

## SIGDO KOPPERS S.A. PERFORMANCE REPORT

### HIGHLIGHTS – DECEMBER 2010

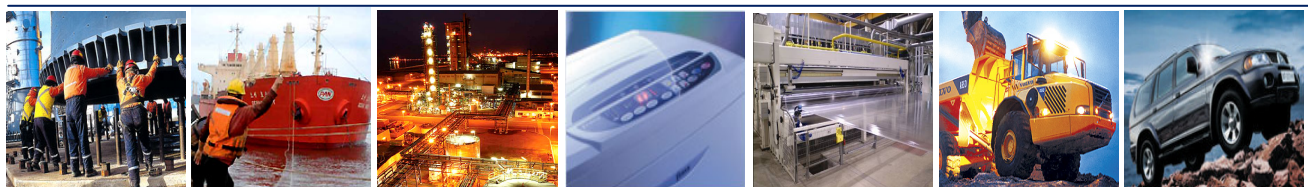
- The **Consolidated Revenues of Sigdo Koppers** totaled **US\$1,834 billion**, a growth of 28.6% compared to 2009.
- As of December 2010, the **Consolidated EBITDA of Sigdo Koppers** was **US\$300.3 million**, representing a growth of 20.9% compared to 2009. Of note are the rises in the EBITDA of SK Comercial (+66.3%), Ingeniería y Construcción SK (+25.4% in pesos and +24.7% in dollars) and CTI (+24% in pesos and +23.2% in dollars).
- **Sigdo Koppers net profit** was **US\$113 million** as of December 2010, which accounts for a significant increment of 62.1% with respect to 2009.
- The **return on equity (ROE)** was **18.4%** during 2010.
- Sigdo Koppers' maintained a strong financial position with high liquidity at both a consolidated and at the individual parent company level. The **consolidated cash of Sigdo Koppers in particular** totaled **US\$199.8 million**, while the **parent company held cash** for **US\$88.1 million**.
- Sigdo Koppers maintained a conservative level of debt. Its **Net Financial Debt-to-EBITDA ratio** was **1.6**.

Consolidated Income Statement	Figures in ThUS\$		
	2009	2010	Var.
Sales	1,426,146	1,833,827	28.6%
EBITDA <sup>(1)</sup>	248,402	300,294	20.9%
<i>EBITDA Margin</i>	17.4%	16.4%	
<b>Sigdo Koppers Net Profit</b>	<b>69,685</b>	<b>112,959</b>	<b>62.1%</b>

Consolidated Balance Sheet	Figures in ThUS\$		
	2009	2010	Var.
Total Assets	1,977,666	2,204,232	11.5%
Total Equity <sup>(2)</sup>	959,878	1,060,942	10.5%

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

<sup>(2)</sup> Total Equity includes non-controlling interests.



**Sigdo Koppers S.A.** is the parent company of an industrial 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 covers representation of enterprises, distribution, machinery rental and the sale of automobile.

## 1. CONSOLIDATED INCOME STATEMENT

Sigdo Koppers Consolidated	Figures in ThUS\$		
	2009	2010	Var.
Sales	1,426,146	1,833,827	28.6%
Sales expenses	-1,081,050	-1,438,937	33.1%
<b>Gross income</b>	<b>345,096</b>	<b>394,890</b>	<b>14.4%</b>
Other operating income	8,157	3,220	-60.5%
Distribution costs	-17,739	-18,578	4.7%
Administrative expenses	-143,628	-142,893	-0.5%
Other operating expenses	-2,365	-6,178	161.2%
<b>Operating income</b>	<b>189,521</b>	<b>230,461</b>	<b>21.6%</b>
<b>EBITDA</b>	<b>248,402</b>	<b>300,294</b>	<b>20.9%</b>
<i>% EBITDA Margin</i>	<i>17.4%</i>	<i>16.4%</i>	
Interest income	11,404	4,693	-58.8%
Interest expenses	-32,878	-30,439	-7.4%
Related companies income	10,609	35,388	233.6%
Exchange differentials	21,450	6,593	-69.3%
Price - level restatement	-21,074	-5,536	-73.7%
Other income (losses)	0	7,854	
<b>Income before taxes</b>	<b>179,032</b>	<b>249,014</b>	<b>39.1%</b>
Income tax	-32,916	-41,719	26.7%
<b>Net income</b>	<b>146,116</b>	<b>207,295</b>	<b>41.9%</b>
<b>Income attributable to Sigdo Koppers</b>	<b>69,685</b>	<b>112,959</b>	<b>62.1%</b>
Income attributable to non-controlling interests	76,431	94,336	23.4%
<b>Net income</b>	<b>146,116</b>	<b>207,295</b>	<b>41.9%</b>



## Revenues

Consolidated revenues in 2010 totaled US\$1.834 billion, representing a significant growth of 28.6% compared to the 2009 fiscal year. If the income from SKBergé is included, Sigdo Koppers' total income amounted to US\$2.789 billion in 2010.

Sales Business Areas	Figures in ThUS\$		
	2009	2010	Var.
<b>Services</b>	<b>496,679</b>	<b>582,976</b>	<b>17.4%</b>
Ingeniería y Construcción SK	392,747	475,304	21.0%
Puerto Ventanas	103,932	107,672	3.6%
<b>Industrial</b>	<b>736,968</b>	<b>933,557</b>	<b>26.7%</b>
Enaex	311,717	409,468	31.4%
CTI	317,922	397,710	25.1%
Sigdropack	102,507	122,611	19.6%
CHBB	4,822	3,768	-21.9%
<b>Commercial &amp; Automotive</b>	<b>225,038</b>	<b>324,514</b>	<b>44.2%</b>
SK Comercial	225,038	324,514	44.2%
SKIA <sup>(1)</sup>	0	0	
<b>Parent company &amp; adjustments <sup>(2)</sup></b>	<b>-32,539</b>	<b>-7,220</b>	
<b>Consolidated Sales</b>	<b>1,426,146</b>	<b>1,833,827</b>	<b>28.6%</b>

<sup>(1)</sup> 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.

<sup>(2)</sup> Eliminations and adjustments as of December 2009 are mainly the result of consolidated intercompany eliminations between Ingeniería y Construcción SK and Enaex and between CTI and Frimetal.

The sales of Sigdo Koppers' **Services Area** grew an average of 17.4% compared to 2009. In particular, the revenue of Ingeniería y Construcción Sigdo Koppers (ICSK) rose 21.8% in pesos because of the high level of activity of this Company in 2010 given the diverse projects it is implementing. Puerto Ventanas also recorded a rise of 3.6% in its consolidated sales with respect to 2009, due mainly to an increase in revenues from the Port Business (+11.9%) as a result of a 13.6% increase in cargo transfers.

Companies in the **Industrial Area** of Sigdo Koppers raised their sales 26.7% on average in comparison to 2009. Of note is the significant increase of 31.4% in Enaex's revenues due to a higher volume of sales (+23.8%) after the enlargement of the ammonium nitrate plant in Mejillones (Panna 4); and in the revenues of CTI, where consolidated sales grew 25.9% in pesos, the result of an increase in individual income (Fensa and Mademsa) as well as in the income of its subsidiaries, Frimetal and Somela. This is a reflection of how highly dynamic the demand for large and small household appliances is in Chile and Argentina. Sigdropack also recorded a rise of 19.6% in its revenues, mainly brought on by an increase in sales prices in the second half of 2010.

Finally, revenues in Sigdo Koppers' **Commercial and Automobile Area** rose 44.2% with respect to 2009. 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 recovery of the economies in Chile and Peru.



### Cost of Sales

The Cost of Sales rose 33.1% compared to 2009. This increase is largely due to the increase in business of several of the companies, the most notable being SK Comercial. Its machinery distribution business has risen considerably. Also noteworthy is Enaex, which has experienced a significant rise in sales and higher ammonia purchase prices, which are transferred to customer sale prices with a gap of a few months.

### Gross Earnings

As of December 2010, the Consolidated Gross Earnings rose US\$49.8 million compared to 2009. Highlightable is the increase of US\$19.9 million in the Gross Earnings of SK Comercial and of US\$16.4 million in those of Enaex.

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

The Costs of Distribution, Administration and Other Expenses by Function (formerly SGA) totaled US\$167.6 million at December 2010, representing an increase of 2.4%. This rise was brought on by the increase in activity of the different companies in the Sigdo Koppers group and the greater representation in dollars of expenses incurred in pesos because of a lower average exchange rate between the periods compared (CH\$510.25 at December 2010 and CH\$559.61 at December 2009). The increment in expenses is proportionally lower than the increment in consolidated sales and, moreover, these expenses account for 9.1% of consolidated revenues, which compares positively to the figure of 11.5% recorded in December 2009.

On a parent company level, SGA totaled US\$9.7 million, or an increase of US\$2.9 million compared to 2009. The reason was the higher expenses on investment project consulting 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\$300.3 million in 2010, representing a growth of 20.9% with respect to 2009. The consolidated EBITDA margin was 16.4% at the close of the 2010 fiscal year.

EBITDA Business Areas	Figures in ThUS\$		
	2009	2010	Var.
<b>Services</b>	<b>72,621</b>	<b>83,806</b>	<b>15.4%</b>
Ingeniería y Construcción SK	43,349	54,041	24.7%
Puerto Ventanas	29,272	29,765	1.7%
<b>Industrial</b>	<b>148,104</b>	<b>177,470</b>	<b>19.8%</b>
Enaex	92,461	110,153	19.1%
CTI	55,504	68,377	23.2%
Sigdopack	-3,278	-3,454	-5.4%
CHBB	3,417	2,394	-29.9%
<b>Commercial &amp; Automotive</b>	<b>28,315</b>	<b>47,101</b>	<b>66.3%</b>
SK Comercial	28,446	47,307	66.3%
SKIA <sup>(1)</sup>	-131	-206	-57.6%
<b>Parent company &amp; adjustments</b>	<b>-638</b>	<b>-8,083</b>	
<b>Consolidated EBITDA</b>	<b>248,402</b>	<b>300,294</b>	<b>20.9%</b>

<sup>(1)</sup> 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 Sigdo Koppers' **Service Area** companies grew an average of 15.4% with respect to 2009. Of note is the increase of 25.4% in pesos in ICSK, which is a reflection of the high level of activity by the Company and the good degree of efficiency with which works were performed in 2010. The consolidated EBITDA of Puerto Ventanas rose 1.7% in comparison to 2009 due to a higher consolidated operating margin based on an increase in revenues in the Port Business and lower administrative expenses in Fepasa, the product of cost control policies applied in that company in 2010.

The companies in Sigdo Koppers' **Industrial Area** exhibited an average increase of 19.8% in their EBITDA with respect to 2009. Notable is the 24.0% increment in CTI in pesos due to improved operating results in all businesses after the recovery in the demand for small and large household appliances in Chile and Argentina as well as the increase in market share in some product lines. On its part, Enaex recorded an increase of 19.1% in its EBITDA due to an improvement in sales. Its EBITDA margin was 26.9% in December 2010.

Finally, in Sigdo Koppers' **Commercial and Automobile Area**, SK Comercial experienced a significant growth of US\$18.9 million in its EBITDA in comparison to 2009, 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\$4.7 million in December 2010, a decrease of US\$6.7 million compared to 2009. This fall mainly came from drops in real deposit interest rates between the periods compared. On a parent company level, financial income amounted to US\$ 2 million in December 2010.

The financial income of the parent company comes from the different fixed-income financial instruments that it holds, which totaled US\$88.1 million at December 31, 2010.

## **Financial Costs**

As of December 31, 2010, Consolidated Financial Costs amounted to US\$30.4 million, a reduction of US\$2.4 million compared to 2009. This decrease is due mainly to the drop of US\$ 2.4 million in financial costs in SK Comercial and US\$1.6 million in Sigdopack. On a parent company level, financial costs totaled US\$7.3 million in December 2010.

The parent company owes financial debt on corporate bonds for UF 3 million placed in March 2009. The parent company has two Cross-Currency Swap contracts in place to redenominate part of its UF debt to dollars.

## **Earnings of Associates and Joint Businesses**

Through December 2010, the Share in Earnings of Associates and Joint Businesses totaled US\$35.4 million, which represents a significant increase of US\$24.8 million compared to 2009. The income of BSK Consortium is recorded in Earnings of Associates and Joint Businesses 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 Businesses comes mainly from the good performance of SKBergé, an indication of the high level of activity in the automobile industry in 2010.

## **Exchange Differentials and Results by Unit of Adjustment**

The Exchange Differentials and Results by Units of Adjustment (Net) in December 2010 were positive, totaling US\$1.1 million, an improvement of ThUS\$681 compared to December 2009. This improvement is due mainly to better Exchange Differentials and Results by Unit of Adjustment (net) of US\$1.1 million in Enaex and MCH\$605 in CTI. At the parent company level, this was a loss of US\$1.3 million in December 2010.



## Net Profit

As of December 31, 2010, the Net Profit of Sigdo Koppers grew 62.1% compared to December 2009, to US\$113 million. This represents a return on equity of 18.4% (ROE). The total profit earned by the different companies in the group was US\$214.2 million at December 31, 2010.

Net profit Business Areas	Total Companies Figures in ThUS\$			% SK Dec-10	Attributable to parent company Figures in ThUS\$		
	2009	2010	Var.		2009	2010	Var.
<b>Services</b>	<b>40,516</b>	<b>56,074</b>	<b>38.4%</b>		<b>22,347</b>	<b>32,509</b>	<b>45.5%</b>
Ingeniería y Construcción SK	27,971	44,031	57.4%	60.43%	16,904	26,609	57.4%
Puerto Ventanas <sup>(1)</sup>	12,545	12,043	-4.0%	50.01%	5,443	5,900	8.4%
<b>Industrial</b>	<b>92,365</b>	<b>113,335</b>	<b>22.7%</b>		<b>41,581</b>	<b>54,184</b>	<b>30.3%</b>
Enaex	69,755	77,196	10.7%	53.73%	35,313	40,244	14.0%
CTI	32,815	44,383	35.3%	50.10%	16,441	22,236	35.2%
Sigdopack	-12,025	-10,091	-16.1%	97.69%	-11,681	-9,827	-15.9%
CHBB <sup>(2)</sup>	1,820	1,847	1.5%	74.59%	1,508	1,531	1.5%
<b>Commercial &amp; Automotive</b>	<b>13,586</b>	<b>44,761</b>	<b>229.5%</b>		<b>10,903</b>	<b>39,227</b>	<b>259.8%</b>
SK Comercial	7,011	19,997	185.2%	82.79%	5,726	16,483	187.9%
SKIA	6,575	24,764	276.6%	99.99%	5,177	22,744	339.3%
<b>SK companies profit</b>	<b>146,467</b>	<b>214,170</b>	<b>46.2%</b>		<b>74,831</b>	<b>125,920</b>	<b>68.3%</b>
<b>Parent company &amp; adjustments</b>					<b>-5,146</b>	<b>-12,961</b>	<b>151.9%</b>
<b>Total consolidated profit</b>					<b>69,685</b>	<b>112,959</b>	<b>62.1%</b>

<sup>(1)</sup> The profit attributable to the controller of Puerto Ventanas is adjusted in SK Inversiones Portuarias S.A., which is the company through which Sigdo Koppers controls Puerto Ventanas.

<sup>(2)</sup> The proportional 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** grew an average of 45.5% compared to December 2009. Highlightable is the 58.4% increase in the profits of ICSK in pesos. The consolidated profit of Puerto Ventanas fell 4% with respect to 2009.

The companies in Sigdo Koppers' **Industrial Area** grew an average of 30.3%, MCH\$22,646 (+36,1%) corresponding to CTI. Enaex earned a consolidated Net Profit of US\$77.2 million, a rise of 10.7% with respect to December 2009. Finally, Sigdopack suffered a loss of US\$10.1 million.

Lastly, the net profit of the **Commercial and Automobile Area** of Sigdo Koppers grew significantly in comparison to 2009, the product of a better performance by SK Inversiones Automotrices and SK Comercial, which have benefited from the recovery in the demand for automobiles and machinery, respectively.



## 2. CONSOLIDATED BALANCE SHEET

Consolidated Balance Sheet	Figures in ThUS\$		
	2009	2010	Var.
<b>Current Assets</b>			
Cash and cash equivalent	232,482	199,769	-14.1%
Account and sales receivables	373,380	476,131	27.5%
Inventories	171,102	234,425	37.0%
Other current assets	34,634	27,580	-20.4%
<b>Total current assets</b>	<b>811,598</b>	<b>937,905</b>	<b>15.6%</b>
<b>Long-term assets</b>			
Property, plants & equipment	994,539	1,035,013	4.1%
Other long-term assets	171,529	231,314	34.9%
<b>Total long-term assets</b>	<b>1,166,068</b>	<b>1,266,327</b>	<b>8.6%</b>
<b>Total assets</b>	<b>1,977,666</b>	<b>2,204,232</b>	<b>11.5%</b>
<b>Current liabilities</b>			
Short-term financial debt	193,090	288,309	49.3%
Accounts payable	184,682	221,541	20.0%
Other current liabilities	150,051	142,966	-4.7%
<b>Total current liabilities</b>	<b>527,823</b>	<b>652,816</b>	<b>23.7%</b>
<b>Long-term liabilities</b>			
Long-term financial debt	379,996	389,629	2.5%
Other long-term liabilities	109,969	100,845	-8.3%
<b>Total long-term liabilities</b>	<b>489,965</b>	<b>490,474</b>	<b>0.1%</b>
<b>Total liabilities</b>	<b>1,017,788</b>	<b>1,143,290</b>	<b>12.3%</b>
<b>Equity</b>			
Attributable to the controller	544,542	614,673	12.9%
Attributable to non-controlling interests	415,336	446,269	7.4%
<b>Total equity</b>	<b>959,878</b>	<b>1,060,942</b>	<b>10.5%</b>
<b>Total liabilities and equity</b>	<b>1,977,666</b>	<b>2,204,232</b>	<b>11.5%</b>

Sigdo Koppers Classified Consolidated Balance Sheet as of December 31, 2010 reports a Cash and Banks position of US\$199.8 million (comprised of "Cash and Cash Equivalent" and "Other Current Financial Assets"), which represents a decrease of US\$32.7 million compared to December 2009. Noteworthy is the level of Cash in Enaex, amounting to US\$47.8 million. Enaex will use these resources to finance part of its investment plan in Peru. At the parent company level, the Cash and Bank position totaled US\$88.1 million, which represents a decrease compared to the figure of US\$118.5 million at the close of 2009 that was caused mainly by the disbursements made by the parent company to increase its share in some of its subsidiaries (Enaex, SK Inversiones Automotrices and SK Comercial).



As of December 2010, total Current Assets increased 15.6% as compared to December 2009. This was mainly because of an increase in accounts receivable and consolidated sales receivables for US\$105.8 million, caused mostly by greater activity in some companies, particularly Enaex where the increase was US\$40.3 million; CTI, where it was US\$32.4 million; and SK Comercial, where it was US\$24.1 million. The average number of days in consolidated accounts receivable was 95 as of December 2010, in comparison to 92 recorded in December 2009 (+3.3%).

In turn, the Consolidated Inventories as of December 2010 increased by US\$63.3 million compared to December 2009. In particular, CTI had a higher level of inventory (US\$29.8 million) because of the increase in its business activity, as did Sigdopack (US\$12.6 million), Enaex (US\$19.2 million) and SK Comercial (US\$4.7 million). The average number of days of consolidated inventory totaled 59 as of December 2010, a slight increase in comparison to 58 days recorded as of December 2009.

Consolidated Fixed Assets (Property, Plant and Equipment) amounted to US\$1,035 billion as of December 31, 2010, which represents an increase of US\$40.5 million, a significant change compared to December 2009. In the Sigdo Koppers' group, the subsidiaries that have the most fixed assets are Enaex, with US\$450.3 million, Puerto Ventanas with US\$228.0 million, Sigdopack with US\$101.3 million and, finally, CTI with US\$56.9 million.

As of December 31, 2010, Sigdo Koppers' Total Liabilities amounted to US\$1,143 billion. Within Current Liabilities, Accounts Payable totaled US\$221.5 million, which represents an increase of US\$36.9 million compared to December 2009. Subsidiaries with the highest accounts payable are SK Comercial, with US\$77.6 million, ICSK with US\$77.4 million, CTI with US\$34.4 million and Enaex with US\$28.5 million.

Total Consolidated Financial Liabilities amounted to US\$678 million as of December 31, 2010, showing an increase compared to December 2009 because of an increase in the financial liabilities of Enaex, CTI, SK Comercial and Sigdopack. The parent company's Financial Liabilities amounted to US\$137 million, which correspond to corporate bonds for UF 3 million placed in March 2009.

As of December 2010, the financial debt-to-EBITDA ratio was 2.26, an improvement over the ratio of 2.31 recorded in December 2009. The net financial debt-to-EBITDA ratio was 1.59. Sigdo Koppers' debt ratios indicate an overall adequate, conservative financial position as of December 31, 2010.

Finally, as of December 31, 2010, Sigdo Koppers' Consolidated Total Equity was US\$1,061 billion, which represents a 10.5% increase if compared to December 2009. The controller's equity was US\$615 million as of December 2010, a US\$70 million increase in comparison to December 2009.



The main Debt Ratios as of December 2010 and December 2009 are shown below.

Debt Ratios	Unit	2009	2010
Leverage <sup>(1)</sup>	times	1.06	1.08
Financial expenses coverage <sup>(2)</sup>	times	7.56	9.87
Financial debt / EBITDA	times	2.31	2.26
Net financial debt / EBITDA	times	1.37	1.59
Net financial leverage <sup>(3)</sup>	times	0.35	0.45

<sup>(1)</sup> Debt Ratio = Total Liabilities / Total Equity

<sup>(2)</sup> Financial Expense Coverage = EBITDA / Financial Costs

<sup>(3)</sup> SK Corporate Bond Covenant < 1.2

The consolidated debt ratio (leverage) was 1.08 at December 31, 2010. 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 0.45, 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\$		
	2009	2010	Var.
<b>Operating cash flow</b>	<b>238,314</b>	<b>174,513</b>	<b>-26.8%</b>
<b>Investment cash flow</b>	<b>-145,339</b>	<b>-158,716</b>	<b>9.2%</b>
Capex	-143,228	-113,467	-20.8%
Fixed assets sales	8,609	5,470	-36.5%
Other	-10,720	-50,719	373.1%
<b>Finance cash flow</b>	<b>-117,348</b>	<b>-64,445</b>	<b>-45.1%</b>
Net variation in financial liabilities	-41,878	59,839	-242.9%
Dividends	-92,124	-119,588	29.8%
Other	16,654	-4,696	-128.2%
<b>Total net cash flow</b>	<b>-24,373</b>	<b>-48,648</b>	<b>99.6%</b>
<b>Cash and cash equivalent</b>	<b>220,902</b>	<b>181,928</b>	<b>-17.6%</b>

The consolidated **Operating Flow** of Sigdo Koppers was US\$174.5 million in December 2010, a decrease of 26.8% compared to 2009. The cause was the combined effect of an improvement in operating income and an increase in working capital because of the increase in activity in nearly all the companies in the Sigdo Koppers group.

The consolidated **Investment Flow** was a negative US\$158.7 million as of December 31, 2010. The Capex was US\$113.5 million. SK Comercial is notable for an investment of US\$53 million in Property, Plant and Equipment due to the growth in the SKC Rental machinery fleet. Enaex also stands out for an investment of US\$27.2 million in relation to completion of the Panna 4 project and other operating investments. There were also disbursements of US\$45 million associated with the purchase of shares by Sigdo Koppers to increase its interest in some of its subsidiaries (Enaex, SK Inversiones Automotrices and SK Comercial).

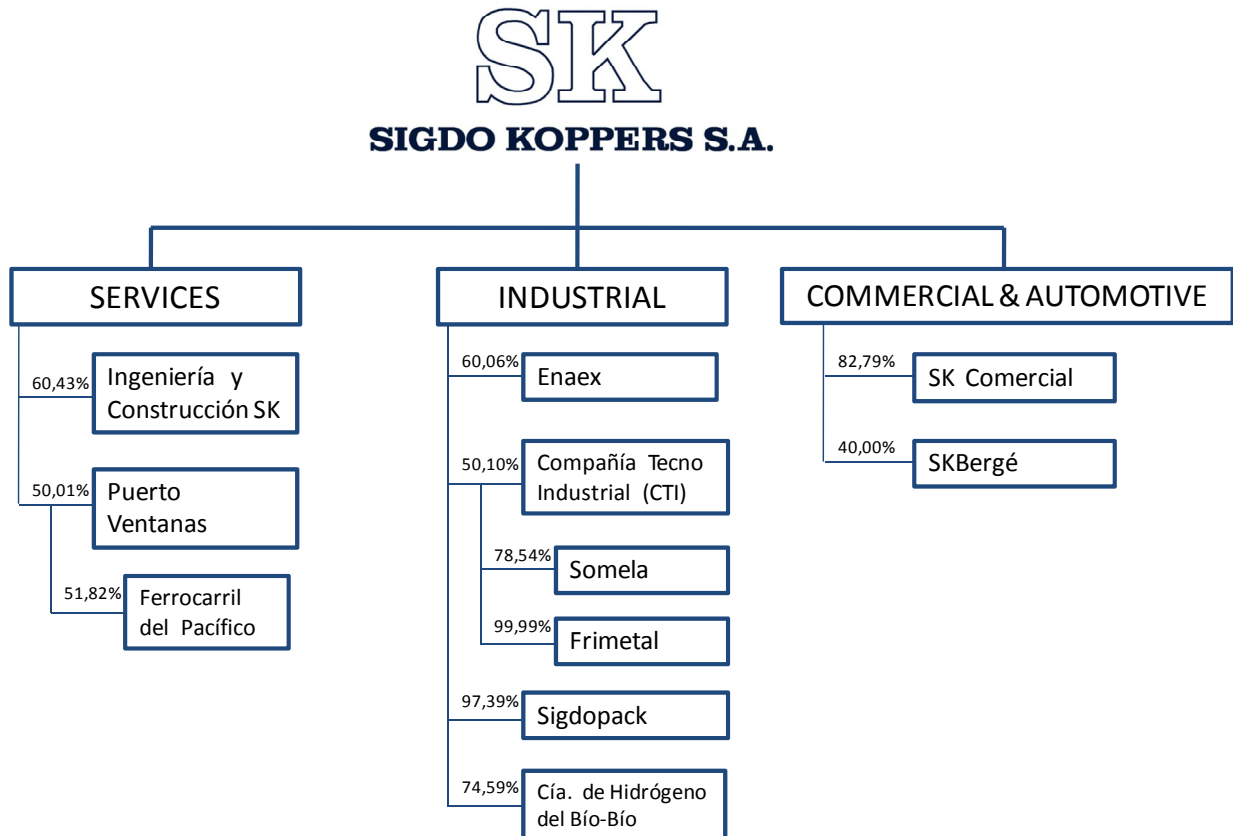
Finally, as of December 31, 2010 the **Financing Flow** was a negative US\$64.4 million, comprised mainly of dividend payments for US\$119.6 million and an increase of US\$59.8 million in financial liabilities.



#### 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

(1) On February 24, 2011, Sigdo Koppers increased its interest in Enaex to 60.06%.



## 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.

As of December 2010, ICSK's consolidated revenues grew 21.8% compared to 2009. ICSK's consolidated sales are comprised of individual sales and those of its subsidiaries, Constructora Logro, SSK Montajes (Peru), SK Industrial, SK Ecología, SK Capacitación and the SK Vial y Vives Consortium that built the Esperanza project.

Ingeniería y Construcción Sigdo Koppers	Dec-09 MCH\$	Dec-10 MCH\$	Var. %
Sales	199,162	242,524	21.8%
EBITDA	21,982	27,574	25.4%
<i>EBITDA Margin</i>	<i>11.0%</i>	<i>11.4%</i>	
Controller's net profit	14,184	22,467	58.4%
EBITDA Pro-Forma (*)	25,703	35,550	38.3%

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

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 Businesses.

ICSK's Consolidated EBITDA rose 25.4% compared to 2009, reflecting the high level of activity of the Company in 2010 and how efficient it was in building works during that same year. The consolidated EBITDA margin was 11.4%. If we take into account the operating numbers for BSK Consortium (50%), ICSK's Pro-Forma EBITDA would be MCH\$35,550 as of December 2010, indicating an important growth of 38.3% with respect to 2009. The performance of Constructora Logro is notable, focused on medium-scale construction and erection projects in Chile. It accounts for 17.1% of the Consolidated EBITDA of ICSK as of December 2010.

At December 31, 2010, MCH\$6,007 were recorded in Share in Earnings of Associates and Joint Businesses, virtually the entire amount corresponding to BSK Consortium and representing an increase of MCH\$3,710 compared to 2009.

After all the above, ICSK's net profit at the close of the 2010 fiscal year amounted to MCH\$22,467 (US\$44.0 million), which represents a significant growth of 58.4% compared to 2009.

It is notable that during 2010, ICSK recorded the highest number of man-hours worked in its history (24.7 million), representing a considerable growth of 49.3% with respect to 2009.

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	Sulfolix Project (EPC)	Minera El Abra	Mining
ICSK	Escondida Ore Acces Project	Minera Escondida / Fluor	Mining
ICSK	Angamos Thermoelectrical 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	Pureo Fuel Storage Plant	Empresas Copec	Industrial
Logro	Enlargement of Mejillones Fuel Storage Terminal	Empresas Copec	Industrial

**Perú**

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\$280 million in regard to these projects, which will be performed mainly during 2011.

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 2010, Puerto Ventanas transferred 4,110,834 tons, a growth of 13.6% compared to 2009. This increase is due to more clinker landings, which is the main raw material in producing cement, given greater demand after the earthquake; to more transfers of clean grains because of better warehouse management and to the addition of a new customer; and more coal landings.

Puerto Ventanas Consolidado	Dec-09 ThUS\$	Dec-10 ThUS\$	Var. %
Sales	103,932	107,672	3.6%
EBITDA	29,272	29,765	1.7%
<i>EBITDA Margin</i>	<i>28.2%</i>	<i>27.6%</i>	
Controller's net profit	12,545	12,043	-4.0%
PVSA - Tons transferred	3,618,131	4,110,834	13.6%
Fepasa - M Ton-Km	1,324,827	1,136,230	-14.2%

It is noteworthy that the coal landed by the port is used mainly in the Ventanas I, II and III (Nueva Ventanas) thermoelectric power plants of AES Gener. They have increased their MWh generation 51.4% compared to 2009 as the maintenance of the Ventanas II power plant was completed and the Ventanas III power plant was started up. This increase in generation is reflected by the increase in coal landings (+27.0%), even though there was a higher stock of this mineral in December 2009. Also relevant was the postponement of landings because of the earthquake.

Puerto Ventanas	Figures in Tons		
	2009	2010	Var.
Coal	1,094,609	1,390,473	27.0%
Concentrate	912,283	878,856	-3.7%
Acids	314,546	318,613	1.3%
Grains	227,867	328,468	44.1%
Clinker	91,560	222,477	143.0%
Others	392,700	417,651	6.4%
Fuels	584,565	554,296	-5.2%
<b>Total</b>	<b>3,618,131</b>	<b>4,110,834</b>	<b>13.6%</b>

Port business income rose 11.9% compared to 2009. Puerto Ventanas continued to be a leader in bulk transfers in the central zone of Chile, holding a market share of 47.9% in solid bulk and 46.0% in liquid bulk in December 2010.

In 2010, Fepasa moved 1,136 billion tons-km, a decrease of 14.2% compared to 2009, which is largely due to the effects of the earthquake in the first half of 2010. Railroad tracks were cut because of the earthquake and the production plants of different clients were damaged. The industrial sector therefore experienced a reduction of 18.8% in Ton-Km, mainly due to drops in the carriage of cement and steel. The forestry sector also dropped 12.4% in Tons-Km because some pulp plants were temporarily closed. Despite this, railroad revenues did not vary significantly by the close of 2010 because of the combined effect of a reduction in Tons-Km due to the effects of the earthquake, offset by an increase in the average prices of cargo carried.

At the close of 2010, Fepasa's tracks were again operative, but with certain restrictions on speed and cargo. The level of activity is expected to improve in 2011, mainly because of the recovery of production by main customers and improvements in the railroad tracks.



Fepasa recently 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 thousand tons of copper anodes and refined copper annually for 7 years.

The Consolidated EBITDA of Puerto Ventas was US\$29.8 million at December 31, 2010, an increase of 1.7% compared to 2009. This rise was the product of a better consolidated operating margin due to more revenues in the Port Business and less administrative expenses in Fepasa, achieved by cost control policies applied in that company in 2010.

So, the Consolidated Net Profit of Puerto Ventanas was US\$12.0 million, a drop of 4.0% compared to 2009. This reduction was caused by reduction in income from the Port Business due to the effects of the earthquake and to an increase in operating costs; and an improvement in Fepasa's income, mainly because of a better operating performance despite the earthquake, and a drop in financial expenses.

In regard to projects in the port's zone of influence, in January 2010 the third power generation unit of AES Gener began operation, with a capacity of 267 MW. It is expected that starting in 2011, Puerto Ventanas will transfer around 700 thousand tons of coal to this unit. It is further estimated that starting in the first semester 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.

Another project of note is the enlargement of the Los Bronces Mine of Anglo American, which will increase copper production starting in the second half of 2011. Puerto Ventanas will invest in 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 is estimated to begin operation in the first half of 2011. 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.

Finally, in 2011, Puerto Ventanas is predicted to transfer 400,000 tons of iron ore, which will increase to 600,000 starting in 2012.



### 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 fragmentation service provider. It has an 800,000 ton ammonium nitrate plant in Mejillones, which is one of the major complexes that produce this input worldwide through which it satisfies a large part of the demand in Latin America.

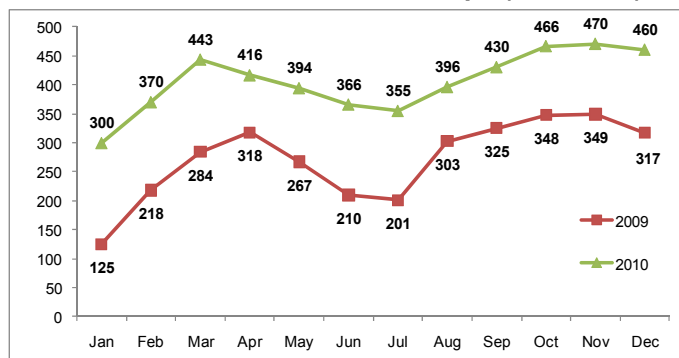
During 2010, Enaex recorded revenues of US\$409.5 million, a significant growth of 31.4% compared to 2009. The reason was mainly an increase in sales (+23.8%) after the enlargement of the Mejillones ammonium nitrate plant (Panna 4).

Enaex	Dec-09	Dec-10	Var.
	ThUS\$	ThUS\$	%
Sales	311,717	409,468	31.4%
EBITDA	92,461	110,153	19.1%
<i>EBITDA Margin</i>			
	29.7%	26.9%	
Controller's net profit	69,755	77,196	10.7%

In particular, total sales (of ammonium nitrate and other explosives) amounted to 671 thousand tons, a growth of 23.8% in 2010. Of note is the significant increase of 43.1% in ammonium nitrate exports, evidence of the company's capacity to augment its international market share, which will create new business opportunities for the increase in the ammonium nitrate production capacity.

As of December 31, 2010, costs of sale rose 39.8% compared to 2009. This was due to the increase in the volume of sales and the higher cost of ammonia, which attained an average level of US\$406 per ton in 2010, above the figure of US\$272 per ton recorded in 2009. This variation in the cost of ammonia is transferred to the sale price via indexation mechanisms set down in sales contracts.

**Price of Ammonia CIF Tampa (US\$/Tons)**



The Consolidated EBITDA of Enaex was US\$110.2 million, a growth of 19.1% compared to 2009. This increase was due to the combined effect of a higher volume of sales (+23.8%), offset in part by a higher cost of sales (+39.8%) and higher administration, distribution and other expenses by function (formerly SGA) totaling US\$3.9 million. This increase in SGA was due to an increase 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 26.9% in 2010, positive in the normal operating context of the Company. The margin during 2009 was 29.7% due to a cyclical situation of abnormally low ammonia prices that cannot be projected over time.

On a non-operating level, there were higher Financial Expenses as of December 2010 due to the recognition in income of interest on the financing of the enlargement of ammonium nitrate plant in Mejillones (Panna 4). In turn, Exchange Differentials were positive, totaling US\$6.0 million as of December 2010, an increase of US\$1.1 million compared to 2009. The cause was a greater exposure of net assets in pesos due to the higher volumes of sale.



There was a loss of US\$1.9 million in the Share in Earnings or Losses of Associates in 2010 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 December 31, 2010, Enaex recorded a net profit of US\$77.2 million, which compares positively to the profit of US\$69.8 million recorded in 2009. This increase of 10.7% in the net profit 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.

It is important to note that 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, 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, on February 24, 2011, Sigdo Koppers acquired 7,780,000 shares in Enaex increasing its interest to 60.06%. This transaction was worth approximately US\$90 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 also is on the domestic small household appliance market, where it is the leader.

CTI's consolidated income, including Somela and Frimetal, grew 25.9% compared 2009, to US\$397.7 million. In particular, there was an increase in income in pesos in the large household appliance business in 2010. Individually, CTI grew 20.3% and Frimetal 29.9%. In the small household appliance business, Somela recorded an increase of 36.5% in its sales.

CTI Compañía Tecno Industrial	Dec-09 MCH\$	Dec-10 MCH\$	Var. %
Sales	161,218	202,931	25.9%
EBITDA	28,146	34,889	24.0%
<i>EBITDA Margin</i>	<i>17.5%</i>	<i>17.2%</i>	
Controller's net profit	16,641	22,646	36.1%
CTI local sales (units)	739,929	864,149	16.8%
CTI exports (units)	112,716	168,527	49.5%
Frimetal (units)	373,476	462,926	24.0%

In Chile, CTI's individual sales of its Fensa and Mademsa brands rose 15.3% compared to 2009. Unit sales in Chile increased 16.8%, where the growth in stoves (+25.0%) and refrigerators (+9.4%) is highlightable. This growth in local sales came from a greater dynamism in the demand for large household appliances, the increase in CTI's market share in subsegments, and the high acceptance of new products sold by the Company on the market. Exports as of December 2010 totaled US\$41.7 million, US\$8.9 million higher than in 2009, 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 Income, expressed in Chilean pesos, also grew 29.9% in 2010. This increase reflects a higher demand for durable consumer goods in Argentina, particularly household appliances, mainly explained by the increase in credit available from large retailers. In unit terms, Frimetal's sales grew 24.0%. Of particular note is the increase in Display Cases (+209.8%), Spin Dryers (+147.7%) and Freezers (+44.8%). In 2010, exports grew considerably (+54.6%), mostly because of the low basis for comparison to 2009. The end of international financial crisis created better conditions for the trading of durable goods in the region, which is seen in the increase in sales to Mercosur countries and Chile.

As of December, 2010, Somela's income locally grew 39.8% because of an improvement in the economic conditions of the country and measures to improve the availability of products at the point of sale. Both factors have translated into an increase in sales in units (+48.3%) and a five percentage-point increase in market share. Exports appraised in pesos rose 19.1% compared to 2009, while exports in units grew 87% for the spin dryer line and 155% for dryer line.



The consolidated EBITDA of CTI was CH\$34.889 billion, a growth of 24% compared to 2009. This increase is fundamentally due to an improvement in operating income in all businesses, brought on by the recovery in demand for large and small household appliances in Chile and Argentina and the increase in market share in some product lines. CTI's consolidated EBITDA margin was 17.2% during 2010.

So, as of December 31, 2010, CTI's net profit was MCH\$22,646 (US\$44.4 million), a significant increase of 36.1% compared to the 2009 fiscal year. This improvement is due mainly to the better operating performance of CTI individually and of its subsidiaries Frimetal and Somela.



### 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 fourth quarter of 2010, Sigdo Pack's consolidated revenues amounted to US\$32.2 million, indicating a growth of 23.5% compared to the fourth quarter of 2009. This growth came basically from an increase in BOPP Argentina sales (+40.5%) and BOPP Chile sales (+12.5%). So, as of December 31, 2010, the consolidated revenues totaled US\$122.6 million, a rise of 19.6% compared to 2009. This growth was due mainly to an increase in sale prices between the periods compared. Consolidated BOPP sales in 2010 did not vary significantly with respect to 2009.

Sigdopack	Dec-09	Dec-10	Var.
	ThUS\$	ThUS\$	%
Sales	102,507	122,611	19.6%
EBITDA	-3,278	-3,454	-5.4%
Controller's net profit	-12,025	-10,091	-16.1%
BOPP Chile - Tons	19,489	18,783	-3.6%
BOPP Argentina - Tons	15,061	15,902	5.6%

In 2010, restrictions were placed on exports of products by the Argentina industry to Brazil, which had a direct impact on the exports of Sigdopack Argentina. This had direct effects on the productivity of the plant in Argentina since it operated below its level of operating efficiency in 2010.

As we commented above, the BOPP Latin American market is experiencing an excess in production capacity that is keeping the operating margins below the plan. Therefore, the EBITDA was a loss of US\$3.5 million in 2010.

Moreover, financial costs fell US\$1.6 million (48.4%) with respect to 2009, the result of a drop in financial liabilities.

Therefore, as of December 31, 2010, Sigdopack suffered a net loss of US\$10.1 million.

Finally, during December 2010, the company made a capital increase of US\$10 million in order to support Sigdopack's development and align the capital structure more conservatively. Working capital was also decreased in order to reduce financial liabilities.



### 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 December 31, 2010, SK Inversiones Petroquímicas recorded a drop of ThUS\$1,054 in revenues compared to 2009 as ENAP's Bio-Bio Refinery halted operations because of the earthquake. However, this drop in revenues was appropriately protected by business interruption insurance recorded in Other Income / Disbursements (ThUS\$893).

SK Inversiones Petroquímicas	Dec-09 ThUS\$	Dec-10 ThUS\$	Var. %
Sales	4,822	3,768	-21.9%
EBITDA	3,417	2,394	-29.9%
Controller's net profit	1,820	1,847	1.5%

As of December 2010, SKIP's EBITDA fell 29.9% with respect to 2009 due to the reduction in revenues caused by the stoppage of the Bio-Bio Refinery after the earthquake. SKIP also recorded financial expenses of ThUS\$770.

Finally, as of December 31, 2010, SK Inversiones Petroquímicas earned a net profit of ThUS\$1,847, an increase of 1.5% compared to 2009.



### 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 and Peruvian markets and recently began operation in Curitiba, Brazil through its subsidiary SKC Rental.

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. It recently added Foton trucks and SDLG equipment to its portfolio, both from China.

During 2010, SK Comercial's consolidated revenues totaled US\$324.5 million, a significant rise of 44.2% compared to 2009. Of note is the growth of 60.0% in the machinery distribution subsidiaries, in particular Sigdotek (+65.3%) and SKC Maquinarias (+49.1%), in line with the increase in the import of capital goods to Chile.

SK Comercial	Dec-09	Dec-10	Var.
	ThUS\$	ThUS\$	%
Sales	225,038	324,514	44.2%
EBITDA	28,446	47,307	66.3%
<i>EBITDA Margin</i>	12.6%	14.6%	
Controller's net profit	7,011	19,997	185.2%

The consolidated EBITDA of SK Comercial was US\$47.3 million in 2010, representing a significant growth of 66.3% compared to 2009. This operating increase was brought on both by the increase in the activity of the machinery distribution business as well as the good operating performance of the machinery rental subsidiaries SKC Rental Chile (+39.5%) and SKC Rental Peru (+44.7%). In 2010, the EBITDA totaled 14.6%, an improvement over the 12.6% EBITDA recorded in 2009.

On a non-operating level, the Consolidated Financial Costs of SK Comercial decreased 22.9% compared to 2009, mainly the product of a reduction in interest rates between the two periods.

As of December 31, 2010, the net profit of SK Comercial totaled US\$20.0 million, representing a growth of US\$13.0 million compared to 2009. 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 in Chile and Peru. The machinery rental markets in Chile, Peru and Brazil have shown strong signs of activity, so it is expected that they will continue to develop in line with the trends of developed countries.

Finally, at the end of 2010, SKC decided to close its machinery distribution operations in Argentina after an agreement was reached with Volvo for it to distribute its machinery directly on that market.



**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 Businesses.

SKBergé is present in Chile, Peru, Argentina, and recently in 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, Mitsubishi Fuso, MG, Lancia, SsangYong and Tata.

During the fourth quarter of 2010, SKBergé consolidated sales in units continued to be proof of how highly dynamic the automobile industry has become on the local market. Through December 2010, consolidated sales in units in Chile totaled 28,354, a growth of 69.1% compared to 2009. Sales abroad numbered 14,775 units, an increment of 57.7% compared to December 2009.

SK Inversiones Automotrices	Dec-09 MCH\$	Dec-10 MCH\$	Var. %
Sales	0	0	
EBITDA	-66	-105	-58.6%
Controller's net profit	3,334	12,636	279.0%

As of December 31, 2010, SKIA recorded revenues of MCH\$12,636 (US\$24.8 million), reflecting a significant growth in comparison to 2009. Nearly all of this improvement is due to the recognition of the Share in Earnings of Associates and Joint Businesses, which reflects the better performance of SKBergé in 2010.

In May 2010, Sigdo Koppers S.A. increased its interest in SKIA from 80.17% to 99.99%. This transaction was worth approximately US\$10 million.

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 sales of new vehicles in 2010 numbered 289,280 units, a growth of 68% compared to sales in 2009. ANAC has estimated a total of 325 thousand units in 2011.

