

SIGDO KOPPERS S.A. PERFORMANCE REPORT

HIGHLIGHTS - SEPTEMBER 2010

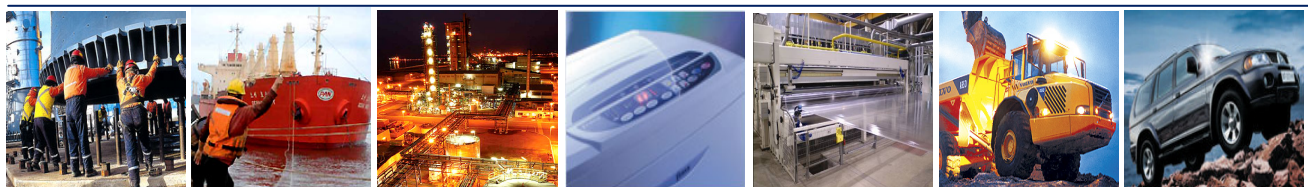
- **Consolidated Income of Sigdo Koppers totaled US\$1.318 million**, indicating a growth of 34.2% compared to September 2009.
- As of September 2010, the **Consolidated EBITDA of Sigdo Koppers was US\$222.3 million**, representing a **growth of 28.7%** compared to the same period in 2009. Of note is the rise in the EBITDA of SK Comercial (+99%), CTI (+38% in pesos and +46% in dollars) and Ingeniería y Construcción SK (+22 in pesos and +28% in dollars).
- **Sigdo Koppers' net profit totaled US\$83.2 million** as of September 2010, which represents a considerable increase of 88.8% compared to September 2009.
- **The profit in the last 12 months was US\$108.8 million while the EBITDA in the same period was US\$301.4 million. The return on equity (ROE) was 17.8%.**
- 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\$175.1 million, while the parent held cash for US\$87.2 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\$			Figures in ThUS\$		
	3T09	3T10	Var.	Sep-09	Sep-10	Var.
Sales	349.687	466.515	33,4%	982.331	1.318.003	34,2%
EBITDA ⁽¹⁾	68.543	77.397	12,9%	172.757	222.285	28,7%
<i>EBITDA Margin</i>	19,6%	16,6%		17,6%	16,9%	
Sigdo Koppers Net Profit	16.247	29.160	79,5%	44.072	83.212	88,8%

Consolidated Balance Sheet	Figures in ThUS\$		
	Dec-09	Sep-10	Var.
Total Assets	1.977.666	2.121.304	7,3%
Total Equity ⁽²⁾	959.878	1.043.214	8,7%

⁽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.



NOTE: For 2010, the dollar figures of companies carrying their accounts in pesos (Income and Cash Flow Statements) have been calculated using nominal pesos and the average observed dollar exchange rate during the first nine months of 2010 (\$520.21). The 2009 figures have been calculated using nominal pesos and the observed dollar exchange rate at the close of September 2009 (\$550.36).

Sigdo Koppers S.A. is the parent company of a business conglomerate with a presence in the **Service, Industrial, Commercial and Automotive areas** through more than 50 subsidiaries and affiliates. It participates in the **Service** Area through Ingeniería y Construcción Sigdo Koppers S.A. (ICSK), Puerto Ventanas S.A. and this latter's subsidiary, Fepasa S.A. It is present in the **Industrial** Area through Enaex S.A., Compañía Tecno Industrial S.A. (CTI) and the latter's 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 also engages in business in the **Commercial and Automobile** Area through SK Comercial S.A. (SKC) and SKBergé S.A. This latter company is a strategic joint venture with the Bergé Group from Spain.

1. CONSOLIDATED INCOME STATEMENT

Sigdo Koppers Consolidated	Figures in ThUS\$			Figures in ThUS\$		
	3T09	3T10	Var.	Sep-09	Sep-10	Var.
Sales	349.687	466.515	33,4%	982.331	1.318.003	34,2%
Sales expenses	-264.437	-371.945	40,7%	-760.498	-1.034.519	36,0%
Gross income	85.250	94.570	10,9%	221.833	283.484	27,8%
Other operating income	-5	813		1.422	1.515	6,5%
Distribution costs	-1.144	-535	-53,2%	-13.188	-13.398	1,6%
Administrative expenses	-28.900	-35.644	23,3%	-76.573	-95.526	24,8%
Other operating expenses	-1.169	-954	-18,4%	-3.102	-5.002	61,3%
Operating income	54.032	58.250	7,8%	130.392	171.073	31,2%
EBITDA	68.543	77.397	12,9%	172.757	222.285	28,7%
<i>% EBITDA Margin</i>	<i>19,6%</i>	<i>16,6%</i>		<i>17,6%</i>	<i>16,9%</i>	
Interest income	719	1.089	51,5%	6.577	4.506	-31,5%
Interest expenses	-7.521	-8.589	14,2%	-24.328	-21.649	-11,0%
Related companies income	520	6.751	1198,3%	3.392	24.359	618,1%
Exchange differentials	-8.314	9.361	-212,6%	9.531	3.251	-65,9%
Price - level restatement	3.438	-5.260	-253,0%	-12.044	-3.528	-70,7%
Other income (losses)	1.652	1.364	-17,4%	3.879	2.062	-46,8%
Income before taxes	44.526	62.966	41,4%	117.399	180.074	53,4%
Income tax	-9.258	-10.816	16,8%	-22.180	-28.935	30,5%
Continued operating profit	35.268	52.150	47,9%	95.219	151.139	58,7%
Discontinued operating profit	0	0		0	0	
Net income	35.268	52.150	47,9%	95.219	151.139	58,7%
Income attributable to Sigdo Koppers	16.247	29.160	79,5%	44.072	83.212	88,8%
Income attributable to non-controlling interests	19.021	22.990	20,9%	51.147	67.927	32,8%
Net income	35.268	52.150	47,9%	95.219	151.139	58,7%



Revenues

Consolidated revenues totaled US\$466.5 million in the third quarter of 2010, a growth of 33.4% compared to the same period in 2009. Through September 30, 2010, consolidated revenues grew 34.2%, to US\$1,318 million.

Sales Business Areas	Figures in ThUS\$			Figures in ThUS\$		
	3T09	3T10	Var.	Sep-09	Sep-10	Var.
Services	137.754	151.980	10,3%	325.729	426.967	31,1%
Ingeniería y Construcción SK	114.013	122.620	7,5%	253.689	351.889	38,7%
Puerto Ventanas	23.741	29.360	23,7%	72.040	75.078	4,2%
Industrial	187.473	234.790	25,2%	540.839	671.781	24,2%
Enaex	73.618	107.030	45,4%	230.996	294.630	27,5%
CTI	85.457	94.061	10,1%	229.813	284.152	23,6%
Sigdopack	27.196	33.430	22,9%	76.398	90.378	18,3%
CHBB	1.202	269	-77,6%	3.632	2.621	-27,8%
Commercial & Automotive	58.053	82.374	41,9%	154.086	225.568	46,4%
SK Comercial	58.053	82.374	41,9%	154.086	225.568	46,4%
SKIA ⁽¹⁾	0	0		0	0	
Parent company & adjustments ⁽²⁾	-33.593	-2.629	-92,2%	-38.323	-6.313	-83,5%
Ingresos Consolidados	349.687	466.515	33,4%	982.331	1.318.003	34,2%

(1) SK Inversiones Automotrices S.A. (SKIA) does not account for the income of SKBerge because it holds 40% of its shares and therefore does not consolidate its financial statements.

(2) Eliminations and Adjustments as of September 2009 were mainly the result of consolidated intercompany eliminations between Ingeniería y Construcción SK and Enaex and between CTI and Frimetel.

The sales of Sigdo Koppers' **Service Area** grew an average of 31.1% compared to September 2009. In Ingeniería y Construcción Sigdo Koppers (ICSK), revenues totaled MCH\$183,056 as of September 2010, evidencing a 31.1% growth in pesos, explained by the high level of activity that it maintained during the year through several projects currently underway. On its part, Puerto Ventanas recorded a 4.2% increase in its consolidated sales compared to the September 2009, the result of the combined effect of an increase in revenues from the Port Business (+13.1%) because of a rise in cargo transferred, partially offset by a drop in revenues in Fepasa, explained largely by the effects of the earthquake.

The companies in Sigdo Koppers' **Industrial Area** increased their sales 24.2% compared to September 2009. Of note is the increase in Enaex (+27.5%), due mostly to a higher volume of sales (+24.6%) because of the enlargement of the ammonium nitrate plant in Mejillones. Also notable is the growth of 16.9% in the consolidated sales of CTI Compañía Tecno Industrial (CTI) due to the higher revenues individually and in its subsidiaries Somela and Frimetel. This reflects the high dynamism in the demand for large and small household appliances in Chile and Argentina. Sigdopack recorded an 18.3% increase in sales, the result of an improvement in sales prices, in particular as of the second quarter of 2010. Also relevant was an increase in the volume of sales of BOPA (+7.3%).

Finally, in the **Commercial and Automobile Areas** of Sigdo Koppers, SK Comercial recorded a significant growth of 46.4% with respect to September 2009, evidence of the increase in activity in the machinery distribution and rental business, in line with the recovery in the domestic economy.



Cost of Sales

Cost of sales rose 36.0% compared to September 2009, to a total of US\$1,034.5 million at September 30, 2010. The reason for this increase was mostly the rise in activity in several companies, in particular SK Comercial (+42.4%) where the machinery distribution business has increased considerably; and ICSK (+31.1% in pesos) where growth was 66.6% in man-hours because of several works that are underway. Enaex also recorded an increase in its costs (+36.6%) due to a higher volume of sales and higher ammonium purchase prices, the main input in the production of ammonium nitrate, which are transferred to customer sale prices with a delay of a few months.

Gross Earnings

The consolidated gross earnings as of September 30, 2010 totaled US\$283.5 million, or an increase of US\$52.2 million compared to September 2009. Highlightable is the increase in the gross earnings of SK Comercial totaling US\$16.3 million and that of Enaex totaling US\$9.0 million.

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

The cost of distribution, administration and other expenses by function (formerly SGA) totaled US\$113.9 million at September 30, 2010. This represents an increase of 22.7%. This increase was mainly the result of an increase in activity in the different companies in the Sigdo Koppers Group and a greater representation in dollars of expenses in pesos based on a lower average exchange rate between the two periods compared (CH\$520.21 in September 2010 and CH\$573.37 in September 2009). The increase in expenses is less, proportionally, than the increase in consolidated sales and these expenses also account for 8.6% of the consolidated income, which compares favorably to the 9.5% recorded in September 2009.

On a parent company level, SGA totaled US\$4.6 million, or an increase of ThUS\$1,091 compared to September 2009. This was caused by an increase in expenses on assistance and a greater representation in dollars of peso expenses, which account for an important percentage of the total SGA of the parent company.



EBITDA

The Consolidated EBITDA of Sigdo Koppers in the third quarter of 2010 was US\$77.4 million, representing a growth of 12.9% compared to the third quarter of 2009. So, as of September 30, 2010, the Consolidated EBITDA was US\$222.3 million, or an increase of 28.7% compared to September 2009.

EBITDA Business Areas	Figures in ThUS\$			Figures in ThUS\$		
	3T09	3T10	Var.	Sep-09	Sep-10	Var.
Services	22.100	20.820	-5,8%	51.861	59.442	14,6%
Ingeniería y Construcción SK	15.184	12.824	-15,5%	31.101	39.782	27,9%
Puerto Ventanas	6.916	7.996	15,6%	20.760	19.660	-5,3%
Industrial	41.758	45.579	9,2%	106.823	132.959	24,5%
Enaex	24.341	29.252	20,2%	73.326	81.493	11,1%
CTI	17.655	14.678	-16,9%	33.466	48.861	46,0%
Sigdopack	-1.072	770		-2.536	79	
CHBB	834	879	5,4%	2.567	2.526	-1,6%
Commercial & Automotive	6.105	12.662	107,4%	17.139	34.192	99,5%
SK Comercial	6.137	12.723	107,3%	17.232	34.334	99,2%
SKIA ⁽¹⁾	-32	-61	90,6%	-93	-142	52,7%
Parent company & adjustments	-1.419	-1.664	17,3%	-3.066	-4.308	40,5%
Consolidated EBITDA	68.543	77.397	12,9%	172.757	222.285	28,7%

(1) SK Inversiones Automotrices S.A. (SKIA) does not account for the income of SKBergé because it holds 40% of its shares and therefore does not consolidate its financial statements. SKIA's EBITDA corresponds to overhead expenses in this company.

The EBITDA of the companies of Sigdo Koppers in the **Service Area** grew an average of 14.6% compared to September 2009. The increase of 22.1% in pesos in ICSK is notable, which is evidence of the improvement in yields in works that this company is executing. On its part, the consolidated EBITDA of Puerto Ventanas totaled ThUS\$7,996 in the third quarter of 2010. This indicates a growth of 15.6% compared to the third semester of 2009 and 69.5% compared to the second quarter of 2010, showing an improvement in the operating margins after the recovery in the Port Business and in Fepasa after the earthquake.

Companies in the **Industrial Area** of Sigdo Koppers showed an average increase of 24.5% in their EBITDA compared to September 2009. The 38.0% growth in pesos in CTI is notable, which has benefited from the important recovery in the demand for large and small household appliances in Chile and Argentina and the increase in market share in some of the product lines. On its part, Enaex recorded an 11.1% increase in its EBITDA due to an increase in the volume of sales. Its EBITDA margin was 27.7% in September 2010. Also of note is the fact that starting in the second quarter of 2010, Sigdopack has undergone a change in operating trend. It has had a positive EBITDA in the second and third quarters of 2010.

Finally, in the **Commercial and Automobile Area** of Sigdo Koppers, SK Comercial recorded a growth of US\$17.1 million compared to September 2009, the result of an increase in activity in SKC Rental and in the machinery distribution subsidiaries.



Financial Income

The Consolidated Financial Income totaled US\$4.5 million at September 30, 2010, a decrease of US\$2.1 million compared to September 2009. This decrease was due mainly to drops in real lending interest rates between the periods compared. At the level of the parent company, financial income totaled ThUS\$1,429, or a reduction of 37.4% compared to September 30, 2009.

The financial income of the parent company comes from the different fixed-income financial instruments that it holds, which totaled US\$87.2 million in September 2010.

Financial Costs

As of September 30, 2010, Consolidated Financial Costs totaled US\$12.7 million, representing a reduction of US\$2.7 million in financial costs in comparison to September 2009. This drop is due mainly to lower financial costs of US\$1.4 million in Sigdopack and of US\$1.4 million in SK Comercial. The parent company' financial costs totaled US\$5.5 million as of September 2010.

Particularly notable is the fact that the only financial debt of the parent company is in the form of corporate bonds totaling UF 3 million, placed in March 2009. The parent company has two cross-currency swaps in place to redenominate part of its debt in UF (2 million) in dollars.

Earnings of Associates and Joint Businesses

As of September 30, 2010, the share in earnings of associates and joint businesses totaled US\$24.4 million, which represents a significant increase of US\$21 million compared to September 2009. The income of BSK Consortium in ICSK is recorded in Earnings of Associates and Joint Businesses, which is building the expansion of the Los Bronces Mine. Also recorded is the recognition by SK Inversiones Automotrices (SKIA) of the net profit of SKBergé, which engages 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 the first nine months of 2010.

Exchange Differentials and Results by Unit of Adjustment

The exchange differentials and results by unit of adjustment (net) in September 2010 were negative, totaling ThUS\$277, representing a decrease of US\$2.2 million in the loss in comparison to September 2009. This improvement was due mainly to better Exchange Differentials and Results by Unit of Adjustment (net) in Enaex totaling ThUS\$738 and in CTI totaling MCH\$1,184. At the parent company level, a loss of ThUS\$1,015 was recorded, which reveals an improvement compared to the loss of ThUS\$1,733 recorded in September 2009.



Net Profit

As of September 30, 2010, the net profit of Sigdo Koppers totaled US\$83.2 million, representing a growth of 88.8% compared to September 2009. The net profit of Sigdo Koppers in the last twelve months amounted to US\$108.8 million and represents a return on equity (ROE) of 17.8%. The total profit generated by the different companies in the group in September 2010 amounted to US\$157.1 million.

Net profit Business Areas	Total Companies Figures in ThUS\$			% SK Sep-10	Attributable to parent company Figures in ThUS\$		
	Sep-09	Sep-10	Var.		Sep-09	Sep-10	Var.
Services	26.564	39.968	50,5%		14.604	22.669	55,2%
Ingeniería y Construcción SK	18.299	33.127	81,0%	60,43%	11.059	19.786	78,9%
Puerto Ventanas ⁽¹⁾	8.265	6.841	-17,2%	50,01%	3.545	2.883	-18,7%
Industrial	64.721	87.712	35,5%		29.105	43.277	48,7%
Enaex	53.505	57.299	7,1%	53,73%	27.086	29.553	9,1%
CTI	18.566	33.178	78,7%	50,10%	9.302	16.622	78,7%
Sigdopack	-8.685	-4.187	-51,8%	97,39%	-8.389	-4.078	-51,4%
CHBB ⁽²⁾	1.335	1.423	6,6%	74,59%	1.106	1.180	6,7%
Commercial & Automotive	6.406	29.402	359,0%		5.202	25.259	385,6%
SK Comercial	4.099	11.890	190,1%	82,79%	3.353	9.771	191,4%
SKIA	2.307	17.512	659,0%	99,99%	1.849	15.488	737,6%
SK companies profit	97.692	157.083	60,8%		48.911	91.205	86,5%
Parent company & adjustments					-4.839	-7.993	65,2%
Total consolidated profit					44.072	83.212	88,8%

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

(2) 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' companies in the **Service Area** grew an average of 55.2% compared to September 2009. Of note is the increase of 71.1% in pesos in the income of ICSK. Puerto Ventanas recorded a growth of ThUS\$765 in the third quarter of 2010 compared to the same period in 2009 and a growth of ThUS\$1,788 compared to the second quarter of 2010, in line with the recovery of the Port Business and of Fepasa after the earthquake.

The companies of Sigdo Koppers in the **Industrial Area** showed an average increase of 48.7% in profits. Highlightable is CTI, with an improvement of MCH\$7,041 and Enaex, which had a total net profit of US\$57.3 million, representing an increase of 7.1% compared to September 2009. Finally, Sigdopack suffered a total loss of US\$4.2 million, which is an improvement compared to the US\$8.7 million recorded to September of 2009.

Finally, the net profit of the **Commercial and Automobile Area** of Sigdo Koppers experienced a significant growth compared to September 2009, explained by the improvement in SK Inversiones Automotrices and in SK Comercial, which have benefited from the recovery in the demand for automobiles and machinery.



2. CONSOLIDATED BALANCE SHEET

Consolidated Balance Sheet	Figures in ThUS\$		
	Dec-09	Sep-10	Var.
Current Assets			
Cash and cash equivalent	232.482	175.133	-24,7%
Account and sales receivables	366.459	466.933	27,4%
Inventories	171.102	230.674	34,8%
Other current assets	41.555	32.695	-21,3%
Total current assets	811.598	905.435	11,6%
Long-term assets			
Property, plants & equipment	994.539	1.009.426	1,5%
Other long-term assets	171.529	206.443	20,4%
Total long-term assets	1.166.068	1.215.869	4,3%
Total assets	1.977.666	2.121.304	7,3%
Current liabilities			
Short-term financial debt	193.090	251.758	30,4%
Accounts payable	214.340	229.789	7,2%
Other current liabilities	120.393	109.189	-9,3%
Total current liabilities	527.823	590.736	11,9%
Long-term liabilities			
Long-term financial debt	379.996	398.262	4,8%
Other long-term liabilities	109.969	89.092	-19,0%
Total long-term liabilities	489.965	487.354	-0,5%
Total liabilities	1.017.788	1.078.090	5,9%
Equity			
Equity attributable to the controller	544.542	610.825	12,2%
Equity attributable to non-controlling interests	415.336	432.390	4,1%
Total equity	959.878	1.043.214	8,7%
Total liabilities and equity	1.977.666	2.121.304	7,3%

Sigdo Koppers Classified Consolidated Balance Sheet as of September 30, 2010 reports a Cash and Banks position of US\$175.1 million (comprised of "Cash and Cash Equivalent," "Other Current Financial Assets," and "Other Long-Term Assets"), which represents a decrease of US\$57.4 million compared to December 2009. Noteworthy is the level of Cash in Enaex, amounting to US\$53.4 million. Enaex is using these resources to finance its investment plans. At the parent company level, which includes Sigdo Koppers individually and SK Inversiones Limitada, the Cash and Bank position totaled US\$87.2 million, which represents a decrease compared to June 2010 that was caused 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 September 30, 2010, total Current Assets increased 11.6% as compared to December 2009. This was mainly because of an increase in accounts receivable and consolidated sales receivables for US\$100.5 million, caused mostly by greater activity in some companies, particularly Enaex where the increase was US\$35.8 million; Sigdopack, where it was US\$17.6 million; and Puerto Ventanas with US\$6.6 million.

In turn, the Consolidated Inventories as of September 2010 varied by US\$59.6 million compared to December 2009. In particular, SK Comercial had a higher level of inventory (US\$13.1 million) because of the increase in its business activity as did Sigdopack (US\$12.6 million) and Enaex (US\$7.8 million) for the same reason.

Consolidated Fixed Assets (Property, Plant and Equipment) amounted to US\$1,009.4 million as of September 30, 2010, which does not represent a significant change compared to December 2009. Sigdo Koppers' subsidiaries that have more fixed assets are Enaex, with US\$445.2 million, Puerto Ventanas with US\$223.6 million, Sigdopack with US\$102.3 million and finally CTI with US\$51.5 million.

As of September 30, 2010, Sigdo Koppers' Total Liabilities amounted to US\$1,078.1 million. Within Current Liabilities, Accounts Payable totaled US\$229.8 million, where SK Comercial stands out with US\$78.9 million, ICSK with US\$46.3 million, CTI with US\$32.3 million and Enaex with US\$28.1 million.

Total Consolidated Financial Liabilities (Current and Non-Current) amounted to US\$650.0 million as of September 2010, showing an increase compared to December 2009 because of an increase in the financial liabilities of Sigdopack, Enaex and SK Comercial. The parent company's Financial Liabilities amounted to US\$130.2 million, which corresponds to corporate bonds for UF 3,000,000 placed in March 2009.

Finally, as of September 30, 2010, Sigdo Koppers' Consolidated Total Equity was US\$1,043.2 million, which represents an 8.7% increase if compared to December 2009. The controller's equity was US\$ 610.8 million as of September 2010, a US\$66.3 million increase compared to December 2009.



The main Liquidity Ratios as of September 2010 and December 2009 are shown below:

Liquidity Ratios	Unit	Dec-09	Sep-10
Current liquidity ⁽¹⁾	times	1,54	1,53
Acid-test ratio ⁽²⁾	times	1,13	1,09
Working capital ⁽³⁾	ThUS\$	323.221	467.818

⁽¹⁾ Current Liquidity = Current Assets / Current Liabilities

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

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

As of September 30, 2010, the Current Liquidity ratio was 1.53 and the Acid-Test Ratio 1.09. These indicators are proof of Sigdo Koppers' good liquidity position on a consolidated level, which can mainly be explained by its short-term, fixed-income financial instruments. The Consolidated Working Capital increased by US\$145.0 million, which was the result of an increase in activity in nearly all of the companies in the Sigdo Koppers group.

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

Debt Ratios	Unit	Dec-09	Sep-10
Leverage ⁽¹⁾	times	1,06	1,03
Current liabilities	times	0,52	0,55
Long-term liabilities	times	0,48	0,45
Financial expenses coverage ⁽²⁾	times	7,66	10,27
Financial debt / EBITDA	times	2,28	2,16
Net financial debt / EBITDA	times	1,35	1,58
Net financial leverage ⁽³⁾	times	0,35	0,46

⁽¹⁾ Leverage Ratio = Total Liabilities / Total Equity

⁽²⁾ Financial Expense Coverage = EBITDA / Financial Expenses

⁽³⁾ SK corporate bond covenant ≤ 1.2

The Consolidated Debt Ratio (leverage) was 1.03 at September 30, 2010, a slight decrease compared to December 2009. The ratio between current liabilities and total liabilities rose with respect to December 2009, largely because of the increase in short-term financial liabilities in Enaex to cover the need for a higher working capital because of the increase in the Company's activity. On the other hand, Sigdo Koppers' Consolidated Financial Expense Coverage, calculated as EBITDA over Financial Expenses, is within an appropriate range to meet its short- and long-term liabilities. The debt indicators overall reveal an adequate, conservative financial position as of September 30, 2010.



3. CONSOLIDATED CASH FLOW

Consolidated Cash Flow	Figures in ThUS\$		
	Sep-09	Sep-10	Var.
Operating cash flow	205.383	95.068	-53,7%
Investment cash flow	-107.081	-108.721	1,5%
<i>Capex</i>	-99.369	-64.801	-34,8%
<i>Fixed assets sales</i>	-3.162	818	-125,9%
<i>Other</i>	-4.550	-44.738	883,3%
Finance cash flow	-86.356	-45.766	-47,0%
<i>Net variation in financial liabilities</i>	-18.481	39.083	-311,5%
<i>Dividends</i>	-53.022	-83.050	56,6%
<i>Other</i>	-14.853	-1.799	-87,9%
Total net cash flow	11.946	-59.419	-597,4%
Cash and cash equivalent	235.783	169.791	-28,0%

The Consolidated Operating Flow of Sigdo Koppers totaled US\$95.1 million at September 30, 2010, due to 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 group.

The Consolidated Investment Flow was a negative US\$108.7 million at September 30, 2009. The Capex was US\$64.8 million. SK Comercial had an investment of US\$29.6 million in Property, Plant and Equipment because of the growth in SKC Rental's machine fleet, while Enaex made an investment of US\$14.4 million to complete the Panna 4 project and other operating investments. An outlay of US\$45 million was also recorded in relation to the purchase of shares by Sigdo Koppers to increase its interest in some of its subsidiaries (Enaex, SK Inversiones Automotrices and SK Comercial).

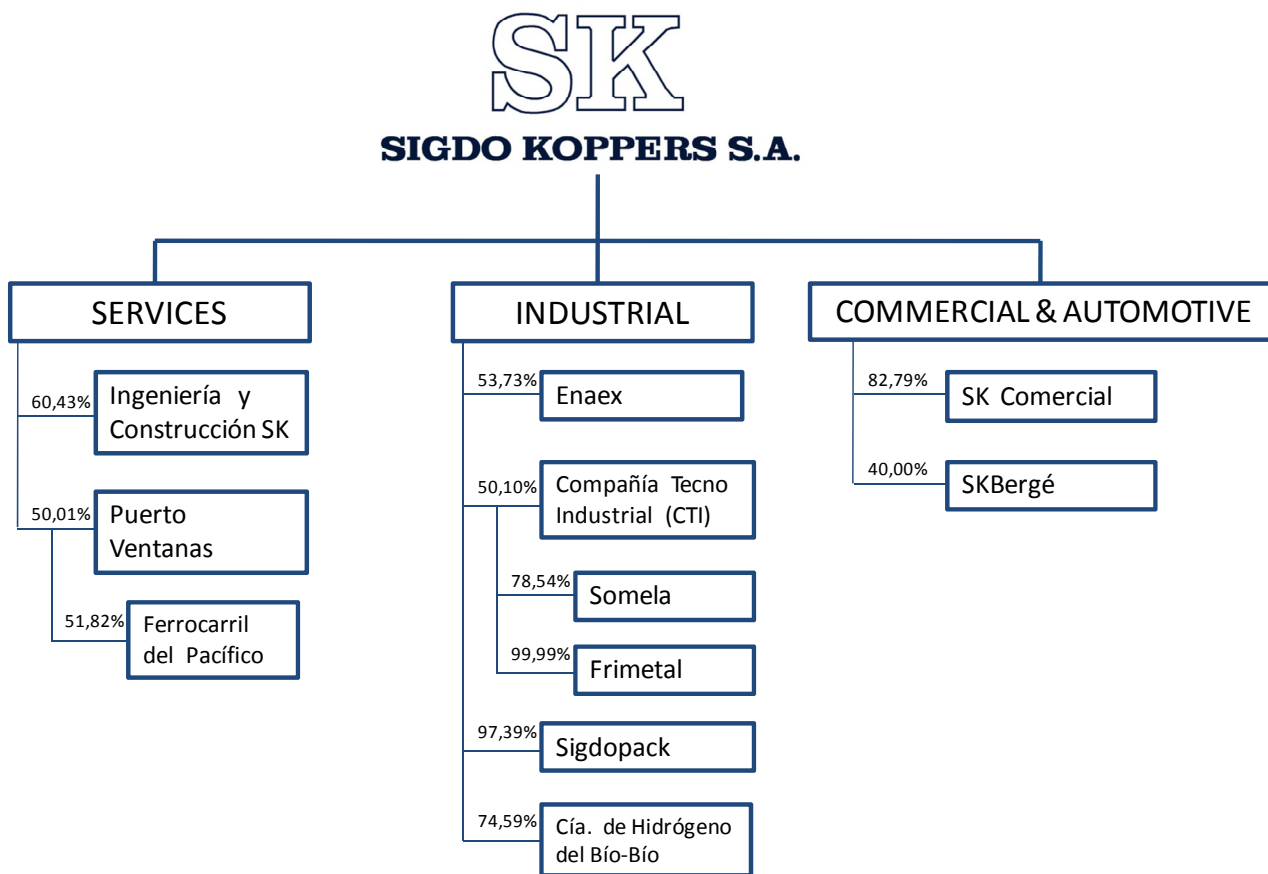
Finally, at September 30, 2010, the Financing Flow was a negative US\$36.1 million, comprised mainly of the payment of dividends for US\$73.4 million and the increase of US\$39.1 million in financial liabilities.



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 more than 50 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) Sigdo Koppers increased its share in Enaex S.A. from 50.62% to 53.73% on July 30, 2010.
- (2) During May 2010, Sigdo Koppers S.A. increased its interest in SK Inversiones Automotrices S.A. from 80.17% to 99.99%.



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 September 2010, ICSK's consolidated income totaled MCH\$183,056, which represents a 31.1% increase compared to the same period in 2009. Its consolidated sales are comprised of its individual sales and those of its subsidiaries, Constructora Logro S.A., SK Industrial S.A., SK Ecología S.A., SK Capacitación S.A., the SK Vial y Vives Consortium that is working on the Esperanza Project, and SSK Montajes, a Peruvian subsidiary, which began to be consolidated in June 2010.

Ingeniería y Construcción Sigdo Koppers	Sep-09 MCH\$	Sep-10 MCH\$	Var. %
Sales	139.620	183.056	31,1%
EBITDA	17.117	20.896	22,1%
<i>EBITDA Margin</i>	12,3%	11,4%	-6,9%
Controller's net profit	10.071	17.233	71,1%

The income and expenses of the works performed through the BSK Consortium, which is executing the expansion of the Los Bronces Mine, is accounted for as an interest in the earnings of associates and joint businesses. As of September 30, 2010, MCH\$4,164 were recorded as the share in earnings of associates and joint businesses, coming nearly entirely from BSK Consortium.

The Consolidated EBITDA of ICSK was MCH\$20,896 in the first nine months of 2010, a growth of 22.1% compared to the same period of 2009. This reflects the high level of activity of the Company this year and the better yields in the works that are underway. If we take into account the operating income of BSK Consortium (50%), ICSK's EBITDA was MCH\$26,386 at September 30, 2010. The performance of Constructora Logro in the first nine months of 2010 is notable, focused on medium-scale construction and erection projects in Chile.

The net profit of the Controller was MCH\$17,233 in September 2010, which represents a significant growth of 71.1% compared to the same period in 2009.

ICSK achieved the highest number of man-hours worked in its history because of the diverse projects developed in 2009. Taking into account the project backlog, an increase in activity is expected in 2010 in comparison to 2009.

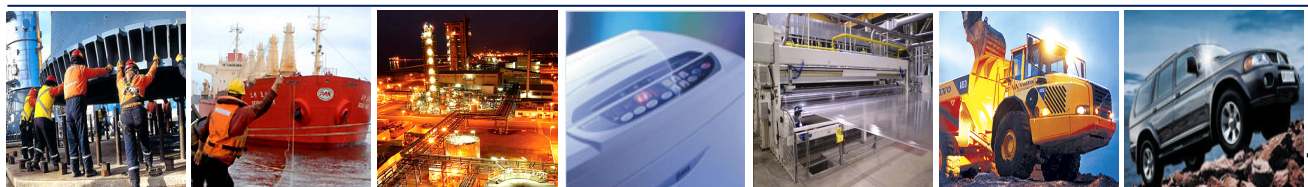
Constructora Logro, on its part, is executing diverse projects, the most notable being the Construction and Erection of a Fuel Storage and Distribution Plant for Copec in Pureo (Calbuco) and the enlargement of a fuel plant for COPEC in Mejillones.

Finally, the subsidiary in Peru, SSK Montajes, is currently executing the construction and assembly of a truck workshop (EPC) for the Antamina Mine in Peru, the conversion of the Kallpa Power Plant into a combined cycle facility, and the Clinker Plant Expansion Project for Cementos Andino.



Main Projects Underway

Company	Project	Principal	Area
ICSK	Los Bronces Mine Expansion	Anglo American Chile	Mining
ICSK	Esperanza Project	Antofagasta Minerals	Mining
ICSK	Sulfolix Project (EPC)	Fluor (Minera el Abra)	Mining
ICSK	Angamos Thermoelectric Power Plant (EPC)	Posco Co.	Energy
Logro	Construction and Erection of Fuel Plant (Pureo)	Copec	Industrial
Logro	Expansion of Fuel Terminal (Mejillones)	Copec	Industrial
SSK (Perú)	Expansion of Clinker Plant	Cemento Andino	Industrial
SSK (Perú)	Construction and Erection of Truck Workshop (EPC)	Antamina	Industrial
SSK (Perú)	Expansion of Kallpa combined-cycle Power Plant	Posco Co.	Energy



5.2 Puerto Ventanas S.A.

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

During the third quarter of 2010, Puerto Ventanas transferred 1,038,884 tons, a growth of 13.1% compared to the third quarter in 2009 and 22.1% compared to the second quarter of

Puerto Ventanas Consolidado	3T09	3T10	Var.	Sep-09	Sep-10	Var.
	ThUS\$	ThUS\$	%	ThUS\$	ThUS\$	%
Sales	23.741	29.360	23,7%	72.040	75.078	4,2%
EBITDA	6.953	8.047	15,7%	20.797	19.711	-5,2%
<i>EBITDA Margin</i>	29,3%	27,4%		28,9%	26,3%	
Controller's net profit	2.286	3.051	33,5%	8.265	6.841	-17,2%

2010. This reflects the recovery in the Port Business after the earthquake. Of note in the third quarter of 2010 are increases in coal landings (+100.9%) and grains (+61.2).

As of September 30, 2010, Puerto Ventanas transferred 2,879,590 tons, representing an increase of 10.5% compared to September 2009. This cumulative increase is mainly due to a more clinker landings, which is the main raw material in producing cement, given the early arrival of vessels because of a greater demand after the earthquake, more transfers of clean grains because of better warehouse management and the addition of a new customer, and more coal landings. 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 42.2% compared to the same period in 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 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		
	Sep-09	Sep-10	Var.
Coal	774.320	991.569	28,1%
Concentrate	615.469	578.584	-6,0%
Acids	240.423	232.759	-3,2%
Grains	161.114	242.469	50,5%
Clinker	91.560	176.677	93,0%
Others	301.574	287.793	-4,6%
Fuels	422.446	369.739	-12,5%
Total	2.606.906	2.879.590	10,5%

In particular, in September 2010, port business income rose 13.1% compared to the same period in 2009. Puerto Ventanas continued to be the leader in bulk transfers, holding a market share of 47.8% in solid bulk and 45.1% in liquid bulk in the central zone in September 2010.

Moreover, in the third quarter of 2010, Fepasa moved 321.8 million tons-kilometer, an increase of 34.6% compared to the second quarter of 2010, which is in line with the recovery after the earthquake due to improvements in the operating routes and the recovery in production of leading customers. At September 30, 2010, 808 million tons-kilometer had been moved, a decrease of 14.6% compared to the same period in 2009. The industrial sector decreased 58.0% in tons-kilometer, mainly because less cement and steel were carried. The forest sector, on the other hand, decreased 14.8% in tons-kilometer because some pulp plants were temporarily closed. In particular, railroad income totaled MCH\$24,297 at September 30, 2010, a decrease of 4.7% compared to September 2009. This decrease is due mainly to the effects of the earthquake in the first half of 2010, which cut off the railroad tracks used by Fepasa and damaged the production plants of different



clients. At this time the tracks are operative, but there are some restrictions on speed and cargo. The level of activity is expected to improve in the last quarter of 2010, mostly due to a recovery in the production by main customers and improvements in the railroad tracks.

The Consolidated EBITDA of Puerto Ventanas was US\$19.7 million at September 30, 2010, representing a decrease of 5.2% with respect to September 2009. This decrease is due to a weaker operating performance in the port business because of an increase in the port's operating costs, in particular energy and cost overruns caused by the earthquake. The weaker performance of Fepasa was mostly because of the earthquake.

The Consolidated Net Profit of Puerto Ventanas was US\$6.8 million as of September 2010, a drop of US\$1.4 million compared to the same period in 2009. This reduction was caused by less income in the port business due to an increase in operating costs; less income in Fepasa, mainly because of the earthquake; and less income in Exchange Differentials and Adjustments.

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.

Of the other third-party projects now under way, 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.

In 2008, La Farge (now Cemento Melon) exercised the option to purchase land in the bay for approximately EUR 34 million. This plant is expected to begin operation in the first half of 2011 and the clinker required to operate the plant will be transferred through the port. A long-term extension of the port services contract with Cemento Melon was signed in January 2009. The project is now underway and work has progressed significantly.

Finally, starting in August 2010, Puerto Ventanas began to transfer iron mineral. It is estimated that the volume will be approximately 80 thousand tons in what remains of the year, 400 thousand in 2011, 500 thousand in 2012 and 600 thousand for 2013 onward.



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-thousand ton ammonium nitrate plant in Mejillones, which is one of the major production complexes of this input worldwide through which it satisfies a large part of the demand in Latin America.

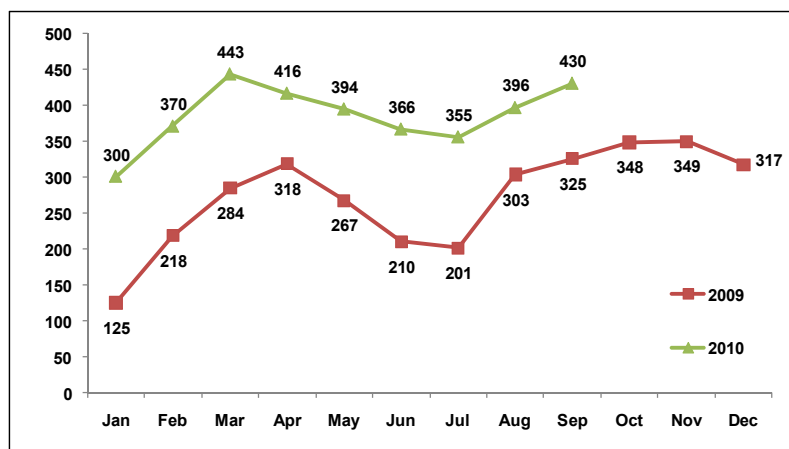
During the third quarter of 2010, Enaex's revenues totaled US\$107.0 million, a significant increase of 45.4% compared to the same period in 2009.

Enaex	3T09	3T10	Var.	Sep-09	Sep-10	Var.
	ThUS\$	ThUS\$	%	ThUS\$	ThUS\$	%
Sales	73.618	107.030	45,4%	230.996	294.630	27,5%
EBITDA	24.341	29.252	20,2%	73.326	81.493	11,1%
<i>EBITDA Margin</i>	33,1%	27,3%		31,7%	27,7%	
Controller's net profit	16.387	22.553	37,6%	53.505	57.299	7,1%

As of September 30, 2010, the company's income amounted to US\$294.6 million, a growth of 27.5% compared to September 2009. This growth is due to an increase in sales (+24.6%) because of the enlargement of the Panna 4 ammonium nitrate plant in Mejillones. During the first nine months of 2010, sales on the local market grew 17.3%, while exports rose significantly, 57.5%, mainly to Peru, Argentina and Asia. This increase in exports is 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.

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

The cost of sales at September 30, 2010 rose 36.6% in comparison to September 2009. The cause was an increase in the volume of sales and higher cost of ammonia, which reached an average price of US\$386 per ton in September 2010, above the US\$250 per ton recorded in September 2009. This variation in the cost of ammonia is transferred to the sale price via indexation mechanisms set down in sales contracts.



In the third quarter of 2010, Enaex's EBITDA grew 20.2% compared to the same quarter in 2009, attaining an EBITDA margin of 27.3%. At September 30, 2010, the EBITDA was US\$81.5 million, a positive growth of 11.1% compared to September 2009. This increase was due to the combined effect of a higher volume of sales (+24.6%), offset in part by a higher cost of sales (+36.6%) and higher administration, distribution and other expenses by function (formerly SGA) totaling US\$3.2 million. This increase in SGA was due to an increase in commercial expenses associated with the increase in sales and to the fact that most of 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 27.7% at September 2010, positive in the normal operating context of the Company. The margin in September 2009 was 31.7% due to a cyclical situation of abnormally low ammonia prices that cannot be projected over time.



As of September 2010, Exchange Differentials were positive, totaling US\$3.2 million, an increase of ThUS\$738 compared to the same period in 2009. The cause was a greater exposure of net assets in pesos due to the higher volumes of sale.

There was a loss of ThUS\$1,278 in the share in earnings or losses of associates as of September 30, 2010 because of the expenses of the petrochemical project in Peru, which involves the construction of an ammonia plant and an ammonium nitrate plant.

In the third quarter of 2010, Enaex recorded a net profit of US\$22.6 million, which compares positively to the US\$16.4 million recorded in the third quarter of 2009. As of September 30, 2010, the company's net profit was US\$57.3 million, an improvement of US\$3.8 million caused by the combined effect of operating improvements due to a higher volume of sales, offset in part by lower non-operating income because of an increase in Financial Expenses.



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 distribution of household appliances both of its own manufacture (freezers, refrigerators and washing machines) and purchased from others (refrigerators and spin-dryers), which are sold under its GAFA brand.

As of September 30, 2010, CTI's consolidated income, including Somela and Frimetal, totaled MCH\$147,819, a growth of 16.9% compared to the same period in 2009. In particular, there was an increase in income in the large household appliance business in the first nine months of 2010. Individually, CTI grew 15.1% and Frimetal 21.9% in pesos. In the small household appliance business, Somela recorded an increase of 43.8% in its sales.

CTI Compañía Tecno Industrial	Sep-09 MCH\$	Sep-10 MCH\$	Var. %
Sales	126.480	147.819	16,9%
EBITDA	18.418	25.418	38,0%
<i>EBITDA Margin</i>	14,6%	17,2%	
Controller's net profit	10.218	17.259	68,9%

Locally, CTI's individual sales of its Fensa and Mademsa brands rose 13.5% compared to September 2009. Unit sales increased 21.1%, where the growth in stoves (+29.2%) and refrigerators (+13.3%) 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 great acceptance of new products sold by the Company on the market. Exports as of September 2010 totaled US\$28.7 million, US\$5.2 million higher than in the same period 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 and Peru.

Frimetal's Income also grew 21.9% in pesos in the first nine months of 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, sales on the local market (Argentina) grew 15.4%. Of particular note is the increase locally in unit sales of Spin-dryers (+148.0%), Display cases (+95.1%) and Freezers (+32.2%). As of September 2010, exports had grown considerably, mainly because of the low basis for comparison due to the international financial crisis. The main destinations of Frimetal continue to be neighboring countries.

As of September 30, 2010, Somela's income locally grew 48.9% 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 (+66.0%) and a five percentage point increase in market share. Exports appraised in pesos rose 19.5% compared to September 2009, while exports in units grew 26.9%.

As of September 30, 2010, the consolidated EBITDA of CTI was MCH\$25,418, an increase of 38.0% compared to September 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. The EBITDA margin was 17.2% in the first nine months of 2010, which compares positively to the margin of 14.6% recorded in the same period in 2009.



So, as of September 30, 2010, CTI's net profit was MCH\$17,259 (US\$33.2 million), an increase of 68.9% compared to September 2009. 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.

In the third quarter of 2010, Consolidated Income of Sigdo Pack totaled US\$33 million, a growth of 23.2% compared to the third quarter of 2009. This

Sigdopack	3T09	3T10	Var.	Sep-09	Sep-10	Var.
	ThUS\$	ThUS\$	%	ThUS\$	ThUS\$	%
Sales	27.181	33.476	23,2%	76.603	90.893	18,7%
EBITDA	-1.072	770		-2.536	79	
Controller's net profit	-2.699	-1.011	-62,6%	-8.685	-4.187	-51,8%

growth came from an increase in sale prices between the periods compared and a higher volume of sales of BOPP in Chile. As of September 30, 2010, Sigdopack's consolidated income amounted to US\$90.9 million, an increase of 18.7% compared to the same period in 2009.

Consolidated Sales of BOPP in the third quarter totaled 8,517 tons, which is no significant variation compared to the third quarter in 2009. The physical sales of BOPP Chile grew 4.1% in the third quarter of 2010 while the sales of BOPP Argentina fell 4.3% compared to the third quarter in 2009. The restrictions imposed upon Argentine industry in exporting its products to Brazil continue in effect, which has a direct impact on the exports by Sigdopack Argentina. As of September 2010, the physical sales of BOPA increased 7.3% compared to the same period in 2009.

The EBITDA in the third quarter of 2010 was ThUS\$770, an improvement of ThUS\$1,842 compared to the loss of ThUS\$1,072 recorded in the third quarter of 2009. This operating improvement ratifies the change in trend seen in the second quarter of 2010 when the EBITDA was a positive ThUS\$882. It was caused by the combined effect of better sales prices and an increase in the operating margin, which was 15% in the third quarter of 2010. At September 30, 2010, the consolidated EBITDA of Sigdopack was a positive ThUS\$79, showing an improvement of ThUS\$2,615 compared to September 2009.

Moreover, Financial Costs decreased 30.5% compared to September 2009, totaling US\$3.2 million.

Considering the aforesaid, as of September 30, 2010, Sigdopack recorded a loss of US\$4.2 million.



5.6 SK Inversiones Petroquímicas S.A.

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

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

SKIP's recorded a drop of ThUS\$1,011 in income at September 30, 2010 compared to September 2009 because ENAP's Bio Bio refinery was stopped after the earthquake. However, this drop in income was offset by the insurance indemnity for plant interruption (recorded in Other Income by Function). So, in terms of EBITDA, there was no significant variation compared to September 2009. As of September 2010, SKIP's EBITDA was ThUS\$2,526 and it recorded financial expenses of ThUS\$595 due to the loan with which the project was financed. The net profit of the controller was ThUS\$1,423 as of September 2010.

SK Inversiones Petroquímicas	Sep-09	Sep-10	Var.
	ThUS\$	ThUS\$	%
Sales	3.632	2.621	-27,8%
EBITDA	2.567	2.526	-1,6%
Controller's net profit	1.335	1.423	6,6%



5.7 SK Comercial S.A.

SK Comercial (SKC) engages in the import, export, rental, distribution and representation of machinery and equipment. SKC is present on the Chilean, Peruvian and Argentinean markets. It has also recently begun to do business on the Brazilian market. Its subsidiary, SKC Rental, will be entering the markets in the province of Paraná in the south of Brazil.

SKC represents prestigious world brands such as Toyota, Volvo, Manitou, Iveco, New Holland, Texaco, Bridgestone, and 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, which are sold and distributed through its new subsidiaries, Comercial Asiandina and Asiandina Motor, respectively.

During the third quarter of 2010, SK Comercial's Consolidated Income totaled US\$82.5 million, an increase of 42.2% compared to the same quarter in 2009. SK Comercial's

SK Comercial	3T09	3T10	Var.	Sep-09	Sep-10	Var.
	ThUS\$	ThUS\$	%	ThUS\$	ThUS\$	%
Sales	58.053	82.530	42,2%	154.086	225.724	46,5%
EBITDA	6.137	12.723	107,3%	17.232	34.334	99,2%
<i>EBITDA Margin</i>	<i>10,6%</i>	<i>15,4%</i>		<i>11,2%</i>	<i>15,2%</i>	
Controller's net profit	918	4.550	395,7%	4.099	11.890	190,1%

Consolidated Income as of September 30, 2010 grew 46.5% compared to September 2009. The growth in the machinery distribution subsidiaries, in particular SKC Maquinarias and Sigdotek, is notable, in line with the increase in capital goods imports.

SK Comercial's Consolidated EBITDA was US\$12.7 million in the third quarter of 2010, representing a significant growth of US\$6.6 million compared to the same period in 2009. The EBITDA margin in the third quarter was 15.4%, which compares favorably to the 10.6% recorded in the third quarter of 2009. As of September 30, 2010, SK Comercial's Consolidated EBITDA increased 99.2% compared to the first nine months of 2009. This operating increase was due largely to the good performance of SKC Rental in Chile and Peru (machinery rental subsidiaries).

Moreover, as of September 30, 2010, SK Comercial's Consolidated Financial Expenses dropped 19.8% compared to September 2009.

As a result, as of September 30, 2010, the Controller's Net Profit amounted to US\$11.9 million, a growth of US\$7.8 million compared to September 2009. This improvement is explained by the combined effect of a more dynamic machinery distribution activity and a good performance in the machinery rental area.

The outlook is that as long as the economy continues its recovery, capital goods imports should continue to rise. Additionally, the machinery rental market in Chile is showing signs of great activity, which has led to a 19% improvement in the SKC Rental fleet with respect to September 2009.



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., and therefore does not consolidate its 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 makes 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 third quarter of 2010, SKBergé's Consolidated Sales in units continued to be indicative of the great dynamics in the local automobile industry, rising 46.7% compared to the same period in 2009. Unit sales abroad grew 53.5% compared to the third quarter of 2009. As of September 30, 2010, SKBergé's Consolidated Sales in units in Chile totaled 19,749 units, representing a growth of 77.0% compared to September 2009. Sales abroad totaled 10,988 units, or an increase of 69.7% compared to September 2009.

SK Inversiones Automotrices	Sep-09 MCH\$	Sep-10 MCH\$	Var. %
Sales	0	0	
EBITDA	-51	-74	45,0%
Controller's net profit	1.270	9.110	617,4%

As of September 30, 2010, SKIA recorded income of MCH\$9,110, a growth of MCH\$7,840 compared to September 2009. This improvement is due nearly entirely to the results posted in Share in Earnings of Associates and Joint Businesses, which contains the profit of SKBergé during the first nine months of 2010.

The National Automobile Association of Chile (ANAC) reported that new vehicle sales accumulated through September 2010 totaled 202,719 units. In its estimations for 2010, ANAC adjusted its sales estimations for 2010 from 260 thousand units to 280 thousand units as the figures for September confirm a growth in the sector above the initial predictions.

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

