

SIGDO KOPPERS S.A. PERFORMANCE REPORT

HIGHLIGHTS – SEPTEMBER 2011

- On October 14th, **Sigdo Koppers sold all of the shares it held in CTI Compañía Tecno Industrial** to Magellan S.A., a subsidiary of AB Electrolux.
- On October 19th, **Sigdo Koppers purchased Magotteaux Group S.A.** This transaction involved a disbursement of US\$640 million by SK.
- As of September 2011, the consolidated operating income of Sigdo Koppers **included an extraordinary impact of US\$174 million** (US\$132 million net of taxes) because of the sale of CTI. **CTI's revenues were included only through August 2011**, which is the date of the share purchase agreement (SPA) with AB Electrolux.
- The Consolidated Revenues** of Sigdo Koppers totaled **US\$1,450 million** through September 30, 2011, a growth of 10% compared to September 2010.
- At September 30, 2011, **the Consolidated EBITDA** of Sigdo Koppers was **US\$391 million**, an increase of 75%. Excluding the extraordinary impact, the Consolidated EBITDA, which included only eight months of CTI's operations, fell slightly, 3%, compared to September 2010. The increases in the EBITDAs of **SK Comercial (+43.3%)** and **Enaex (+23.6%)** are particularly notable.
- Sigdo Koppers net profit was US\$203 million** through September 30, 2011, which represents an **increment of 144%**. This figure includes the net extraordinary impact of US\$132 million due to the sale of CTI.

Consolidated Income Statement	Figures in ThUS\$		
	Sep-10	Sep-11	Var.
Sales	1.318.003	1.449.610	10,0%
EBITDA ⁽¹⁾	223.459	390.521	74,8%
<i>EBITDA Margin</i>	17,0%	26,9%	
Sigdo Koppers Net Profit	83.212	202.815	143,7%

Consolidated Balance Sheet	Figures in ThUS\$		
	Dec-10	Sep-11	Var.
Total Assets	2.204.232	2.159.279	-2,0%
Total Equity ⁽²⁾	1.060.942	954.926	-10,0%

⁽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-breaking for mining, the production and sale of mill balls and high-chromium wear parts for mining and industry, 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\$		
	Sep-10	Sep-11	Var.
Sales	1.318.003	1.449.610	10,0%
Sales expenses	-1.034.519	-1.139.588	10,2%
Gross income	283.484	310.022	9,4%
Other operating income	1.515	175.141	
Distribution costs	-13.398	-18.748	39,9%
Administrative expenses	-95.526	-131.578	37,7%
Other operating expenses	-5.002	-5.090	1,8%
Operating income	171.073	329.747	92,8%
EBITDA	223.459	390.521	74,8%
<i>% EBITDA Margin</i>	<i>17,0%</i>	<i>26,9%</i>	
Interest income	4.506	3.268	-27,5%
Interest expenses	-21.649	-30.203	39,5%
Related companies income	24.359	35.846	47,2%
Exchange differentials	3.251	-7.624	-334,5%
Price - level restatement	-3.528	1.495	-142,4%
Other income (losses)	2.062	-4.359	-311,4%
Income before taxes	180.074	328.170	82,2%
Income tax	-28.935	-77.063	166,3%
Net income	151.139	251.107	66,1%
Income attributable to Sigdo Koppers	83.212	202.815	143,7%
Income attributable to non-controlling interests	67.927	48.292	-28,9%
Net income	151.139	251.107	66,1%



Revenues

Consolidated revenues through September 30, 2011 totaled US\$1,450 million, representing a growth of 10% compared to the same period in 2010. CTI's operations were consolidated only through August 2011, which is the date of the SPA between Sigdo Koppers and Electrolux. If the income from SKBergé is included, Sigdo Koppers' total income amounted to US\$2,417 million (+20%).

Sales Business Areas	Figures in ThUS\$		
	Sep-10	Sep-11	Var.
Services	426.967	320.070	-25,0%
Ingeniería y Construcción SK	351.889	224.610	-36,2%
Puerto Ventanas	75.078	95.460	27,1%
Industrial	671.781	836.187	24,5%
Enaex	294.630	401.969	36,4%
CTI ⁽¹⁾	284.152	324.200	14,1%
Sigdopack	90.378	106.640	18,0%
SK Inv. Petroquímicas	2.621	3.378	28,9%
Commercial & Automotive	225.568	299.534	32,8%
SK Comercial	225.568	299.534	32,8%
SKIA ⁽²⁾	0	0	
Parent company & adjustments ⁽³⁾	-6.313	-6.181	
Consolidated Sales	1.318.003	1.449.610	10,0%

⁽¹⁾ CTI is consolidated with Sigdo Koppers only through August 2011.

⁽²⁾ 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.

⁽³⁾ Eliminations and adjustments as of December are mainly the result of consolidated intercompany eliminations.

The sales of the Sigdo Koppers' **Service Area** decreased an average of 25% compared to September 2010. This decrease was due to the combined effect of a reduction in revenue in Ingeniería y Construcción Sigdo Koppers (ICSK) (-42% in pesos) because of a lower level of activity due to the end of several projects in the last month of 2010 and to the fact that projects that are being 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 revenues in the port business (+19%) given the increase in cargo transferred (+18%) and in Fepasa (+20% in pesos) given the increase in cargo carried (+24%).

In the **Industrial Area**, the Sigdo Koppers' companies increased their sales an average of 25% compared to September 2010. Of particular note is the increase of 36% in Enaex where sales rose (+18%), 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 (+18%) and a slightly increase in sale prices between the two periods being compared. CTI's revenues, which are included on a cumulative basis only through August 2011, rose 14% (+6% in pesos) in comparison to September 2010.

Finally, revenues in Sigdo Koppers' **Commercial and Automobile Area** rose 33% with respect to September 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 10% compared to September 2010. This increase is largely due to the increase in business of several of the companies, the most notable being Enaex (US\$85 million), which has experienced a significant rise in sales and an increase in the purchase price of ammonia. Also of note is SK Comercial (US\$56 million), which has experienced a significant increase in its machinery distribution business.

Gross Margin

As of September 30, 2011, the Consolidated Gross Margin (Revenues – Cost of Sales) rose considerably, US\$27 million, compared to the same period in 2010. Highlightable is the increase of US\$23 million in the Gross Margin of Enaex and the increase of US\$18 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\$155 million at September 30, 2011, an increase of US\$42 million compared to September 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, in particular Enaex; higher administrative expenses due to 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 an increase in environmental expenses. Despite the increase in SGA, the Sigdo Koppers companies have not experienced a significant variation in the proportion of SGA to income. At September 30, 2011, the SGA represented 10.7% of Sigdo Koppers' consolidated income.

On a parent company level, SGA totaled US\$9 million, or an increase of US\$4.8 million compared to September 2010. The reason was mostly the higher expenses on investment project consulting (the acquisition of Magotteaux) and on the purchase of Enaex shares (commissions) in February and August 2011.

EBITDA



The Consolidated EBITDA of Sigdo Koppers was US\$390 million through September 2011, an increase of 75% compared to September 2010. This figure includes extraordinary operating income of US\$174 million (Other Operating Income) because of the sale of CTI. If this extraordinary effect is excluded, the Consolidated Recurring EBITDA is US\$217 million, a slight decrease of 3% compared to the same period in 2010, due in part to the consolidation of CTI only through August 2011, which is the month when the SPA between Sigdo Koppers and Electrolux was made. The consolidated recurring EBITDA margin was 15% at September 30, 2011.

EBITDA Business Areas	Figures in ThUS\$		
	Sep-10	Sep-11	Var.
Services	59.493	33.172	-44,2%
Ingeniería y Construcción SK	39.782	10.371	-73,9%
Puerto Ventanas	19.711	22.801	15,7%
Industrial	132.909	142.684	7,4%
Enaex	81.493	100.734	23,6%
CTI ⁽¹⁾	48.861	51.402	5,2%
Sigdopack	79	-11.796	
CHBB	2.476	2.344	-5,3%
Commercial & Automotive	34.192	49.084	43,6%
SK Comercial	34.334	49.194	43,3%
SKIA ⁽²⁾	-142	-110	-22,6%
Parent company & adjustments	-3.134	165.581	
Consolidated EBITDA	223.459	390.521	74,8%
Consolidated Recurrent EBITDA ⁽³⁾	223.459	216.861	-3,0%

⁽¹⁾ CTI is consolidated with Sigdo Koppers only through August 2011.

⁽²⁾ 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.

⁽³⁾ The Consolidated Recurring EBITDA excludes the extraordinary impact of the sale of CTI for US\$174 million (Other Operating Income).

The EBITDA of the **Service Area** companies of Sigdo Koppers dropped an average of 44% compared to September 2010. ICSK's Pro-Forma EBITDA was US\$19 million, which includes the operating figures of the BSA Consortium (50%), which is building the enlargement of the Los Bronces Mine and the Laguna Seca Project of Minera Escondida. This represents a drop of 66% in pesos. The consolidated EBITDA of Puerto Ventanas rose 16% compared to September 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 7% in their EBITDA with respect to September 2010. Of note is the growth of 24% 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 25.1% at September 2011. On the other hand, Sigdopack's EBITDA was negative, -US\$11.8 million, the product of a complex scenario on the plastic film market in Latin America given the excess production capacity in the region and operating issues at the BOPP plant in Argentina that have affected that plant's productivity and efficiency.



Finally, in Sigdo Koppers' **Commercial and Automobile Area**, SK Comercial experienced a significant growth of US\$15 million (+44%) in its EBITDA in comparison to September 2010, mainly the result of an increase in the activity of SKC Rental in Chile and Peru and in the machinery distribution subsidiaries.

Financial Income

Consolidated Financial Income totaled US\$3 million through September 2011, a decrease of US\$1.2 million compared to the same period in 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\$647 at September 30, 2011. The financial income of the parent company comes from the different fixed-income financial instruments that it holds, which totaled US\$20 million at September 30, 2011.

Financial Costs

As of September 30, 2011, Consolidated Financial Costs amounted to US\$30 million, an increase of US\$8.5 million compared to September 2010. This increase is due mainly to a rise of US\$3.4 million in financial costs in the parent company and of US\$2 million in SK Comercial in comparison to September 2010.

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

Through September 2011, the Share in Earnings of Associates and Joint Ventures totaled US\$36 million, which represents a significant increase of US\$12 million compared to the same period in 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 and the Laguna Seca Project of Minera Escondida. SK Inversiones Automotrices (SKIA) recognizes the net profit of SKBergé (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 2011.

Exchange Differentials and Results by Unit of Adjustment

The Exchange Differentials and Results by Units of Adjustment (Net) in September 2011 were negative, totaling US\$6 million, a decrease of US\$5.8 million compared to September 2010. This reduction is due mainly to the drop in income from Exchange Differentials and Results by Unit of Adjustment (net) of US\$6.4 million in Enaex because of the increase in the exposure of net peso assets given the increase in sales. At the parent company level, there was a profit of ThUS\$674 as of September 30, 2011.



Net Profit

As of September 30, 2011, the Net Profit of Sigdo Koppers was US\$203 million, an increase of US\$120 million compared to the same period in 2010. This profit includes the extraordinary net effect of US\$132 million from the sale of CTI. This extraordinary effect, recorded as of September 2011, includes only the gain in the sale of CTI (CH\$34.8738 per share) and not the dividends receivable from CTI (CH\$6.0255 per share) stipulated in the transaction, equal to approximately US\$42.9 million. Those dividends will be recorded in the fourth quarter of 2011.

Net profit Business Areas	Total Companies Figures in ThUS\$			% SK Sep-11	Attributable to parent company Figures in ThUS\$		
	Sep-10	Sep-11	Var.		Sep-10	Sep-11	Var.
Services	39.581	26.088	-34,1%		22.669	14.820	-34,6%
Ingeniería y Construcción SK	32.740	18.374	-43,9%	60,43%	19.786	11.104	-43,9%
Puerto Ventanas ⁽¹⁾	6.841	7.714	12,8%	50,01%	2.883	3.716	28,9%
Industrial	87.712	66.465	-24,2%		43.277	26.883	-37,9%
Enaex	57.299	55.921	-2,4%	60,54%	29.553	32.806	11,0%
CTI ⁽²⁾	33.177	33.264	0,3%	50,10%	16.622	16.473	-0,9%
Sigdopack	-4.187	-24.070	-474,9%	97,69%	-4.078	-23.515	-476,6%
CHBB ⁽³⁾	1.423	1.350	-5,1%	74,59%	1.180	1.119	-5,2%
Commercial & Automotive	29.402	46.016	56,5%		25.259	42.863	69,7%
SK Comercial	11.890	18.327	54,1%	82,79%	9.771	15.174	55,3%
SKIA	17.512	27.689	58,1%	99,99%	15.488	27.689	78,8%
SK companies profit	156.695	138.569	-11,6%		91.205	84.566	-7,3%
Parent company & adjustments ⁽⁴⁾					-4.799	118.249	
Total consolidated profit					83.212	202.815	143,7%

⁽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⁾ CTI is consolidated with Sigdo Koppers only through August 2011

⁽³⁾ The profit associated with CHBB is adjusted in SK Inversiones Petroquímicas S.A., the company through which Sigdo Koppers controls CHBB.

⁽⁴⁾ The parent company income through September 2011 includes US\$132 million, which is the extraordinary net effect of the sale of CTI.

The net profit of Sigdo Koppers' **Service Area** dropped an average of 35% compared to September 2010. The profit of ICSK in pesos decreased 49%, due mainly to a drop in business activity, which should be reversed significantly starting in 2012. The consolidated profit of Puerto Ventanas rose 13% compared to September 2010, evidence of the growing level of cargo transfers.

The companies in Sigdo Koppers' **Industrial Area** experienced an average drop of 38% as compared to September 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\$61 million (+7%). Moreover, CTI's profit of US\$33 million, recorded only through August 2011, did not vary significantly compared to September 2010. Finally, Sigdopack suffered a loss of US\$24 million through September 30, 2011. There two causes behind this: a deficient operating performance because of an excess supply on the regional plastic film market, combined with low operating levels at the BOPP Plant in Argentina; and a tax allowance of US\$10 million to deduct taxes recoverable in Argentina that we expect are very unlikely to be recovered.



The net profit of the **Commercial and Automobile Area** of Sigdo Koppers grew significantly in comparison to September 2010 (70%), the product of a better performance by SK Inversiones Automotrices (+44% in pesos) and SK Comercial (54%), which have benefited from the high demand for automobiles and machinery, respectively.



2. CONSOLIDATED BALANCE SHEET

Consolidated Balance Sheet	Figures in ThUS\$		
	Dec-10	Sep-11	Var.
Current Assets			
Cash and cash equivalent	199.769	364.764	82,6%
Account and sales receivables	478.239	387.409	-19,0%
Inventories	234.425	180.472	-23,0%
Other current assets	25.472	68.267	168,0%
Total current assets	937.905	1.000.912	6,7%
Long-term assets			
Property, plants & equipment	1.035.013	930.333	-10,1%
Other long-term assets	231.314	228.034	-1,4%
Total long-term assets	1.266.327	1.158.367	-8,5%
Total assets	2.204.232	2.159.279	-2,0%
Current liabilities			
Short-term financial debt	288.309	328.608	14,0%
Accounts payable	221.541	186.259	-15,9%
Other current liabilities	142.966	161.514	13,0%
Total current liabilities	652.816	676.381	3,6%
Long-term liabilities			
Long-term financial debt	389.629	440.429	13,0%
Other long-term liabilities	100.845	87.543	-13,2%
Total long-term liabilities	490.474	527.972	7,6%
Total liabilities	1.143.290	1.204.353	5,3%
Equity			
Attributable to the controller	614.673	632.742	2,9%
Attributable to non-controlling interests	446.269	322.184	-27,8%
Total equity	1.060.942	954.926	-10,0%
Total liabilities and equity	2.204.232	2.159.279	-2,0%

Sigdo Koppers Classified Consolidated Balance Sheet as of September 30, 2011 reports a Cash and Banks position of US\$365 million, comprised of Assets available for Sale (CTI) for US\$240 million and Cash and Cash Equivalent for US\$125 million. This latter represents a decrease of US\$72 million compared to December 2010. Noteworthy is the level of cash in Enaex, amounting to US\$67 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\$20 million, which represents a decrease compared to the figure of US\$88.6 million at the close of 2010. The main cause corresponds to the disbursements made by the parent company in February and August 2011 to increase its share in Enaex to 60.54%.



As of September 2011, total Current Assets increased US\$63 million as compared to December 2010. The reason was the increase in Cash and Cash Equivalent described above and a decrease of US\$91 million in Accounts Receivable and of US\$53 million in Inventories as CTI was not consolidated. The average number of days in consolidated accounts receivable was 86 as of September 2011, excluding CTI's operating figures through August 2011, indicating a decrease from the 95 days recorded as of December 2010. Other Current Assets within Current Assets rose because of the income that Enaex will receive from the sale of the ammonium plant (US\$22.8 million) and because of the Assets available for Sale in Puerto Ventanas S.A. that total US\$19.2 million.

In turn, the Consolidated Inventories as of September 30, 2011 increased by US\$53 million compared to December 2010. In particular, SK Comercial had a higher level of inventory (US\$23.2 million) as did Enaex (US\$5.6 million) because of the increase in their business activity. The average number of days of consolidated inventory totaled 50 as of September 2011, excluding CTI's operating figures through August 2011, so there was a decrease compared to 54 days in December 2010.

Consolidated Fixed Assets (Property, Plant and Equipment) amounted to US\$930 million as of September 30, 2011, a decrease of US\$105 million compared to December 2010, the result of the sale of CTI. In the Sigdo Koppers' group, the subsidiaries that have the most fixed assets are Enaex, with US\$416 million, Puerto Ventanas with US\$197 million, and finally, Sigdopack with US\$95.8 million.

As of September 30, 2011, Sigdo Koppers' Total Liabilities amounted to US\$1,204 million. Within Current Liabilities, Accounts Payable totaled US\$186 million, which represents a decrease of US\$35 million compared to December 2010. Subsidiaries with the highest accounts payable are SK Comercial, with US\$85.9 million, ICSK with US\$39.4 million, and Enaex with US\$22.4 million.

Consolidated Financial Liabilities amounted to US\$769 million at September 30, 2011, an increase of US\$91 million compared to December 2010. The reason is the increase in financial liabilities of SK Comercial and Sigdopack to finance a higher working capital 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\$166.6 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.

As of September 2011, the Recurring Financial Debt-to-EBITDA ratio was 1.85, excluding CTI's operations through August 2011. 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 September 30, 2011, with a comfortable cushion to meet its short and long-term obligations.

Finally, as of September 30, 2011, Sigdo Koppers' Consolidated Total Equity was US\$954.9 million, which represents a 10% decrease if compared to December 2010. The controller's equity was US\$632 million as of September 2011, a US\$18 million decrease in comparison to December 2010. This is due to the recognition of negative goodwill for US\$119 million in Other Reserves compared to December; and to an increase of US\$138 million in Retained Earnings. Sigdo Koppers has also announced a capital increase of 275,000,000 new shares to obtain the funding necessary to finance the recent acquisition of Magotteaux.



Below are the main Liquidity Ratios as of December 31, 2010 and September 30, 2011.

Liquidity Ratios	Unit	Dec-10	Sep-11
Current Liquidity ⁽¹⁾	times	1,44	1,48
Acid-Test Ratio ⁽²⁾	times	1,04	1,11
Working Capital	ThUS\$	491.123	381.622

⁽¹⁾ Current Liquidity = Current Assets/Current Liabilities

⁽²⁾ Acid-Test Ratio = (Cash and Cash Equivalent + Accounts Receivable and Trade Receivables)/Current Liabilities

⁽³⁾ Working Capital = Accounts Receivable and Trade Receivables + Inventories – Accounts Payable

The consolidated current liquidity ratio was 1.48 and the acid-test ratio was 1.11 at September 30, 2010. These indicators show that Sigdo Koppers has a good liquidity position on a consolidated basis, mainly because it holds short-term fixed-income financial instruments. Consolidated working capital decreased US\$110 million because of the lower inventories due to the sale of CTI, partially offset by increases in the inventories of SK Comercial and Enaex.

Below are the main Debt Ratios as of December 31, 2010 and September 30, 2011.

Debt Ratios	Unit	Dec-10	Sep-11
Leverage ⁽¹⁾	times	1,08	1,26
Financial expenses coverage ⁽²⁾	times	9,87	12,93
Financial debt / EBITDA	times	2,26	1,85
Net financial debt / EBITDA	times	1,59	0,97
Net financial leverage ⁽³⁾	times	0,45	0,42

⁽¹⁾ Debt Ratio = Total Liabilities / Total Equity

⁽²⁾ Financial Expense Coverage = Cumulative EBITDA / Cumulative Financial Costs

⁽³⁾ SK Corporate Bond Covenant < 1.2



3. CONSOLIDATED CASH FLOW

Consolidated Cash Flow	Figures in ThUS\$		
	Sep-10	Sep-11	Var.
Operating cash flow	95.068	128.017	34,7%
Investment cash flow	-108.721	-226.011	107,9%
Capex	-64.801	-104.650	61,5%
Fixed assets sales	818	762	-6,8%
Other	-44.738	-122.123	173,0%
Finance cash flow	-45.766	34.540	-175,5%
Net variation in financial liabilities	39.083	156.941	301,6%
Dividends	-83.050	-84.973	2,3%
Other	-1.799	-37.428	1980,5%
Total net cash flow	-59.419	-63.454	-6,8%
Cash and cash equivalent	169.791	109.772	-35,3%

The consolidated **Operating Flow** of Sigdo Koppers was US\$128 million as of September 30, 2011, an increase of 34.7% compared to the same period in 2010. The cause was the combined effect of a rise in operating income and a decrease in working capital.

The consolidated **Investment Flow** was a negative US\$226 million as of September 2011. The Capex was US\$105 million. SK Comercial is notable for an investment of US\$60.9 million in property, plant and equipment due to the growth in the SKC Rental machinery fleet. There were also disbursements of US\$102 million, mainly associated with the purchase of shares by Sigdo Koppers to increase its interest in Enaex, which went from 53.73% to 60.54%.

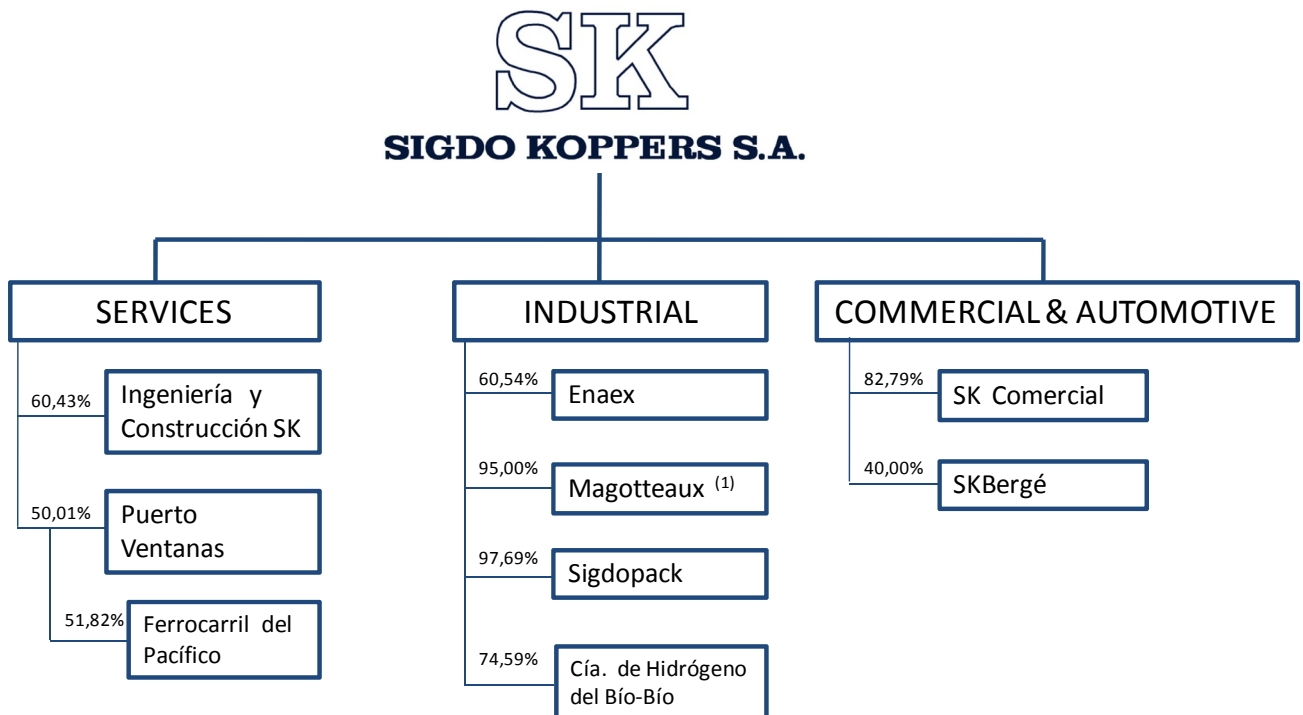
Finally, at September 30, 2011, the **Financing Flow** was US\$34.5 million, mainly comprised of an increase of US\$157 million in financial liabilities in which, individually, Sigdo Koppers underwent an increase of US\$39.2 million for the purchase of shares in Enaex, SK Comercial increased liabilities US\$36 million to finance investments in machinery for rental, Enaex assumed debt for US\$22 million to increase working capital, 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., Magotteaux Group S.A., 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.



⁽¹⁾ On October 19th, Sigdo Koppers acquired all shares in Magotteaux Group S.A., a Belgian company. During November 2011, Magotteaux's executives acquired a 5% interest in the company as part of a five-year incentive plan.

Note: Simplified corporate structure at November 15, 2011.



5.1 Ingeniería y Construcción Sigdo Koppers S.A.

Ingeniería y Construcción Sigdo Koppers S.A. (ICSK) is a leader in the execution of construction projects, engineering and the 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 Construction.

At September 30, 2011, the consolidated income of ICSK was MCH\$159,264 (US\$336 million). If we take into account the operating income from the BSK Consortium (50%), the Pro-Forma Consolidated Income dropped 30.8% compared to September 2010. This drop was due to a fall in activity in 2011 as several projects ended at the end of 2010 and in the first few months of 2011, whereas the new projects for execution in 2011 are in the initial stages.

Ingeniería y Construcción Sigdo Koppers	Sep-10 MCH\$	Sep-11 MCH\$	Var. %
Sales (*)	230.195	159.264	-30,8%
EBITDA (*)	26.185	8.795	-66,4%
<i>EBITDA Margin</i>	11,3%	4,6%	
Controller's net profit	17.032	8.711	-48,9%

(*) 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 and the Laguna Seca Project of Minera Escondida, are accounted for as a Share in the Earnings of Associates and Joint Ventures.

13.9 million man-hours had been worked as of September 30, 2011, a reduction of 23.2% compared to September 2010.

ICSK's Pro-Forma EBITDA, which includes operating numbers for BSK Consortium, was CH\$8.795 billion, a fall of 66.4% compared to September 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 30% of the Consolidated EBITDA of ICSK as of September 30, 2011.

Through September 30, 2011, MCH\$4.379 were recorded in Share in Earnings of Associates and Joint Ventures, virtually the entire amount corresponding to BSK Consortium and representing an increase of 5.1% compared to the same period in 2010.

After all the above, ICSK's net profit at September 30, 2011 amounted to MCH\$8.711 (US\$18.4 million), which represents a decrease of 48.9% compared to September 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 Acces Project	Minera Escondida / Fluor	Mining
ICSK	Angamos Thermoelectric Power Plant	AES Gener / Posco	Electrical
ICSK	Stringing of Polpaico Transmission Lines (2x220 kv)	Transelect	Electrical
BSK	Los Bronces Project	AngloAmerican	Mining
BSK	Laguna Seca Project	Minera Escondida	Mining
SK-VYV	Caserones	Minera Lumina Copper	Mining
Logro	MDP Panel Plant	Celulosa Arauco	Industrial

Peru

Company	Project	Principal	Sector
SSK	Minera Antamina Truck Shop	Minera Antamina / Aker	Mining
SSK	Pump Station	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 1 Combined Cycle Plant	Enersur / Posco	Electrical
SSK	Construction of the 2nd stage of the new Central Warehouse	Minera Yanacocha	Mining

ICSK has a consolidated backlog of approximately US\$352 million in regard to these projects as of September 2011, which will be performed during the rest of 2011, 2012 and early 2013.

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

On October 25, 2011, ICSK signed a binding agreement to purchase 70% of the shares in Construcciones y Montajes COM S.A. ("Comsa"). It specializes in the construction of civil works, electromechanical erection and the erection of metal structures, sanitary and port works and submarine outfalls.



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. Through its subsidiary Ferrocarril del Pacífico S.A. (Fepasa), it engages in the cargo transportation industry in Chile.

Through September 30, 2011, Puerto Ventanas transferred 3,408,560 tons, a growth of 18.4% compared to September 2010. This increase is mainly due to more coal landings (+34.9%). The coal landed by the port is used fundamentally in the Ventanas I, II and III (New Ventanas) thermoelectric power plants of Aes Gener.

Puerto Ventanas Consolidated	Sep-10	Sep-11	Var.
	ThUS\$	ThUS\$	%
Sales	75.078	95.460	27,1%
EBITDA	19.711	22.801	15,7%
<i>EBITDA Margin</i>	26,3%	23,9%	
Controller's net profit	6.841	7.714	12,8%
PVSA - Tons transferred	2.879.590	3.408.560	18,4%
Fepasa - Th Ton-Km	806.684	998.715	23,8%

Port business income rose 19% compared to September 30, 2010. Puerto Ventanas continued to be a leader in bulk transfers in the central zone of Chile, holding a market share of 52.6% in solid bulk and 39.2% in liquid bulk in September 2011.

Fepasa moved 998 million Tons-Km through September 2011, which was an increase of 23.8% compared to the same period in 2010. The forest sector, which accounts for 44% of the total carried by Fepasa, increased 15.31% in Tons-Km. The mining sector, which represents 21% of the total carried, rose 13.55% in Tons-Km.

In September, Fepasa signed a Transportation Services Contract with AngloAmerican for the carriage of copper concentrate from the Tortolas Plant to Puerto Ventanas. That contract will start in July 2012 for a period of five years. This contract accounts for approximately 15% of the annual volume currently carried by the Company.

Puerto Ventanas	Figures in Tons		
	Sep-10	Sep-11	Var.
Coal	991.569	1.337.594	34,9%
Concentrate	578.584	748.319	29,3%
Acids	232.759	198.100	-14,9%
Grains	242.469	190.152	-21,6%
Clinker	176.677	183.840	4,1%
Iron	0	36.468	
Others	287.793	418.760	45,5%
Fuels	369.739	295.327	-20,1%
Total	2.879.590	3.408.560	18,4%

At September 30, 2011, the Consolidated EBITDA of Puerto Ventanas was US\$22.8 million, a rise of 15.7% compared to the same period in 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, through September 30, 2011, the consolidated net profit of Puerto Ventanas was US\$7.7 million, an increase of 12.8% 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 thousand tons in 2014.

Among the projects of third parties currently underway is the enlargement of the Los Bronces Mine (Anglo American), which will increase copper production in the last quarter of 2011. Puerto Ventanas is building a new warehouse with the latest environmental technology to store 60 thousand 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 thousand 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 350,000 tons starting in 2012 that may reach more than 600,000 tons transferred annually.



5.3 Enaex S.A.

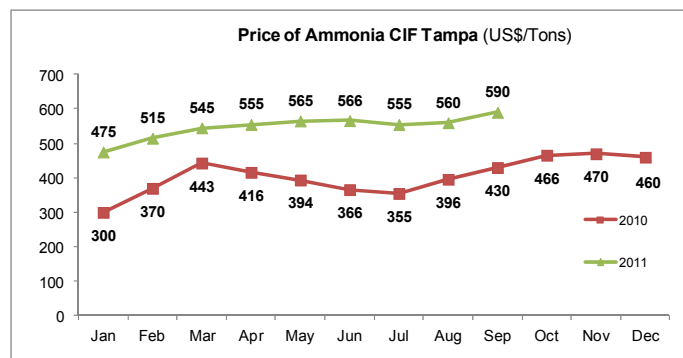
Enaex S.A. is the leader in Chile and in Latin America in the production of ammonium nitrate and mining explosives and it is an integral rock fragmentation service provider. It has an 800-thousand-ton ammonium nitrate plant in Mejillones, which is one of the major complexes that produces this input worldwide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

At September 30, 2011, Enaex recorded a growth of 36.4% compared to the same period in 2010. The reason was mainly an increase in sales (+18%) after the enlargement of the Mejillones ammonium nitrate plant (Panna 4). In particular, total sales (of ammonium nitrate and other explosives) amounted to 524 thousand tons. Of note is the significant increase of 7% in the local market and of 58% in the export market.

Enaex	Sep-10 ThUS\$	Sep-11 ThUS\$	Var. %
Sales	294.630	401.969	36,4%
EBITDA	81.493	100.734	23,6%
<i>EBITDA Margin</i>	<i>27,7%</i>	<i>25,1%</i>	
Controller's net profit	57.299	55.921	-2,4%

As of September 30, 2011, costs of sale rose 42%. This was due to the increase in the volume of sales and the higher cost of ammonia, which attained an average level of US\$547 per ton in the first three quarters of 2011, above the figure of US\$386 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\$101 million as of September 2011, a significant growth of 24% compared to the same period 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 25.1% at September 30, 2011, positive in the context of a rising price of ammonia.



On a non-operating level, there were higher financial expenses as of September 30, 2011 due to the recognition of interest on the financing of the enlargement of the ammonium nitrate plant in Mejillones (Panna 4) in income. In turn, Exchange Differentials and Income from Units of Adjustment (net) were negative, totaling US\$3.2 million, caused by a greater exposure of net assets in pesos due to the higher volume of sales and the 9% appreciation of the peso as compared to the U.S. Dollar and as compared to the same period 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 September 30, 2011, Enaex recorded a net profit of US\$56 million, which represents a decrease of 2.4% compared to the same period in 2010. This decrease 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. Additionally, 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\$61.3 million, representing an increase of 7% as compared to September 2010.

Finally, 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.



5.4 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.

At September 30, 2011, Sigdopack's consolidated income totaled US\$107 million, a growth of 18% compared to the same period in 2010. This growth is the result of a combination of an increase in the sales of BOPP Chile (+18%), in particular export sales (+39.5%), and a slight increase in sale prices between the two periods.

Sigdopack	Sep-10 ThUS\$	Sep-11 ThUS\$	Var. %
Sales	90.378	106.640	18,0%
EBITDA	79	-11.796	
Controller's net profit	-4.187	-24.070	-474,9%

Operationally, the consolidated EBITDA of Sigdopack was a negative US\$11.8 million, mainly because operating margins were below expectations due to the excess production capacity on the BOPP market in Latin America. During 2011, the BOPP plant in Argentina has also worked at less than operating capacity, which has affected its productivity and efficiency.

Moreover, financial costs totaled ThUS\$3,863, an increase of ThUS\$666 compared to September 2010.

During the third quarter of 2011, Sigdopack Argentina made an allowance of US\$10 million for recoverable taxes that are very unlikely to be recovered. Therefore, as of September 30, 2011, Sigdopack suffered a net loss of US\$24 million.



5.5 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.

SK Inversiones Petroquímicas	Sep-10 ThUS\$	Sep-11 ThUS\$	Var. %
Sales	3.514	3.378	-3,9%
EBITDA	2.476	2.344	-5,3%
Controller's net profit	1.423	1.350	-5,1%

As of September 30, 2011, SK Inversiones Petroquímicas recorded revenues of ThUS\$3,378. SKIP's EBITDA was ThUS\$2,344. SKIP also recorded financial expenses of ThUS\$478.

Finally, as of September 30, 2011, SK Inversiones Petroquímicas earned a net profit of ThUS\$1,350, a decrease of 5.1% compared to the same period in 2010.



5.6 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.

At September 30, 2011, SK Comercial's consolidated revenues totaled US\$300 million, a significant rise of 32.8% compared to the same period in 2010. Of note is the growth in the machinery distribution subsidiaries, in particular SKC Maquinarias (+39%) and Sigdotek (+33%), in line with the increase in the import of capital goods to Chile.

SK Comercial	Sep-10 ThUS\$	Sep-11 ThUS\$	Var. %
Sales	225.568	299.534	32,8%
EBITDA	34.334	49.194	43,3%
<i>EBITDA Margin</i>	15,2%	16,4%	
Controller's net profit	11.890	18.327	54,1%

The consolidated EBITDA of SK Comercial was US\$49 million as of September 2011, representing a significant growth of 43% compared to the same period in 2010. This operating increase was brought on mainly by the good operating performance of the machinery rental subsidiaries SKC Rental Chile (+44%) and SKC Maquinarias S.A. (+13%). As of September 30, 2011, the EBITDA totaled 16.4% (15.2% in September 2010).

On a non-operating level, income decreased by ThUS\$2,537 compared to September 2010, mainly because of the combination of an improvement in Other Earnings that was partially offset by an increase in exchange differentials and financial expenses.

As of September 30, 2010, the net profit of SK Comercial totaled US\$18 million, representing a significant growth of US\$6.4 million (+54.1%) compared to the same period in 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.



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 and Mitsubishi Motors (Chile and Peru), Dodge, Ferrari, Fiat, Jeep, Kia (Argentina and Peru), Maserati, MG, SsangYong and Tata.

At September 30, 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 September 30, 2011, consolidated sales in units in Chile totaled 26,490, a growth of 34% compared to the same period in 2010. Sales abroad numbered 16,587 units, an increment of 51% compared to September 2010.

SK Inversiones Automotrices	Sep-10 MCH\$	Sep-11 MCH\$	Var. %
Sales	0	0	
EBITDA	-74	-52	-29,5%
Controller's net profit	9.110	13.127	44,1%

As of September 30, 2011, SKIA recorded revenues of MCH\$13,127 (US\$28 million), reflecting a significant growth in comparison to the same period in 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 through September 30, 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 August 2011 numbered 248,319 units, a growth of 27% compared to the same period in 2010. ANAC has estimated that a total of 325 thousand units will be sold in 2011.

