 2010. In the Sigdo Koppers' group, the subsidiaries that have the most fixed assets are Enaex, with US\$416 million, Puerto Ventanas with US\$228 million, Sigdopack with US\$96.6 million and, finally, CTI with US\$61.1 million.

As of June 30, 2011, Sigdo Koppers' Total Liabilities amounted to US\$1,219 billion. Within Current Liabilities, Accounts Payable totaled US\$216 million, which represents a decrease of US\$6 million compared to December 2010. Subsidiaries with the highest accounts payable are SK Comercial, with US\$92.8 million, ICSK with US\$35 million, CTI with US\$30.1 million and Enaex with US\$23.7 million.

Consolidated Financial Liabilities amounted to US\$763 million at June 30, 2011, an increase of US\$84.9 million compared to December 2010. The reason is the increase in financial liabilities of SK Comercial and Sigdopack to finance working capital because there is more activity in these companies; and of Puerto Ventanas due to the financing of a new warehouse to store copper concentrate for Anglo American. At the parent company level, financial liabilities totaled US\$179.6 million, corresponding to corporate bonds for UF 3 million placed in March 2009 and a bank liability for US\$39 million used to finance part of the purchase of shares in Enaex in February 2011, which involved a disbursement of approximately US\$95 million by the parent company.

As of June 2011, the Financial Debt-to-EBITDA ratio was 2.56. The current liability-to-total liability ratio decreased slightly in comparison to December 2010, which is largely explained by the increase in long-term financial liabilities of the parent company as a result of the bank liabilities of US\$39 million to finance part of the purchase of Enaex shares. Sigdo Koppers' debt indicators show an all-around adequate and conservative financial position at June 30, 2011, with a comfortable cushion to meet its short and long-term obligations.

Finally, as of June 30, 2011, Sigdo Koppers' Consolidated Total Equity was US\$994.7 million, which represents a 6.2% decrease if compared to December 2010. The controller's equity was US\$581 million as of June 2011, a US\$33.9 million decrease in comparison to December 2010. This is due to the recognition of goodwill for US\$68 million in Other Reserves as a result of the purchase of stock in Enaex in February 2011.



Debt Ratios	Unit	Dic-10	Jun-11
Leverage ⁽¹⁾	times	1,08	1,23
Financial expenses coverage ⁽²⁾	times	9,87	8,33
Financial debt / EBITDA	times	2,26	2,56
Net financial debt / EBITDA	times	1,59	2,15
Net financial leverage ⁽³⁾	times	0,45	0,64

⁽¹⁾ Debt Ratio = Total Liabilities / Total Equity

⁽²⁾ Financial Expense Coverage = EBITDA / Financial Costs

⁽³⁾ SK Corporate Bond Covenant < 1.2

The consolidated debt ratio (leverage) was 1.23 at June 30, 2011. This was an increase as compared to December 2010 (1.08 times), due mainly to a decrease in Equity attributable to Controller as a result of the recognition of goodwill of US\$68 million from the purchase of stock in Enaex in February 2011 in Other Reserves. The consolidated Financial Expense coverage of Sigdo Koppers, calculated as EBITDA-to-Financial Costs, was significantly comfortable to fulfill its short and long-term obligations. The net financial leverage was 0.64, in line with the financial covenant for the corporate bonds issued by Sigdo Koppers in March 2009.



3. CONSOLIDATED CASH FLOW

Consolidated Cash Flow	Figures in ThUS\$		
	Jun-10	Jun-11	Var.
Operating cash flow	58.051	97.871	68,6%
Investment cash flow	-74.250	-166.693	124,5%
Capex	-41.405	-70.992	71,5%
Fixed assets sales	644	335	-48,0%
Other	-33.489	-96.036	186,8%
Finance cash flow	8.705	5.821	-33,1%
Net variation in financial liabilities	65.652	89.497	36,3%
Dividends	-49.160	-67.491	37,3%
Other	-7.787	-16.185	107,8%
Total net cash flow	-7.494	-63.001	-740,7%
Cash and cash equivalent	211.639	119.132	-43,7%

The consolidated **Operating Flow** of Sigdo Koppers was US\$97.9 million as of June 30, 2011, an increase of 68.6% compared to the first semester of 2010. The cause was the combined effect of a drop in operating income and a decrease in working capital.

The consolidated **Investment Flow** was a negative US\$167 million as of June 2011. The Capex was US\$71 million. SK Comercial is notable for an investment of US\$44.1 million in property, plant and equipment due to the growth in the SKC machinery fleet. There were also disbursements of US\$95 million associated with the purchase of shares by Sigdo Koppers to increase its interest in Enaex, which went from 53.73% to 60.06%.

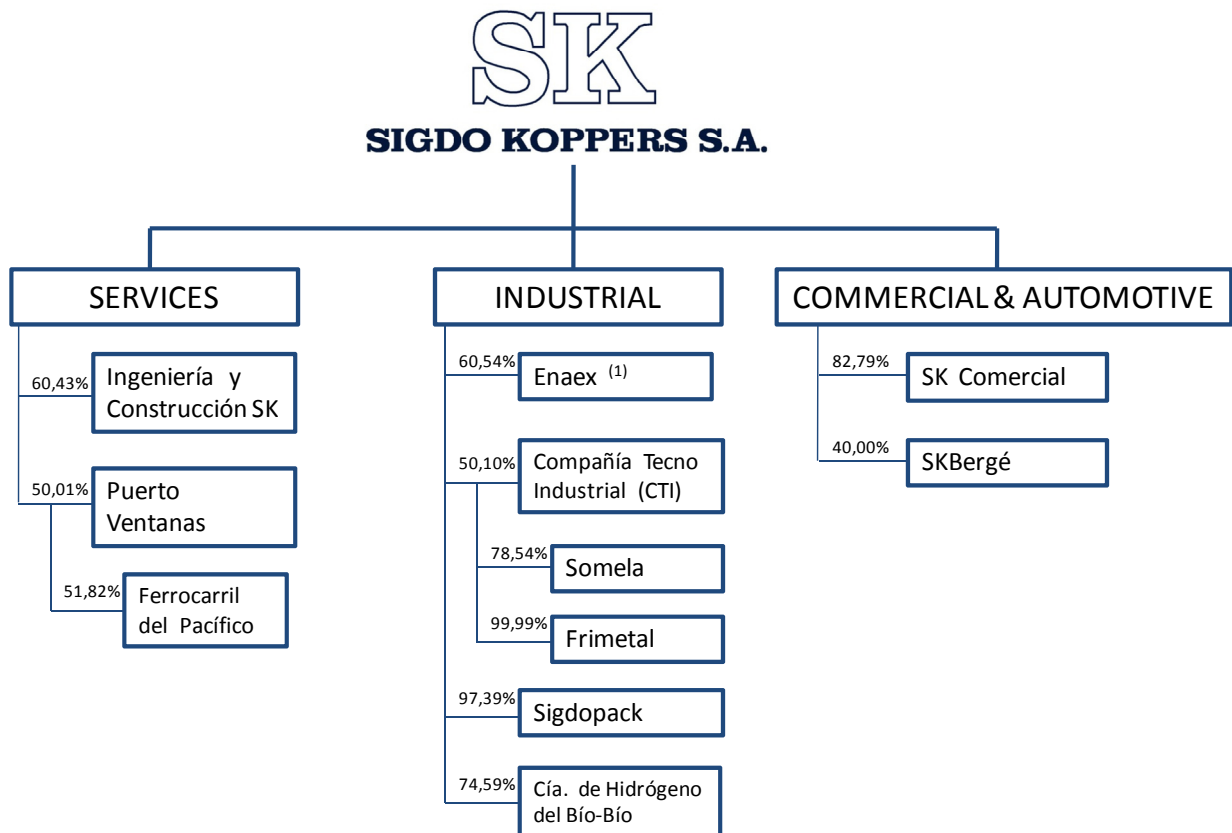
Finally, at June 30, 2011, the **Financing Flow** was US\$5.8 million, mainly comprised of an increase of US\$90 million in financial liabilities in which Sigdo Koppers individually underwent an increase of US\$39.2 million for the purchase of shares in Enaex and Puerto Ventanas increased its financial liabilities by US\$8.9 million because of a new long-term loan to finance the construction of a warehouse to store copper concentrate for Anglo American.



4. RESULTS BY COMPANY

Description of the Sigdo Koppers Group

Sigdo Koppers S.A. is the parent company of a business group with a presence in the **Services, Industrial, Commercial and Automobile areas** through its subsidiaries and affiliates. It participates in the **Services Area** through Ingeniería y Construcción Sigdo Koppers S.A., Puerto Ventanas S.A. and this latter's subsidiary Fepasa S.A. It is present in the **Industrial Area** through Enaex S.A., CTI Compañía Tecno Industrial S.A. (CTI) and its subsidiaries Somela S.A. and Frimetal S.A. (Argentina); through Sigdopack S.A. and its subsidiary Sigdopack Argentina S.A.; and through Compañía de Hidrógeno del Bío Bío S.A. It participates in the **Commercial and Automotive Area** through SK Comercial S.A. (SKC) and SKBergé S.A. This latter company is a strategic venture with the Bergé Group from Spain.



Note: Simplified corporate structure at August 12, 2011.

⁽¹⁾ On August 10, 2010, Sigdo Koppers increased its interest in Enaex S.A. to 60.54%.



5.1 Ingeniería y Construcción Sigdo Koppers S.A.

Ingeniería y Construcción Sigdo Koppers S.A. (ICSK) is a leading company in the execution of construction projects, engineering and industrial assembly of medium and large scale projects. Its prestige is sound both in Chile and abroad. ICSK develops projects in many different areas, such as Mining and Metallurgy, Power Generation and Transmission, Civil Works and Industrial Constructions.

At June 30, 2011, the consolidated income of ICSK was MCH\$100,387 (US\$138 million). If we take into account the operating income from the BSK Consortium (50%), the Pro-Forma consolidated Income dropped 27% compared to June 2010. This drop was due to a fall in activity in the first semester of 2011 as several projects ended at the end of 2010 and the first few months of 2011, whereas the new projects for execution in 2011 are in the initial stages, so income is not recognized in the same way as when they are finished.

Ingeniería y Construcción Sigdo Koppers	Jun-10 MCH\$	Jun-11 MCH\$	Var. %
Sales (*)	137.537	100.387	-27,0%
EBITDA (*)	15.929	5.057	-68,2%
<i>EBITDA Margin</i>	11,8%	3,3%	
Controller's net profit	11.205	6.067	-45,9%

(*) Includes operational figuras of BSK Consortium (50%)

Its pro-forma consolidated sales are comprised of its individual sales and those of its subsidiaries, Constructora Logro S.A., SSK Montajes e Instalaciones (Peru), SK Industrial, SK Ecología, SK Capacitación, and the SK Vial y Vives Consortium that is working on the Esperanza Project. The income from works performed through the **BSK Consortium**, which is building the expansion of the Los Bronces Mine, are accounted for as a Share in the Earnings of Associates and Joint Ventures.

8.2 million man-hours had been worked as of June 30, 2011, a reduction of 15.8% compared to the first semester in 2010.

ICSK's Pro-Forma EBITDA, which includes operating numbers for BSK Consortium, was CH\$5.057 billion, a fall of 68.2% compared to June 2010 caused by the completion of some projects. The performance of Constructora Logro is notable, focused on medium-scale construction and erection projects in Chile. It accounts for 40.7% of the Consolidated EBITDA of ICSK as of June 30, 2011.

During the first semester of 2011, MCH\$3,038 were recorded in Share in Earnings of Associates and Joint Ventures, virtually the entire amount corresponding to BSK Consortium and representing an increase of 10.5% compared to the same period in 2010.

After all the above, ICSK's net profit at June 30, 2011 amounted to MCH\$6,067 (US\$12.8 million), which represents a decrease of 45.9% compared to the first semester in 2010.

The outlook for coming years is a significant growth in the number of mining and industrial projects in Chile and in Peru, which are in the process of being awarded and will begin construction in the second half of 2011 and early 2012.



ICSK is currently implementing the following projects:

Chile

Company	Project	Principal	Sector
ICSK	Escondida Ore Access Project	Minera Escondida / Fluor	Mining
ICSK	Angamos Thermoelectric Power Plant	AES Gener / Posco	Electrical
ICSK	Laying of Polpaico 2x220 kv Transmission Line	Transelec	Electrical
BSK	Los Bronces Project	AngloAmerican	Mining
BSK	Laguna Seca Project	Minera Escondida	Mining
Logro	MDP Panel Plant	Celulosa Arauco	Industrial

Peru

Company	Project	Principal	Sector
SSK	Minera Antamina Truck Repair Shop	Minera Antamina / Aker	Mining
SSK	Pump Stations	Minera Yanacocha	Mining
SSK	Raw Water Pipeline	Chinalco / Aker	Mining
SSK	Cement Plant Enlargement	Cemento Andino	Industrial
SSK	Kallpa Combined Cycle Plant	Kallpa Generación / Posco	Electrical
SSK	Chilca One Combined Cycle Plant	Enersur / Posco	Electrical

ICSK has a backlog of approximately US\$165 million in regard to these projects, which will be performed during 2011 and early 2012.

SK Industrial, which performs industrial maintenance, is also developing diverse mining and industrial projects.



5.2 Puerto Ventanas S.A.

Puerto Ventanas' business consists of the transfer of bulk cargo in the central zone of Chile, including loading on and unloading from ships and the subsequent storage of cargo, if required. It also bunkers vessels in ports located in the central zone. Through its subsidiary Ferrocarril del Pacifico S.A. (Fepasa), it engages in the cargo transportation industry in Chile.

During the first semester of 2011, Puerto Ventanas transferred 2,226,698 tons, a growth of 21% compared to June 2010. This increase is mainly due to more coal landings (+58.7%). The coal landed by the port is used mainly in the Ventanas I, II and III (New Ventanas) thermoelectric power plants of AES GENER. They have increased their MWH generation 19.7% compared to the first semester of 2010.

Puerto Ventanas Consolidated	Jun-10	Jun-11	Var.
	ThUS\$	ThUS\$	%
Sales	45.718	62.090	35,8%
EBITDA	11.664	14.082	20,7%
<i>EBITDA Margin</i>	25,5%	22,7%	
Controller's net profit	3.790	4.498	18,7%
PVSA - Tons transferred	1.840.705	2.226.698	21,0%
Fepasa - M Ton-Km	485.132	675.908	39,3%

Port business income rose 28.7% compared to the first semester of 2010. Puerto Ventanas continued to be a leader in bulk transfers in the central zone of Chile, holding a market share of 53.4% in solid bulk and 40.6% in liquid bulk in June 2011.

Fepasa moved 676 million Tons-Km in the first semester of 2011, which was an increase of 39.3% compared to the same period in 2010. The forest sector, which accounts for 47% of the total carried by Fepasa, increased 43% in Tons-Km. The mining sector, which represents 18% of the total carried, rose 26% in Tons-Km.

Puerto Ventanas	Figures in Tons		
	Jun-10	Jun-11	Var.
Coal	522.036	828.379	58,7%
Concentrate	433.395	525.696	21,3%
Acids	138.377	134.398	-2,9%
Grains	127.907	97.810	-23,5%
Clinker	133.467	112.840	-15,5%
Iron	0	36.468	
Others	242.825	278.344	14,6%
Fuels	242.700	212.763	-12,3%
Total	1.840.705	2.226.698	21,0%

During the fourth quarter of 2010, Fepasa renewed important long-term contracts, in particular the one with Celulosa Arauco y Constitución S.A. for the carriage of pulp and saw timber for 8 years. It also renewed the contract with the El Teniente Division of Codelco for the carriage of approximately 372,000 tons of copper anodes and refined copper annually for 7 years.

At June 30, 2011, the Consolidated EBITDA of Puerto Ventanas was US\$14.1 million, a rise of 21% compared to the first semester of 2010. This increase was caused by a combination of a rise in revenues in the port business and railroad business, partially offset by an increase in administrative and selling expenses. The latter was due mainly to the exchange rate effect of expenses made in pesos and their corresponding representation in dollars and to the recognition of an increase in insurance expenses as policy costs rose upon renewal after the 27-F earthquake.

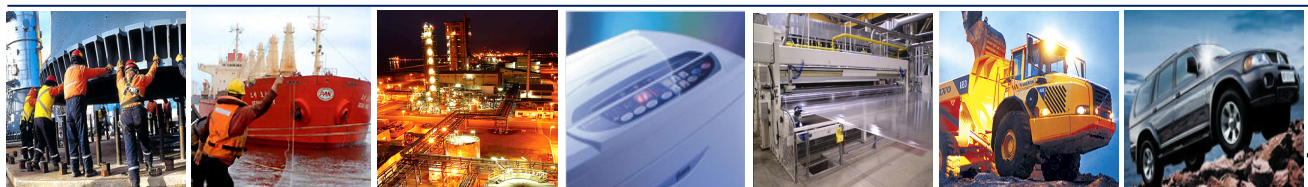
So, during the first semester of 2011, the consolidated net profit of Puerto Ventanas was US\$4.5 million, an increase of 18.7% with respect to the same period in 2010. This increase was the product of an improvement in operating income in the Port Business and in Fepasa.



In regard to projects in the port's zone of influence, it is estimated that starting in the first quarter of 2013, the fourth power station of AES Gener (Campiche) will begin operation, which will result in the transfer of around 400 thousand additional tons in 2013 and close to 700,000 tons in 2014.

Among the projects of third parties currently underway is the enlargement of the Los Bronces Mine (Anglo American), which would increase copper production in the last quarter of 2011. Puerto Ventanas is building a new warehouse with the latest environmental technology to store 60,000 tons of copper concentrate on land contiguous to the actual storage facility. The company's copper operations will signify an increase to as much as 900,000 tons annually in copper concentrate shipments through the port.

Additionally, Cementos Melon is in the final phase of building a clinker mill that is on land sold by Puerto Ventanas in Quintero Bay, which began operation at the beginning of this year. The clinker required for its operation will be transferred through Puerto Ventanas and will total a minimum guaranteed tonnage of 35,000 tons starting in 2012 that may reach more than 600,000 tons transferred annually.



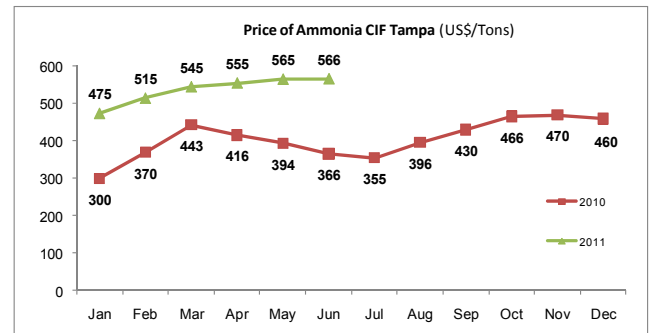
5.3 Enaex S.A.

Enaex S.A. is the leader in Chile and in Latin America in the production of ammonium nitrate and mining explosives and an integral rock blasting service provider. It has an 800,000 tons ammonium nitrate plant in Mejillones, which is one of the major complexes that produces this input worldwide through which it satisfies a large part of the demand in Latin America.

During the first semester of 2011, Enaex recorded a growth of 35.5% compared to June 2010. The reason was mainly an increase in the volume of sales (+16%) after the enlargement of the Mejillones ammonium nitrate plant (Panna 4). In particular, total sales (of ammonium nitrate and other explosives) amounted to 368,000 tons. Of note is the significant increase of 8% in the local market and of 44% in the export market.

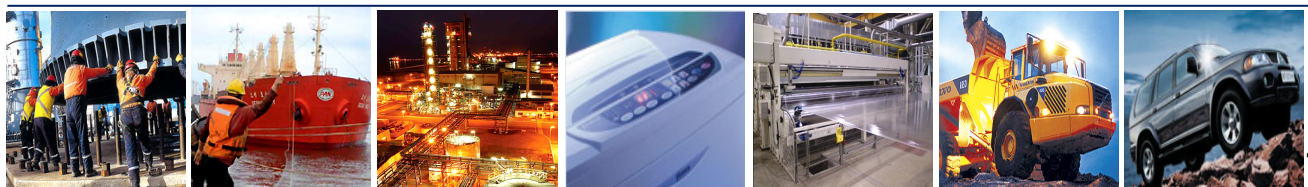
Enaex	Jun-10	Jun-11	Var.
	ThUS\$	ThUS\$	%
Sales	187.600	254.208	35,5%
EBITDA	52.251	64.510	23,5%
<i>EBITDA Margin</i>	27,9%	25,4%	
Controller's net profit	34.746	35.517	2,2%

As of June 30, 2011, costs of sale rose 39%. This was due to the increase in the volume of sales and the higher cost of ammonia, which attained an average level of US\$537 per ton in the first semester of 2011, above the figure of US\$382 per ton recorded in the same period in 2010. This variation in the cost of ammonia is transferred to the sale price via indexation mechanisms set down in sales contracts.



The Consolidated EBITDA of Enaex was US\$65 million as of June 2011, a significant growth of 24% compared to the first semester in 2010. This increase was due to the combined effect of a higher volume of sales, offset in part by a higher cost of sales and higher administration, distribution and other expenses by function (formerly SGA). This increase in SGA was due to an increase in distribution expenses, in commercial expenses associated with the rise in sales and to the fact that such expenses are in pesos, which implies, in the context of a lower average exchange rate between the periods compared, a greater representation of those expenses in dollars. Therefore, the EBITDA margin was 25% at June 30, 2011, positive in the normal operating context of the Company.

On a non-operating level, there were higher financial expenses as of June 2011 due to the recognition of interest on the financing of the enlargement of ammonium nitrate plant in Mejillones (Panna 4) in income. In turn, Exchange Differentials and Income from Units of Adjustment (net) were negative, totaling ThUS\$737 caused by a greater exposure of net assets in pesos due to the higher volumes of sale and the 10% appreciation of the peso as compared to the U.S. Dollar the same semester of the previous year. There was a loss in the Share in Earnings or Losses of Associates because of the expenses of the petrochemical project in Peru, which involves the construction of an ammonia plant and an ammonium nitrate plant.



Therefore, as of June 30, 2011, Enaex recorded a net profit of US\$36 million, which represents an increase of 2.2% compared to the first semester in 2010. This increase was caused by the combined effect of operating improvements resulting from a higher volume of sales, offset in part by lower non-operating income because of an increase in financial expenses and a loss on exchange differentials. It is important to note that Enaex suffered an extraordinary loss of US\$5.4 million as a result of the sale of the ammonium plant. Excluding this extraordinary event, profits would be US\$40.9 million, representing an increase of 17.8% as compared to June 2010.

On January 24, 2011, the Ministry of Energy and Mines (MEM) of Peru approved the Environmental Impact Study for the Nitrates Project in Peru. This entails installing an ammonium nitrate plant and an ammonia plant through an investment of close to US\$800 million, thus attaining one of the most important milestones in implementing this project. This project is being developed in conjunction with the Brescia Group of Peru.

Finally, it is important to note that on August 10, 2011, Sigdo Koppers acquired 600,728 shares in Enaex S.A., thereby increasing its interest to 60.54%. This transaction was worth US\$6.5 million.



5.4 CTI Compañía Tecno Industrial S.A.

CTI Compañía Tecno Industrial (CTI) is the main household appliance manufacturer in Chile (refrigerators, washing machines, stoves and heaters), which it sells under the Fensa and Mademsa brands. Through Frimetal S.A., CTI is present in Argentina in the production and distribution of household appliances, which are sold under its GAFA brand. Additionally, through its subsidiary Somela S.A., CTI is also on the domestic small household appliance market, where it is the leader.

CTI's consolidated income, including Somela and Frimetal, grew 15% compared to the first semester in 2010, to MCH\$114,622 (US\$241 million). In particular, there was an increase in income in pesos in the large household appliance business in the first half of 2011. Individually, CTI grew 11.7% and Frimetal 22.6%. In the small household appliance business, Somela recorded an increase of 9.8% in its sales.

CTI Compañía Tecno Industrial	Jun-10 MCH\$	Jun-11 MCH\$	Var. %
Sales	99.699	114.622	15,0%
EBITDA	17.928	17.924	0,0%
<i>EBITDA Margin</i>	<i>18,0%</i>	<i>15,6%</i>	
Controller's net profit	12.283	11.696	-4,8%
CTI local sales (units)	499.582	535.366	7,2%
CTI exports (units)	66.132	88.565	33,9%
Frimetal (units)	202.233	235.365	16,4%

In Chile, the sales of CTI on an individual level through its Fensa and Mademsa brands rose 10% in terms of price and 7.2% in terms of units in comparison to June 2010. This growth in local sales is the result of a greater dynamics in the demand for appliances and the wide acceptance of the Company's new products by the market (kerosene Fan heaters, vertical freezers, the combination refrigerator and dishwashers).

Exports by CTI individually totaled US\$23.9 million in the first semester of 2011, US\$6.8 million higher than the same period in 2010, which is evidence of the recovery in the demand for large household appliances in the main destinations of CTI's exports in the region. CTI's management continues to reinforce actions to develop new markets and add new customers, mainly in the markets of Ecuador, Uruguay, Peru, Colombia and Central America.

Frimetal's revenues expressed in Chilean pesos rose 22.6% in the first semester of 2011. Of particular note are the sales in units of the no-frost refrigerators (+11.4%) and horizontal freezers (+34.5%), where the wide range of products and the reputation of the Gafa brand give Frimetal a clear position of leader in the refrigeration category. Exports dropped 10% in the first semester of 2011. The main export markets of Frimetal continue to be neighboring countries, specially Chile, Paraguay and Uruguay.

In relation to Somela, as of June 2011, local revenues rose 9.6% due to the combined effect of the addition of new products, of measures to improve product availability in the channel and display at the point of sale, and of the better economic conditions in the country. These factors have translated into a 12.3% increase in sales in terms of units. Exports appraised in pesos decreased 20.8% and 0.2% in units compared to first semester in 2010.

The consolidated EBITDA of CTI was MCH\$17,924 (US\$37.7 million), meaning no variation with respect to the first semester of 2010. It is important to note that during the first semester of 2011, dynamism in the demand for large and small household appliances remained high in Chile and Argentina. CTI's consolidated EBITDA margin was 15.6% as of June 2011.



So, as of June 30, 2011, CTI's net profit was MCH\$11,696 (US\$24.6 million), a decrease of 4.8% compared to June 2010. This drop is due to the combined effect of lower operating income, as a result of the increase in financial expenses, an increase in taxes because rates rose (2010, 17%; 2011, 20%), which was offset by an operating performance similar to 2010.



5.5 Sigdopack S.A.

Sigdopack is a player in the industry of plastic films for food packaging. Within the industry, its main flexible packing products BOPP (biaxially-oriented polypropylene) and BOPA (biaxially-oriented polyamide) stand out. The company has a BOPP/BOPA plant in Chile (Quilicura) and another BOPP plant located in the city of Campana, Argentina.

During the first semester of 2011, Sigdopack's consolidated income totaled US\$70 million, a growth of 22% compared to the same period in 2010. This growth is the result of a combination of an increase in the sales of BOPP Chile (+17%), in particular export sales (+7.5%) and an increase in sale prices between the two periods.

Sigdopack	Jun-10	Jun-11	Var.
	ThUS\$	ThUS\$	%
Sales	56.948	69.512	22,1%
EBITDA	-692	-7.478	-980,6%
Controller's net profit	-3.176	-8.883	-179,7%

As we commented in 1Q11, the BOPP Latin American market is experiencing a production capacity surplus, in particular in Argentina, that is keeping the operating margins below the plan.

Additionally, the BOPP in Argentina has suffered operating problems that affected productivity and efficiency in the first half of 2011. Therefore, Sigdopack's EBITDA registered a loss of US\$7.5 million in the first semester of 2011.

Moreover, financial costs totaled ThUS\$2,368, an increase of ThUS\$542 compared to June 2010.

Therefore, as of June 30, 2011, Sigdopack suffered a net loss of US\$8.9 million.



5.6 SK Inversiones Petroquímicas S.A.

Sigdo Koppers S.A. controls SK Inversiones Petroquímicas S.A. (SKIP) because it holds 82.87% of its shares. In turn, SKIP owns 90% of the shares in Compañía de Hidrogeno del Bío Bío S.A. (CHBB).

CHBB operates a highly purified hydrogen production plant where the oil from ENAP's Bio-Bio Refinery in the borough of Talcahuano is purified.

As of June 30, 2011, SK Inversiones Petroquímicas recorded revenues of ThUS\$2,263. SKIP's EBITDA was ThUS\$835. SKIP also recorded financial expenses of ThUS\$327.

SK Inversiones Petroquímicas	Jun-10 ThUS\$	Jun-11 ThUS\$	Var. %
Sales	2.352	2.263	-3,8%
EBITDA	1.647	1.567	-4,9%
Controller's net profit	911	835	-8,4%

Finally, as of June 30, 2011, SK Inversiones Petroquímicas earned a net profit of ThUS\$835, a decrease of 8.4% compared to the first semester of 2010.



5.7 SK Comercial S.A.

SK Comercial (SKC) engages in the representation, import, distribution and rental of machinery and equipment. SKC is present on the Chilean, Peruvian and Brazilian (Curitiba) markets.

SKC represents prestigious world brands such as Toyota, Volvo, Manitou, Iveco, New Holland, Texaco and Bridgestone, and it has been a consistent leader in machinery distribution and rental in Chile.

During the first semester of 2011, SK Comercial's consolidated revenues totaled US\$191 million, a significant rise of 34% compared to the same period in 2010. Of note is the growth in the machinery distribution subsidiaries, in particular SKC Maquinarias (+24%) and Sigdotek (+32%), in line with the increase in the import of capital goods to Chile.

SK Comercial	Jun-10	Jun-11	Var.
	ThUS\$	ThUS\$	%
Sales	143.194	191.249	33,6%
EBITDA	21.611	30.436	40,8%
<i>EBITDA Margin</i>	<i>15,1%</i>	<i>15,9%</i>	
Controller's net profit	7.340	12.365	68,5%

The consolidated EBITDA of SK Comercial was US\$30 million as of June 2011, representing a significant growth of 41% compared to the first semester of 2010. This operating increase was brought on mainly by the good operating performance of the machinery rental subsidiaries SKC Rental Chile (+68%) and SKC Maquinarias S.A. (+13%). As of June 30, 2011, the EBITDA totaled 15.9% (15.1% in June 2010).

On a non-operating level, income increased to ThUS\$617 compared to June 2010, mainly because of an improvement in Other Earnings, which was partially offset by an increase in financial expenses.

As of June 30, 2010, the net profit of SK Comercial totaled US\$13 million, representing a significant growth of US\$5 million (+68.5%) compared to the first semester of 2010. This improvement is due to the combined effect of a greater dynamism in machinery distribution and the better performance of the machinery rental area.

For 2011, the outlook for the economy in Chile and in Latin America continues to be a growth scenario that should lead to high dynamics in the import of capital goods to Chile and Peru. The machinery rental markets in Chile, Peru and Brazil have continued to be strong, so it is expected that they will continue to develop in line with the trends of developed countries.



5.8 SK Inversiones Automotrices S.A.

Sigdo Koppers S.A. controls SK Inversiones Automotrices S.A. (SKIA) through the ownership of 99.99% of its shares. In turn, SKIA owns 40% of the shares in SKBergé S.A. SKIA does not consolidate SKBergé's financial statements. Consequently, SKBergé S.A.'s net profit is recognized as a Share in the Earnings of Associates and Joint Ventures.

SKBergé is present in Chile, Peru, Argentina, and Colombia, where it represents, markets and distributes vehicles from such renowned makers as Alfa Romeo, Chrysler, Chery (Chile and Peru), Dodge, Ferrari, Fiat, Jeep, Kia (Argentina and Peru), Maserati, Mitsubishi Motors, MG, SsangYong and Tata.

During the first semester of 2011, SKBergé's consolidated sales in units continued to be proof of how highly dynamic the automobile industry has become on the local market. At June 30, 2011, consolidated sales in units in Chile totaled 17,143, a growth of 37% compared to the same period in 2010. Sales abroad numbered 10,692 units, an increment of 47% compared to June 2010.

SK Inversiones Automotrices	Jun-10 MCH\$	Jun-11 MCH\$	Var. %
Sales	0	0	
EBITDA	-43	-37	-13,7%
Controller's net profit	6.871	8.605	25,2%

As of June 30, 2011, SKIA recorded revenues of MCH\$8,605 (US\$18.1 million), reflecting a significant growth in comparison to the first semester of 2010. Nearly all of this improvement is due to the recognition of the Share in Earnings of Associates and Joint Ventures, which reflects the better performance of SKBergé in the first semester of 2011.

In December 2010, SKBergé exercised its option to increase its interest in Santander Consumer Chile to 49%. Santander Consumer Chile is becoming one of the leaders on the automobile credit market in Chile.

Finally, the National Automobile Association of Chile (ANAC) reported that cumulative sales of new vehicles through May 2011 numbered 137,156 units, a growth of 34% compared to the same period in 2010. ANAC has estimated that a total of 325,000 units will be sold in 2011.

