

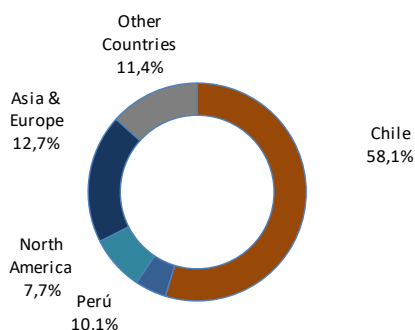
SIGDO KOPPERS S.A. PERFORMANCE REPORT

HIGHLIGHTS – JUNE 2018

Consolidated Income Statement	Figures in ThUS\$		
	Jun-17	Jun-18	Var.
Sales	1.067.705	1.131.033	5,9%
EBITDA ⁽¹⁾	122.236	140.139	14,6%
<i>EBITDA Margin</i>	11,4%	12,4%	
EBITDA Pro Forma ⁽²⁾	140.265	154.063	9,8%
Profit (Loss)	45.010	50.453	12,1%
Sigdo Koppers Net Profit (non recurrent)	29.767	34.377	15,5%

	Dec-17	Jun-18	Var.
Total Assets	3.613.769	3.565.881	-1,3%
Total Equity ⁽³⁾	1.748.753	1.716.114	-1,9%
Net Debt	750.573	771.789	2,8%
Net Debt / EBITDA	2,63	2,54	
ROE	257,43%	251,58%	
ROCE	6,32%	6,78%	

Consolidated Income of Sigdo Koppers by Region



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

(2) Pro Forma EBITDA = EBITDA + Related Company Profits

(3) Total Equity includes non-controlling interests.

(4) EBITDA + proportional profit from unconsolidated consortiums

▪ The consolidated revenues of Sigdo Koppers (SK) rose 5,9% compared to June 2017, totaling US\$1.13 billion, mainly the result of an increase in physical sales in the industrial area, by higher physical sales in Enaex and Magotteaux, and rose in sales by the machinery distribution business.

▪ The consolidated EBITDA was US\$140.1 million as of June 30, 2018, 14.6% higher than the same period in 1H17. This result is associated with a higher operating result in Magotteaux and a better performance in the rental and distribution business of machinery.

▪ The net profit totaled US\$34.4 million, a 15.5% increase compared to June 2017.

▪ In summary, Sigdo Koppers has been recovering mainly because of (1) a better performance in Magotteaux; and (2) an increase in sales in the machinery distribution business in Chile, which were partially offset by (3) a poor performance in the engineering and construction business because of the low yield in the Peruvian operations.

▪ As at June 30st, Sigdo Koppers held assets worth US\$3.57 billion. It also had a good consolidated cash liquidity of US\$298.9 million and a conservative level of debt. The consolidated net financial debt-to-EBITDA ratio was 2.54 (2.63 in December 2017).

HIGHLIGHTS OF SUBSIDIARIES OF SIGDO KOPPERS S.A. – JUNE 2018

The highlights of the subsidiaries of Sigdo Koppers for the first half of 2018 as compared to the same period in 2017 are:

Ingenieria y Construccion SK (ICSK)

■ ICSK worked 8.3 million man-hours (+1%), consistent with the increase in projects awarded. ICSK's pro forma EBITDA indicated a loss of CLP\$3.31 billion, which is a 20% better compared to 2017. This operating loss largely corresponds to the Talara project in Peru. ICSK had a net loss of **CLP\$5.10 billion (US\$-8.3 million)**, an increase of CLP\$2.25 billion compared to June 2017. **The backlog as of June 31, 2018 was US\$627 million**, an increase of US\$58 million compared to March-18.

Puerto Ventanas (PVSA)

■ PVSA transferred a total of 2.8 million tons (-0,2%), the result of a drop in the transfers of coal and acid. **The Consolidated EBITDA of Puerto Ventanas was US\$20 million**, an increase of 0,8%. Less cargo was moved, but that was offset in part by an improvement in Fepasa, its subsidiary. **The Consolidated Net Profit of Puerto Ventanas was US\$8.5 million**, a decrease of 19% compared to June 2017.

Enaex

■ Enaex sold 423,000 tons of explosives (+3%). The rock-blasting service improved in Brazil. So, the **Consolidated EBITDA of Enaex was US\$78 million at June 2018**, a slight decrease of 5% explain by a lower result of the blasting service area in Chile. Its **Net Profit was US\$35.9 million**, a decrease of 6% in comparison to June 2017.

Magotteaux

■ Magotteaux's sales totaled US\$368 million (+11%). Physical sales rose (+5%), mostly in the grinding balls area. **Magotteaux's EBITDA totaled US\$35.4 million at June 2018**, 35% more compared to June 2017. Magotteaux thus earned a **Net Profit of US\$9.8 million**, rising 87% compared to June 2017.

SK Comercial (SKC)

■ SKC earned income of US\$134 million (+10%), driven by machinery sales. Its **EBITDA totaled US\$15.6 million**, a growth of 57% compared to June 2017. **SK Comercial suffered a slight loss of US\$0.5 million** in the first half of 2018, which is evidence of a recovery and better expectations of investment in the Chilean market. The Peruvian market continues to be very contracted.

SK Bergé/SK Inversiones Automotrices (SKIA)

■ SKBergé recorded sales of 45,391 units, a rise of 22% compared to June 2017. This growth came mainly from the increase in sales both in Chile (+28%) and abroad (+14%). Nonetheless, **SKIA earned a Net Profit of CLP\$8.36 billion (US\$14 million)**. The net profit in pesos (CLP) is lower to the net profit in the same period of the previous year as there was a slight drop in SKBergé's margins, and losses due to exchange rate differences (strong devaluation of the Argentine peso).

1. CONSOLIDATED INCOME STATEMENT

Sigdo Koppers Consolidated Income Statement	Figures in ThUS\$		
	Jun-17	Jun-18	Var.
Sales	1.067.705	1.131.033	5,9%
Sales expenses	-846.558	-878.268	-3,7%
Gross income	221.147	252.765	14,3%
Other operating income	12.186	6.757	-44,6%
Distribution costs	-37.201	-38.785	-4,3%
Administrative expenses	-110.543	-112.746	-2,0%
Other operating expenses	-19.327	-24.235	-25,4%
Other gains (losses)	-1.805	-863	52,2%
Operating income	64.457	82.893	28,6%
EBITDA	122.236	140.139	14,6%
<i>% EBITDA Margin</i>	<i>11,4%</i>	<i>12,4%</i>	
Interest income	2.194	2.775	26,5%
Interest expenses	-26.680	-27.017	-1,3%
Related companies income	18.029	13.901	-22,9%
Exchange differentials	-494	-3.240	-555,9%
Price - level restatement	-392	1.648	520,4%
Other income (losses)	-1.805	-863	52,2%
Gain (losses) between book value and fair value (financial assets)	-	-	
Income before taxes	57.114	70.960	24,2%
Income tax	-12.104	-20.507	-69,4%
Income	45.010	50.453	12,1%
Gain (losses) from uncontinued operations	-	-	
Net income	45.010	50.453	12,1%
Income attributable to Sigdo Koppers	29.767	34.377	15,5%
Income attributable to non-controlling interests	15.244	16.076	5,5%

⁽¹⁾EBITDA = Operating Income + Depreciation and Amortization

ANALYSIS OF THE INCOME STATEMENT

Consolidated Revenues

Revenue Business Areas	Figures in ThUS\$			Figures in ThUS\$		
	Jun-17	Jun-18	Var.	2Q17	2Q18	Var.
Services	280.930	274.533	-2,3%	136.136	125.426	-7,9%
Ingeniería y Construcción SK	213.867	199.484	-6,7%	103.713	85.411	-17,6%
Puerto Ventanas	67.063	75.049	11,9%	32.423	40.015	23,4%
Industrial	671.818	731.427	8,9%	348.695	361.581	3,7%
Enaex	339.871	363.396	6,9%	185.225	182.373	-1,5%
Magotteaux ⁽¹⁾	330.506	368.031	11,4%	162.765	179.208	10,1%
SK Inv. Petroquímicas	1.441	-	-100,0%	705	-	-100,0%
Commercial & Automotive	121.938	134.314	10,1%	59.539	67.261	13,0%
SK Comercial	121.938	134.314	10,1%	59.539	67.261	13,0%
SKIA ⁽²⁾	-	-	-	-	-	-
Parent company & adjustment⁽³⁾	-6.981	-9.241	-32,4%	-2.329	-1.349	42,1%
Consolidated Sales	1.067.705	1.131.033	5,9%	542.041	552.919	2,0%

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

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

1H18 vs. 1H17: Consolidated income amounted to US\$1.13 billion, an increase of 6%. Sales rose in all of the group's subsidiaries, particularly in Puerto Ventanas, Magotteaux y SK Comercial.

The main variations in consolidated income accumulated as of the first half of 2018 compared to the same period in the previous year were:

Service Area: Sales totaled US\$274.53 million, a decrease of 2.3% compared to June 2017, by a lower revenue in ICSK partially offset by a higher revenue in Fepasa.

- The revenues of Ingeniería y Construcción Sigdo Koppers (ICSK) fell 13.5% in pesos. The significant income from the projects awarded near the end of 2017 are not yet accounted for, in line with the expected progress in

those projects. ICSK was awarded projects for US\$158 million in the first half of 2018.

- The sales of Puerto Ventanas totaled US\$75.05 million, a rise of 11.9%. There was a combined effect of (1) more cargo carriage by Fepasa (+14.9%), especially in the mining and forestal sector, offset by (2) a drop in port income because cargo transfers declined (-0.9%), specifically coal and acid.

Industrial Area: Sales totaled US\$731.43 million, representing a growth of 9%. The physical sales of both Magotteaux and Enaex rose.

- Enaex's income increased 6.9% compared to the first half of 2017 (1H17), mainly because income improved in Britanite (+10%) and Davey Bickford (+36%), and the physical sales of ammonium nitrate rose.

- The sales of Magotteaux totaled US\$368.03 million, a growth of 11.4% that was largely the product of a rise in the physical sales of grinding balls, especially to mining companies, and of castings to the aggregates sector.

Commercial and Automobile Area: SK Comercial earned income of US\$134.3 million, a rise of 10.1% compared to 1H17. However, income was impacted by the slowdown in the machinery rental business (-7.5%), which has been affected by a drop in investments in Chile and Peru.

Cost of Sales and Costs of Distribution, Administrative and Other Expenses by Function (SGA)

The Cost of Sales increased 3.7% compared to 1H17, in line with the rise in sales. The operating margin was better in Magotteaux and SK Comercial, but was offset by the drop in income in Puerto Ventanas.

Distribution Costs, Administrative and Other Expenses by Function (SGA) totaled US\$175.75 million at June 30, 2018, a rise of US\$8.7 million compared to June 2017, which is consistent with the acceleration. A significant portion of the SGA is in pesos, so the appreciation of the CLP as compared to the USD (-7.3%) has increased the representation of these expenses in dollars.

EBITDA

EBITDA Business Areas	Figures in ThUS\$			Figures in ThUS\$		
	Jun-17	Jun-18	Var.	2Q17	2Q18	Var.
Services	10.425	14.124	35,5%	-2.091	9.247	542,1%
Ingeniería y Construcción SK	-9.504	-5.960	37,3%	-12.098	-3.130	74,1%
Puerto Ventanas	19.929	20.084	0,8%	10.007	12.377	23,7%
Industrial	105.918	113.801	7,4%	57.285	57.224	-0,1%
Enaex	78.921	78.446	-0,6%	45.254	40.405	-10,7%
Magotteaux ⁽¹⁾	26.238	35.375	34,8%	11.668	16.825	44,2%
SK Inv. Petroquímicas	759	-20	-102,6%	363	-6	-101,7%
Commercial & Automotive	9.882	15.553	57,4%	4.558	8.019	75,9%
SK Comercial	9.923	15.594	57,2%	4.580	8.037	75,5%
SKIA ⁽³⁾	-41	-41	0,0%	-22	-18	18,2%
Parent company & adjustment	-3.989	-3.339	16,3%	-701	-1.583	-126,0%
Consolidated EBITDA	122.236	140.139	14,6%	59.051	72.907	23,5%
EBITDA Margin	11,4%	12,4%		10,9%	13,2%	
Consolidated pro-forma EBITDA	140.265	154.063	9,8%	69.146	78.913	14,1%

⁽¹⁾ SK Inversiones Automotrices S.A. (SKIA) does not account for the EBITDA of SKBergé because it owns 40% of its shares and, therefore, it does not consolidate its financial statements.

⁽²⁾ Pro Forma EBITDA = EBITDA + Related Company Profits.

1H18 vs. 1H17: The Consolidated EBITDA of Sigdo Koppers was US\$140.14 million, a rise of 14.6% compared to the previous year. Results were better in the Industrial and Commercial and Automotive Areas. The pro forma Consolidated EBITDA was US\$154.06 million (+9.8%), which includes the profits of unconsolidated companies.

The main variations in EBITDA accumulated as of the first half of 2018 compared to the same period in the previous year were:

Services Area: The EBITDA totaled US\$14.12 million, an increase of 35.5%, explained by a higher operational result in Puerto Ventanas.

- The pro forma EBITDA of ICSK (EBITDA + Related Company Profit), which includes unconsolidated consortiums and associates, showed a loss of CLP\$3.31 billion (equal to US\$-5.41 million), a rise of CLP\$824 million compared to 1H17.

This improvement is mainly explained by a lower comparative base because low levels of income reflected by projects that are in their initial stages of execution.

- The consolidated EBITDA of Puerto Ventanas was US\$20.08 million (+0.8%). There were fewer transfers of coal and acid. Fepasa experienced an increase in operating income because of the increase in physical movements in the mining and container sectors.

Industrial Area: The EBITDA was US\$113.8 million, a rise of 7.4%.

- Enaex's EBITDA totaled US\$78.44 million, a slight drop of 0.6%, by a lower operating margin of blasting services area in Chile.

- Magotteaux's EBITDA was US\$35.38 million as of June 2018, a rise of 34.8% compared to the same period in the

previous year. There was recovery in grindings balls margins and in castings, combined with an increase in the physical sales of grinding balls, mainly to the mining sector.

Commercial and Automobile Area:

- The EBITDA of SK Comercial was US\$15.55 million, an increase of 57.4% compared to 1H17, caused by the combined effect of (1) an improvement in the margins on the machinery rental business, despite being affected by the lower level of activity has achieved a higher average use; (2) an increase in physical sales by the machinery distribution business; and (3) a decrease in SGA expenses (-1.2%).

Non-Operating Income

Financial Income and Costs

Consolidated Financial Income rose 26.5% as of June 2018, to US\$2.78 million. The main reason was an increase in the average cash available as compared to June 2017.

Consolidated Financial Costs amounted to US\$27.02 million, an increase of 1.3% compared to June 2017. This was mainly due to the net effect of higher debt owed by Magotteaux and SK Comercial.

Earnings of Associates and Joint Ventures

Through June 30, 2018, the Share in Earnings of Associates and Joint Ventures totaled US\$13.92 million, dropping 22.8% compared to 1H17. There was a net impact from (1) a decline in the activity of the companies and consortiums not consolidated by ICSK; and (2) a lower result in SKBergé affected by a lower no-operational result. The Chilean peso appreciated 7.3% compared to the U.S. dollar between the two periods being compared, which improved the representation of the income of both companies in dollars (both keep their accounting in Chilean pesos).

The main businesses comprising Earnings of Associates and Joint Ventures are:

- the BSK consortium (of ICSK) (income fell 84.4%, measured in CLP), which completed the EWS Project of Minera Escondida in the first half of 2017;
- SK Inversiones Automotrices (SKIA), which proportionally recognized the net profit of US\$13.8 million (-6.7%) earned by SKBergé.

Exchange Differentials and Income from Indexation Units

The sum of Exchange Differentials and Income from Indexation Units (net) in the first half of 2018 was negative, totaling a net US\$1.59 million, a drop of US\$0.71 million compared to 1H17. There was a loss totaling US\$1.13 million (on a net basis) in Enaex; of US\$1.96 million in Magotteaux; and of US\$0.5 million in SK Comercial, offset by a positive effect in ICSK of US\$2.33 million.

NET PROFIT

Net profit Business Areas	Total Companies Figures in ThUS\$			% SK Jun-18	Attributable to parent company Figures in ThUS\$		
	Jun-17	Jun-18	Var.		Jun-17	Jun-18	Var.
Services	1.969	130	-93,4%		292	-630	-315,8%
Ingeniería y Construcción SK	-8.455	-8.343	1,3%	60,43%	-5.140	-5.045	1,8%
Puerto Ventanas	10.424	8.473	-18,7%	50,01%	5.432	4.415	-18,7%
Industrial	44.033	45.773	4,0%		26.818	28.678	6,9%
Enaex	38.271	35.955	-6,1%	60,72%	23.239	21.832	-6,1%
Magotteaux ⁽¹⁾	5.236	9.774	86,7%	95,00%	3.143	6.808	116,6%
SK Inv. Petroquímicas ⁽²⁾	526	44	-91,6%	74,59%	436	38	-91,3%
Commercial & Automotive	8.691	13.252	52,5%		9.470	13.317	40,6%
SK Comercial	-6.062	-519	91,4%	87,20%	-5.283	-454	91,4%
SKIA	14.753	13.771	-6,7%	99,99%	14.753	13.771	-6,7%
SK companies profit	54.693	59.155	8,2%		36.580	41.365	13,1%
Parent company & adjustments					-6.813	-6.988	
Total consolidated profit					29.767	34.377	15,5%

⁽¹⁾ Magotteaux's figures include income of SK Sabo Chile S.A. The profits attributable to the controller were adjusted in the different companies through which Sigdo Koppers controls Magotteaux.

⁽²⁾ The profit of CHBB was adjusted in SK Inversiones Petroquímicas S.A. through which Sigdo Koppers controlled CHBB.

1H18 vs. 1H17: The net profit of Sigdo Koppers was US\$34.38 million, which is an increase of 15.5% compared to June 2017. The profits in the Industrial and Commercial and Automotive Area rose. Also important to mention is that this result includes the corporate (first category) tax rate of 27% in Chile, a rise from 25.5% in the same period in 2017, which caused income to fall by approximately US\$1.1 million.

The main variations in the Net Profits of subsidiaries accumulated as of the first half of 2018 were, in comparison to the same period in 2017:

Services Area: The net profit of this area decreased 93.4%, to US\$0.13 million:

- The net loss of ICSK was CLP\$5.104 million (US\$8.34 million). There was a combined impact of a lower result since a major share of the projects in progress are just starting; and losses on the Talara project in Peru.

- Puerto Ventanas's net profit was US\$8.47 million, declining 18.7% compared to 1H17. Less coal and acid were transferred in the port business, offset by better results for Fepasa as physical movements increased, specifically in the mining sector.

Industrial Area: The net profit was US\$45.77 million, increasing 4.0% compared to June 2017.

- Enaex earned a net profit of US\$35.96 million, 6.1% lower than in the same period in 2017, mainly by lower operational margin in the Service and Explosives business in Chile.

- The net profit of Magotteaux rose 86.7%, to US\$9.77 million. Operating margins increased for grinding balls and castings, combined with a growth in physical sales, specifically in the sale of grinding balls to the mining sector.

Commercial and Automobile Area: The net profit totaled US\$13.25 million, an increase of 52.5% compared to June 2017.

- SK Comercial recorded a slight loss of US\$0.5 million, US\$6.58 million higher than in June 2017. Sales in the distribution business rose in Chile.
- SK Inversiones Automotrices earned a net profit of US\$13.77 million, 6.7% lower than as of June 2017 (-14% in CLP). Non-operational loss by exchange rate affected mainly the operations in Argentina, by strong Argentine peso devaluation in 2Q18.

2. CONSOLIDATED BALANCE SHEET

Consolidated Balance Sheet	Figures in ThUS\$		
	Dec-17	Jun-18	Var.
Current Assets			
Cash and cash equivalent	310.877	298.864	-3,9%
Account and sales receivables	503.319	481.025	-4,4%
Inventories	353.588	353.645	0,0%
Other current assets	31.997	26.317	-17,8%
Total current assets	1.199.781	1.159.851	-3,3%
Long-term assets			
Property, plants & equipment	1.185.268	1.193.934	0,7%
Other long-term assets	1.228.720	1.212.096	-1,4%
Total long-term assets	2.413.988	2.406.030	-0,3%
Total assets	3.613.769	3.565.881	-1,3%
Current liabilities			
Short-term financial debt	245.781	224.334	-8,7%
Accounts payable	338.496	325.057	-4,0%
Other current liabilities	163.192	158.728	-2,7%
Total current liabilities	747.469	708.119	-5,3%
Long-term liabilities			
Long-term financial debt	815.669	846.319	3,8%
Other long-term liabilities	301.878	295.329	-2,2%
Total long-term liabilities	1.117.547	1.141.648	2,2%
Total liabilities	1.865.016	1.849.767	-0,8%
Equity			
Attributable to the controller	1.320.131	1.298.167	-1,7%
Attributable to non-controlling interests	428.622	417.947	-2,5%
Total equity	1.748.753	1.716.114	-1,9%
Total liabilities and equity	3.613.769	3.565.881	-1,3%

Analysis of the Consolidated Statement of Financial Position

The main variations in the Consolidated Classified Balance Sheet of Sigdo Koppers as of the first half of 2018 in comparison to the close of 2017 were:

Consolidated Assets of Sigdo Koppers:

Sigdo Koppers' consolidated assets totaled close to US\$3.57 billion, a decrease of US\$47.89 million compared to the close of 2017. Highlights are:

- Sigdo Koppers reported consolidated cash of US\$298.86 million (Cash and Cash Equivalent), a decrease of US\$12.01 million compared to December 2017. Notable are the cash levels in Enaex (US\$129.62 million) and Magotteaux (US\$39.92 million). The parent company held US\$102.88 million in cash (including SK Inv. Automotrices S.A. and SK Internacional S.A.).
- Accounts receivable totaled US\$481.03 million, a decrease of US\$22.94 million. The average number of days of receivables was 77, 6 days less than at the close of 2017. The subsidiaries with the highest receivables were Ingenieria y Construccion SK (US\$97.87 million; -4.3%), Enaex (US\$174.95 million; -5.2%) and Magotteaux (US\$103.65 million; +1.7%).
- The consolidated inventories show a similar level compared to December 2017. Inventories fell by US\$28.09 million in ICSK, which was partially offset by an increase of US\$23.11 million in Enaex and US\$8.71 million in SK Comercial. The average number of days of consolidated inventory of Sigdo Koppers therefore totaled 74 days as of the first half of 2018, slightly below the level in December 2017.
- Consolidated Property, Plant and Equipment totaled close to US\$1.2 billion, an increase of US\$8.67 million, mainly because of the new investments by Enaex, who acquired a nitrate ammonium producer plant in Peru (Cachimayo) by US\$15.2 million. The Sigdo Koppers' subsidiaries with the highest level of property, plant and equipment are Enaex (US\$509.99 million), Magotteaux (US\$240.72 million), Puerto Ventanas (US\$252.41 million), and SK Comercial (US\$139.81 million).

Consolidated Liabilities and Equity

As at June 31, 2018, Sigdo Koppers' Total Liabilities amounted to US\$1.8 billion, a drop of US\$15.16 million compared to December 2017. The main reasons were:

- Accounts Payable totaled US\$325.06 million, which represents a decrease of US\$13.44 million compared to the close of 2017. The average number of days in Accounts Payable was 68, a slight decrease compared to December 2017. Subsidiaries with the highest accounts payable are Enaex, with US\$81.35 million (-12.6%); Magotteaux, with US\$123.57 million (-3.4%); and SK Comercial, with US\$61.91 million (+9.0%).
- Consolidated Financial Liabilities amounted to close to US\$1.07 billion, an increase of US\$9.2 million. The debt of ICSK increased by US\$7.39 million and of SK Comercial by US\$12.38 million and lower debt level in Puerto Ventanas by US\$4.1 million. On a parent company level, Financial Liabilities totaled US\$228.21 million, in the form of corporate bonds for UF 4.1 million and a bank loan for US\$50.0 million. To hedge its UF debt compared to the U.S. dollar, the parent company holds cross-currency swaps equal to UF 3.7 million.
- The Total Consolidated Equity of Sigdo Koppers was US\$1.72 billion, a decrease of 1.9%.

Main Liquidity and Debt Ratios as at June 31, 2018 and December 31, 2017

Liquidity Ratios	Unit	Dec-17	Jun-18
Current Liquidity ⁽¹⁾	times	1,61	1,64
Acid-Test Ratio ⁽²⁾	times	1,09	1,10
Working Capital ⁽³⁾	ThUS\$	518.411	509.613

⁽¹⁾ Current Liquidity = Current Assets/Current Liabilities

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

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

■ The consolidated current liquidity ratio was 1.64 times and the acid-test ratio was 1.10 times at June 30, 2018, slightly higher than at the close of 2017. These indicators show that Sigdo Koppers has a good liquidity position on a consolidated basis, partially because it holds short-term fixed-income financial instruments. Consolidated working capital declined by US\$8.80 million compared to the close of 2017. So, the average number of days of working capital was 82, a decrease with respect to December 2017. There was a drop in the working capital of ICSK due to a decrease in the receivables days.

Debt Ratios	Unit	Dec-17	Jun-18
Leverage ⁽¹⁾	times	1,07	1,08
Financial expenses coverage ⁽²⁾	times	5,32	5,62
Net financial debt / EBITDA	times	2,63	2,54
Net financial leverage ⁽³⁾	times	0,42	0,44

⁽¹⁾ Debt Ratio = Total Liabilities / Total Equity

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

⁽³⁾ EBITDA + Share in earnings of unconsolidated consortiums and subsidiaries.

⁽⁴⁾ One of the SK Corporate Bond Covenants requires that net financial leverage be less than 1.2.

■ The Net Financial Debt-to-EBITDA ratio was 2.54 as of June 30, 2018, an increase compared to December 2017, mainly by a higher EBITDA level. Sigdo Koppers' debt indicators show an all-around adequate financial position, with an ample cushion to meet its short and long-term obligations.

■ The debt ratio (leverage) was 1.08 at June 30, 2018, similar to December 2017. Net financial leverage (covenants for corporate bonds) was 0.44 at June 30, 2018, reflecting a sufficient cushion to meet the covenant of 1.2.

3. CONSOLIDATED CASH FLOW

Consolidated Cash Flow	Figures in ThUS\$		
	Jun-17	Jun-18	Var.
Operating cash flow	95.289	74.516	-21,8%
Investment cash flow	-39.083	-42.892	-9,7%
Capex	-48.915	-59.835	-22,3%
Fixed assets sales	12.787	29.027	127,0%
Other	-2.955	-12.084	-308,9%
Finance cash flow	-87.013	-42.056	51,7%
Net variation in financial liabilities	-30.572	17.906	159%
Interest	-18.293	-19.770	-8,1%
Dividends	-39.761	-43.649	-9,8%
Capital increased	131	0	0,0%
Other	1.482	3.457	133,3%
Total net cash flow	-30.807	-10.432	66,1%
Effect of exchange rate changes	2.764	-4.244	-253,5%
Cash and cash equivalent	253.352	273.394	7,9%

The consolidated **Operating Flow** of Sigdo Koppers was US\$74.52 million as at June 30, 2018, a decrease of 21.8% compared to 1H17. The operating flow of Enaex was very good (US\$55.09 million).

The consolidated **Investment Flow** was US\$-42.89 million in the first half of 2018. The investment in fixed assets (Capex) reached US\$59.84 million, mainly by Enaex (US\$23.93 million) and Magotteaux (US\$13.0 million) investment, mainly associated by Maintenance Capex. The Capex of SKC totaled US\$9.94 million. When the sales of used machinery in the rental business are added (included in the operating flow), SKC's net Capex indicates a divestment of US\$1.2 million (downsizing of SK Rental's fleet).

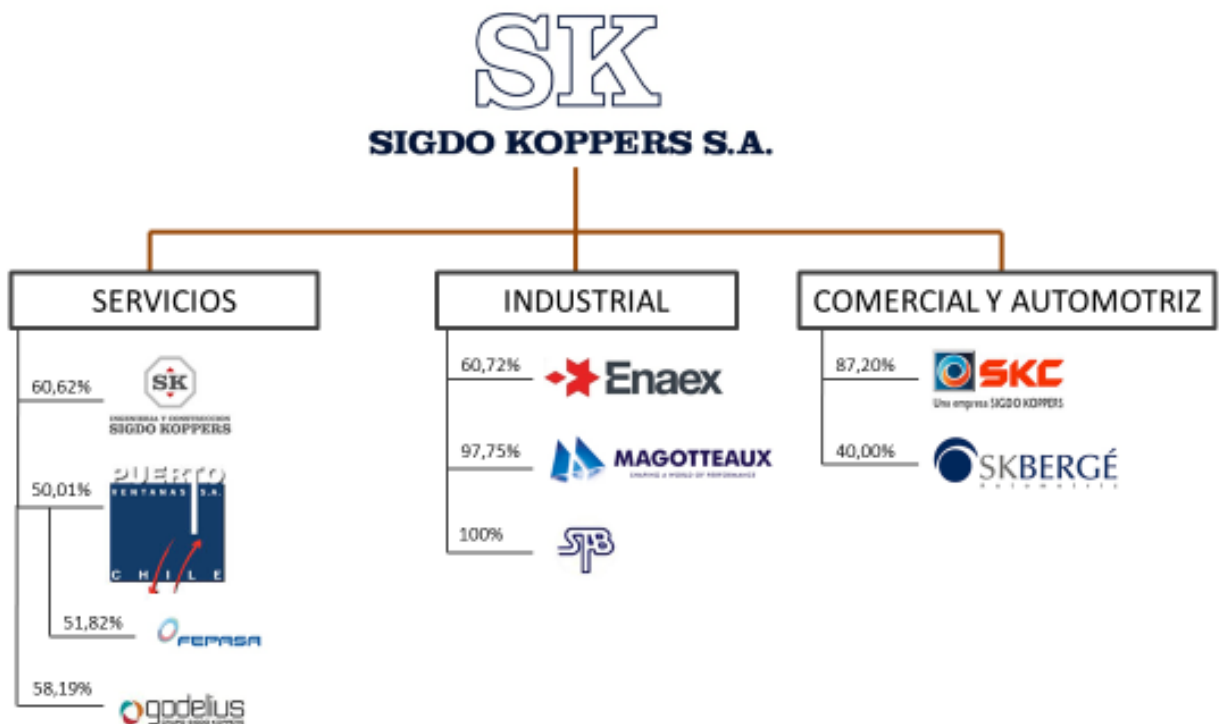
Finally, as at June 30, 2018, the **Finance Flow** was US\$-42.06 million. In particular, the net variation in financial liabilities was US\$17.91 million, including the corporate bonds, due to the combined effect of (1) an increase in the financial

liabilities of Enaex (US\$4.50 million), ICSK (US\$7.39 million) and SKC (US\$12.38 million); and (2) the payment by Enaex and SK Comercial of financial liabilities. The parent company amortized bonds for a total of US\$3.77 million.

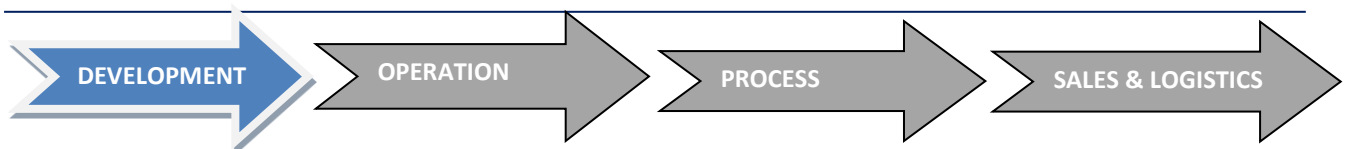
4. RESULTS BY COMPANY

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 Automotive areas** through its subsidiaries and affiliates. It participates in the **Services Area** through Ingenieria y Construccion Sigdo Koppers S.A., Puerto Ventanas S.A. and this latter’s subsidiary Fepasa S.A., and SK Godelius. It is present in the **Industrial Area** through Enaex S.A., Magotteaux Group S.A., SK Sabo Chile S.A. and Compañía de Hidrógeno del Bío Bío S.A. It engages in the **Commercial and Automotive Area** through SK Comercial S.A. (SKC) and SKBergé S.A. This latter company is a strategic venture with the Bergé Group from Spain.



Note: Simplified corporate structure at June 31, 2018.



4.1 Ingeniería y Construcción Sigdo Koppers Group S.A.

Ingeniería y Construcción Sigdo Koppers	Jun-17 MM\$	Jun-18 MM\$	Var. %	2Q17 MM\$	2Q18 MM\$	Var. %
Revenue	141.071	122.030	-13,5%	68.909	53.386	-22,5%
EBITDA	-6.269	-3.646	41,8%	-7.967	-1.941	75,6%
<i>EBITDA Margin</i>	<i>-4,4%</i>	<i>-3,0%</i>		<i>-11,6%</i>	<i>-3,6%</i>	
Pro-Forma EBITDA(*)	-4.138	-3.314	19,9%	-7.967	-1.941	75,6%
<i>Pro-Forma EBITDA Margin</i>	<i>-2,9%</i>	<i>-2,7%</i>		<i>-11,6%</i>	<i>-3,6%</i>	
Controller's net profit	-5.623	-5.104	9,2%	-5.667	-2.894	48,9%

	Horas (Miles)	Horas (Miles)	Var.	Horas (Miles)	Horas (Miles)	Var.
Total man-hours executed	8.185	8.268	1,0%	4.398	3.402	-22,6%

(*) Pro Forma EBITDA: EBITDA + Related Company Profit

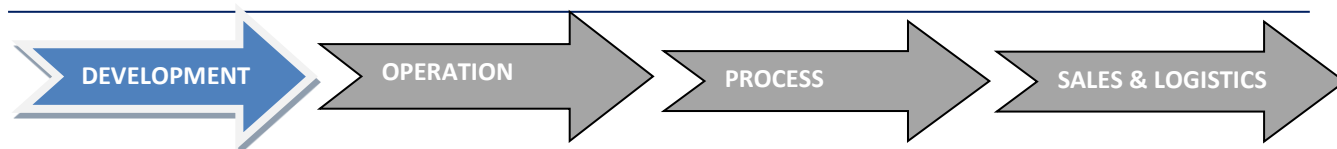
Ingeniería y Construcción Sigdo Koppers Group S.A. (ICSK) is a leader in the execution of construction projects, engineering and the industrial assembly of medium- and large-scale projects. Its prestige is sound both in Chile and abroad. ICSK develops industrial projects, such as Mining and Metallurgy,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

- As at June 30, 2018, ICSK and the consortiums of which it is a member had worked a total of **8.27 million man-hours**, a slight increase of 1.0% compared to the previous year. The main projects implemented in the first half of 2018 were (1) the improvement to the grinding balls at Collahuasi; (2) the civil works and assembly of the main conveyance system in Codelco's Chuquicamata Underground Mine; (3) the construction of power lines in Brazil in a consortium with Alumini and Fujian; and (4) Codelco's Andina Transfer Project.
- ICSK's consolidated income totaled CLP\$122.03 billion (US\$199 million)**, a decrease of 13.5% compared to the same period in 2017. The significant income from the projects awarded at the end of 2017 has not yet begun to be recorded as the projects are still in the initial phase.
- ICSK's consolidated EBITDA was -CLP\$3.64 billion** in the first half of 2018, a decrease of CLP\$2.62 billion. The Pro

Forma EBITDA (EBITDA + Related Company Profit), which includes the share in earnings of unconsolidated consortiums and associates, was -CLP\$3.31 billion, an increase of CLP\$824 million. This is from the combined effect of (1) less income being earned in the main projects because they are just beginning; and (2) the losses reported by SSK in Peru because of the slowdown and losses on the Talara project.

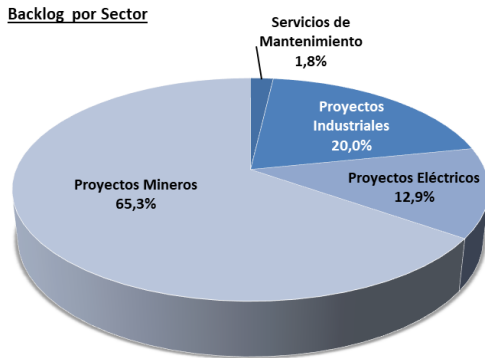
- ICSK's **net loss** was CLP\$-5.10 billion at June 30, 2018. This meant an increase of CLP\$520 million compared to the previous year. The result as of June 17 has a higher basis of comparison due to the recognition of positive deferred taxes recorded as of June 17.
- At June 30, 2018, ICSK had a backlog of US\$627 million**, which should be built mostly between 2018 and 2020. This figure represents an increase of 11.7% compared to the backlog as of March 2018 as projects worth US\$107 million were awarded, projects worth US\$76.53 million are being implemented, and the Chilean peso depreciated against the U.S. dollar (impact of US\$-41.55 million).

Some of the major projects awarded in the first half of 2018 are the Dataluna datacenter, Project pulpa textile Valdivia Plant (Arauco), the Cervecerias Chile expansion project, new power transmission lines in Brazil (in a joint venture with the

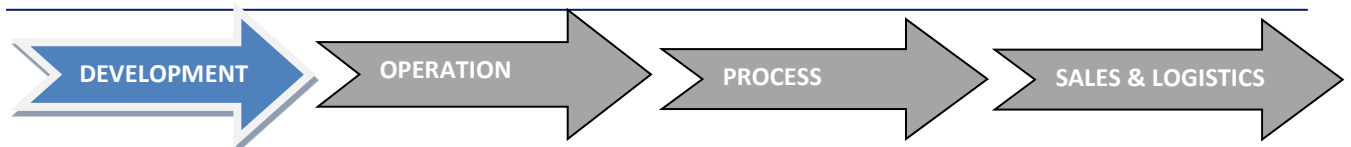
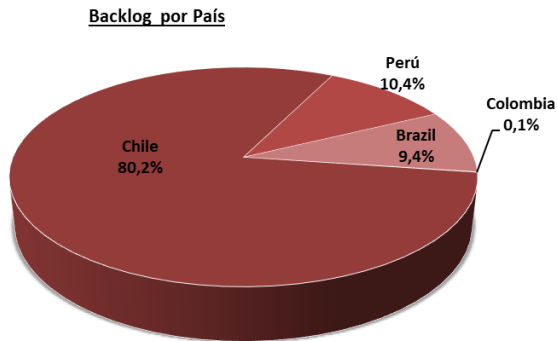


Alumini and Fujian consortium), Improvements in evaporators Constitución Plant (Arauco), Project underwater lines Oxiquim, and the Ojos del Salado mine maintenance project.

Backlog by Sector



Backlog by Country



4.2 Puerto Ventanas S.A.

Puerto Ventanas Consolidated	Jun-17	Jun-18	Var.	2Q17	2Q18	Var.
	ThUS\$	ThUS\$	%	ThUS\$	ThUS\$	%
Revenue	67.063	75.049	11,9%	32.423	40.015	23,4%
EBITDA	19.929	20.084	0,8%	10.007	12.377	23,7%
<i>EBITDA Margin</i>	<i>29,7%</i>	<i>26,8%</i>		<i>30,9%</i>	<i>30,9%</i>	
Controller's net profit	10.424	8.473	-18,7%	4.966	5.422	9,2%
PVSA - Tons transferred	2.755.403	2.750.711	-0,2%	1.284.712	1.601.408	24,7%
Fepasa - Th Ton-Km	477.779	548.905	14,9%	234.183	286.847	22,5%

The business of Puerto Ventanas 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 engages in the cargo transportation industry in Chile through its subsidiary Ferrocarril del Pacífico S.A. (Fepasa).

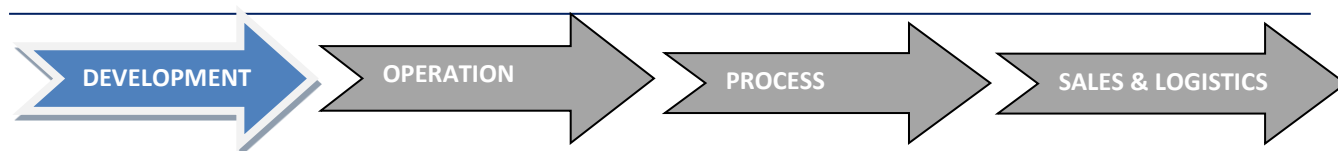
- **Puerto Ventanas transferred 2,750,711 tons** in the first half of 2018, a slight decrease of 0.2% compared to 2017. There were fewer transfers of coal and acid.

Puerto Ventanas	Figures in Tons		
	Jun-17	Jun-18	Var.
Coal	1.268.538	1.173.675	-7,5%
Concentrate	880.495	896.986	1,9%
Acids	0	21.716	-
Grains	150.268	112.005	-25,5%
Clinker - Slag - Bauxita	129.580	146.361	13,0%
Petcoke	222.991	243.501	9,2%
Asphalt	35.443	76.141	114,8%
General cargo	31.641	24.473	-22,7%
Fuels		0	
Total	2.718.956	2.694.858	194,8%

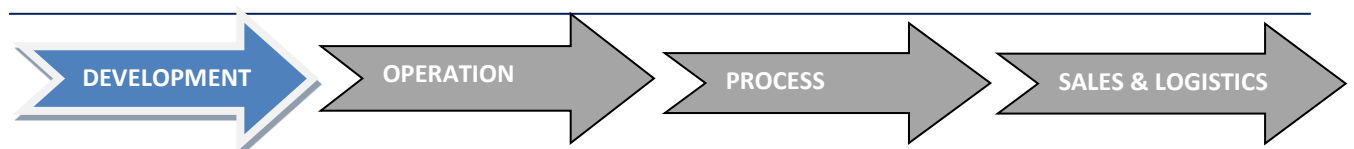
- Revenues from the Port Business totaled US\$30.78 million, 5.7% below what was reported for the previous year and consistent with the decrease in cargo transfers. Puerto Ventanas continued to be a leader in bulk transfers in the central zone of Chile, holding a market share of 53.4% in solid bulk as of the first half of 2018.

Fepasa	Figures in Th- Ton-Km		
	Jun-17	Jun-18	Var.
Pulp	244.952	269.602	10,1%
Mining	143.476	195.453	36,2%
Solid waste	48.703	49.578	1,8%
Grain	27.378	13.402	-51,0%
Industrial	526	78	-85,2%
Containers	12.743	20.793	63,2%
Total	477.779	548.905	14,9%

- **Fepasa** carried a total of 548.91 million tons-kilometer of cargo in the first half of 2018, a 14.9% increase compared to 2017. Mining cargo climbed 36.2% compared to June 2017, mainly because the contract to carry copper concentrate from the Las Tortolas plant (AngloAmerican) entered into effect and more copper concentrate was carried from Codelco's Andina Division. In contrast, industrial cargo carriage declined 85.2% and bulk cargo carriage 51.0% after certain unprofitable contracts were terminated due to the collapse of the Tolten bridge.
- At June 30, 2018, the **Consolidated EBITDA of Puerto Ventanas was US\$20.08 million**, a slight increase of 0.8% compared to the same period in 2017. This reflects the rise in the operating income of Fepasa.
- Fepasa's cumulative EBITDA was CLP\$4.17 billion (US\$6.82 million), a growth of 74.7% compared to 1H17, the result of an increase in cargo transfers and a significant drop in selling and administrative expenses.



- So, at June 30, 2018, the **Consolidated Net Profit of Puerto Ventanas was US\$8.47 million**, a decrease of 18.7% compared to 2017. This decline was due to the decrease in Puerto Ventanas' profits because of the drop in cargo transfers and the improved profit in Fepasa as a result of the increase in income and reduction in operating and SGA expenses.



4.3 Enaex S.A.

Enaex	Jun-17	Jun-18	Var.	2Q17	2Q18	Var.
	ThUS\$	ThUS\$	%	ThUS\$	ThUS\$	%
Revenue	339.871	363.396	6,9%	185.225	182.373	-1,5%
EBITDA	78.921	78.446	-0,6%	45.254	40.405	-10,7%
<i>EBITDA Margin</i>	<i>23,2%</i>	<i>21,6%</i>		<i>24,4%</i>	<i>22,2%</i>	
Controller's net profit	38.271	35.955	-6,1%	22.209	18.401	-17,1%

Enaex is the leader in Latin America in the production of ammonium nitrate and mining explosives, and it is a major integral rock-breaking service provider. It has commercial operations in the top mining markets in the world (Latin America, North America, Australasia). It has an ammonium nitrate plant in Mejillones capable of producing 850 thousand tons annually, which is one of the major complexes that produce this input worldwide. Through its subsidiary Davey Bickford (DB), it manufactures detonators and electronic blasting systems.

Enaex	Figures in Tons		
	Jun-17	Jun-18	%
High Explosives	6.661	5.513	-17,2%
A.N. Export	89.288	80.933	-9,4%
A.N. National	266.839	280.227	5,0%
Britanite	46.420	55.934	
Total	409.208	422.607	3,3%
Avg. NH3 Price (US\$/Ton)	303	298	-1,7%

Physical sales totaled 422,61 tons, a growth of 3.3% compared to 1H17. This improvement was due to the rise in the sale of ammonium nitrate on the local market (13.39 Ktons). Blasting service sales in Chile decreased 4.1% compared to 1H17. The increase in Britanite's sales (+9.5 Ktons compared to 1H17) was the result of new operations in the mining sector in Brazil.

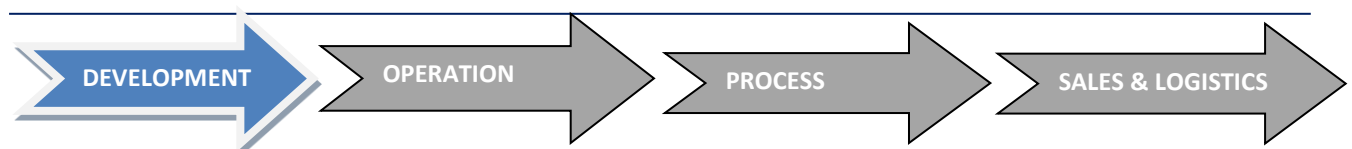
Enaex earned income of US\$363.40 million, a rise of 6.9% compared to 1H17. The growth came mostly from Britanite and Davey Bickford, which contributed income of US\$58.88 million (+10%) and US\$55.65.01 million (+36%), respectively, in the first half of 2018.

At June 30, 2018, copper production in Chile totaled 2.1 million tons, a decrease of 0.2% compared to the same period in 2017. Peru produced 0.9 million tons, a slight rise of 1.4% compared to 2017.

The consolidated EBITDA of Enaex was US\$78.45 million as of the first half of 2018, a slight decrease of 0.6%. Mainly, (1) a small operating margin of the rock fragmentation services business in Chile, partially offset by (2) an increase in Britanite's and Davey Bickford's results.

On a non-operating level, there was a loss of US\$6.1 million at June 30, 2018, a better result of 6.1% compared to June 2017. Of particular note are the increased losses from exchange differentials.

Therefore, at June 30, 2018, Enaex recorded a net profit of US\$35.96 million, which represents a drop of 6.1% compared to 1H17.



4.4 Magotteaux Group S.A.

Magotteaux Group	Jun-17	Jun-18	Var.	2Q17	2Q18	Var.
	MUS\$	MUS\$	%	MUS\$	MUS\$	%
Revenue	330.506	368.031	11,4%	162.765	179.208	10,1%
EBITDA	26.238	35.375	34,8%	11.668	16.825	44,2%
<i>EBITDA Margin</i>	<i>7,9%</i>	<i>9,6%</i>		<i>7,2%</i>	<i>9,4%</i>	
Controller's net profit	5.236	9.774	86,7%	1.508	4.365	189,6%

Magotteaux Group S.A. is a Belgian company that is the world leader in the production and sale of high-chromium wear products (an alloy of cast metal and ferrochromium). The main products that it manufactures are high-chromium grinding balls and castings. The most important markets where the Magotteaux products are sold are the mining industry and the cement industry.

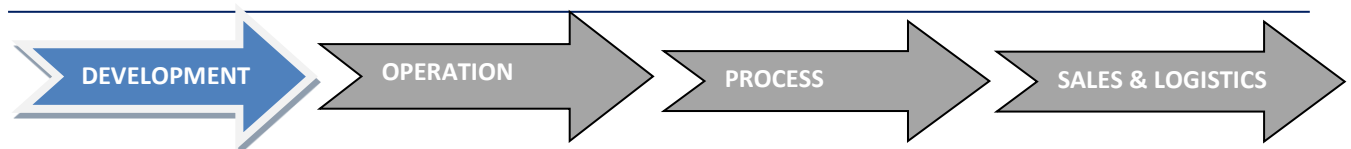
Magotteaux Group	Jun-17	Jun-18	Var. %
Grinding Media	158.312	166.934	5,4%
Casting	25.887	26.228	1,3%
Total	184.200	193.163	4,9%

As of the first half of 2018, physical sales totaled 193,163 tons, an increase of 4.9% compared to June 2017. The physical sales of grinding balls (GM) grew 5.4%, mainly in cast steel balls. The physical sales of castings (steel wear parts) increased 1.3%, product of higher sales in the Aggregates sector.

As of the first half of 2018, **Magotteaux's consolidated income totaled US\$368.03 million**, an increase of 11.4% compared to 2017. This recovery came mainly from (1) an increase in the sale price for GM and castings, in line with the costs of raw materials; (2) higher physical sales in the grinding balls business, mainly to mining companies; and (3) more physical sales of castings to the aggregates sector.

Magotteaux's EBITDA amounted to US\$35.38 million as of June 2018, a 34.8% increase compared to June 2017. The reason was the recovery in margins on both grinding balls and castings.

The company earned a net profit of US\$9.77 million as at June 30, 2018, which constitutes an increase of 86.7% compared to the same period in 2017.

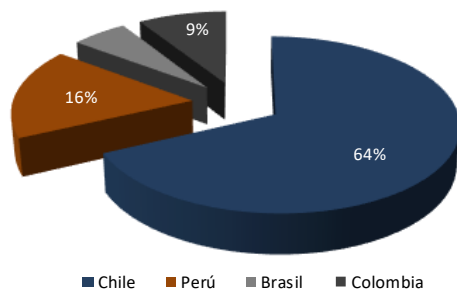


4.5 SK Comercial S.A.

SK Comercial	Jun-17	Jun-18	Var.	2Q17	2Q18	Var.
	ThUS\$	ThUS\$	%	ThUS\$	ThUS\$	%
Revenue	121.938	134.314	10,1%	59.539	67.261	13,0%
<i>Distribution Business</i>	76.970	97.815	27,1%	38.029	48.722	28,1%
<i>Rental Business</i>	52.267	48.344	-7,5%	22.620	24.288	7,4%
<i>Consolidation adjust</i>	-7.299	-11.845	0,0%	-1.110	-5.749	0,0%
EBITDA	9.923	15.594	57,2%	4.580	8.037	75,5%
<i>EBITDA Margin</i>	8,1%	11,6%		7,7%	11,9%	
Controller's net profit	-6.062	-519	91,4%	-3.321	-419	87,4%

SK Comercial S.A. ("SK Comercial" or "SKC") engages in the representation, import, distribution and rental of machinery and equipment. SKC is present on the Chilean, Peruvian, Brazilian and Colombian markets. It represents prestigious world brands such as Toyota, Volvo, Manitou, Iveco, New Holland, Bridgestone, Firestone, Kenworth and DAF, with which it has been a consistent leader on its markets.

Distribution of the SK Rental Fleet by Country (US\$)



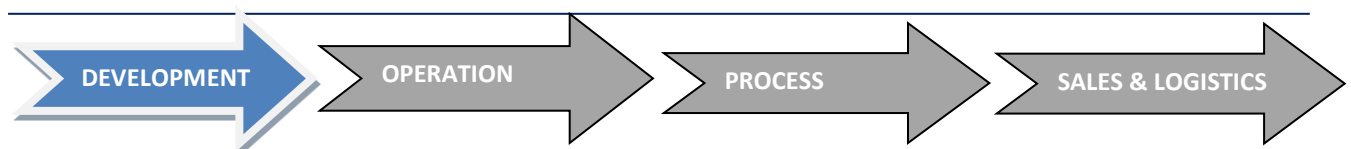
■ **1,158 units were sold in the machinery distribution business**, an increase of 37.4% compared to 2017. In terms of the value of sales, the machinery distribution business increased by 27.1%, consistent with the increase in sales and better economic outlook for Chile. The machinery rental

business maintained a fleet similar to that of December 2017 (US\$152 million), but sales dropped 7.5% because of the major contraction in business and investment in the Peruvian economy in recent years.

■ As of June 2018, **SK Comercial's consolidated income totaled US\$134.31 million**, an increase of 10.1% compared to June 2017. Sales in the machinery distribution business rose.

■ **The consolidated EBITDA of SK Comercial was US\$15.59 million** as of the first half of 2018, an improvement of 57.2% compared to 1H17. The EBITDA margin was 11.6%, the combination of: (1) the better margins in the rental business despite the lower activity level; (2) the increase in physical sales and margins in the machinery distribution business in Chile; and (3) the positive impact of the 1.2% decrease in SGA expenses.

■ As of the first half of 2018, **SK Comercial had a loss of US\$0.5 million**, an improvement of US\$5.54 million compared to June 2017. This recovery came from the better margins on the distribution businesses in Chile.



4.6 SK Inversiones Automotrices S.A.

SK Inversiones Automotrices	Jun-17 MM\$	Jun-18 MM\$	Var. %	2Q17 MM\$	2Q18 MM\$	Var. %
Controller's net profit	9.724	8.348	-14,1%	4.659	3.303	-29,1%

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, therefore, consolidate SKBergé's financial statements. Consequently, SKBergé S.A.'s net profit is recognized as a Share in the Earnings of Associates and Joint Ventures.

- SKBergé S.A. has a presence in Chile, Peru, Argentina and Colombia. In Chile it represents Chrysler, Jeep, Dodge, Fiat, Ferrari, Alfa Romeo, Infiniti, Mitsubishi Motors, Maserati, MG, SsangYong, Tata and Chery. In Peru it represents Kia, Peugeot, Chery, MG, Fuso and Mitsubishi Motors. In Colombia, it handles the Chrysler, Dodge, Jeep, Volvo and Peugeot makes. Finally, it represents Kia in Argentina. SKBergé also engages in the vehicle financing business through its indirect interest in Santander Consumer Finance Chile and Santander Consumer Finance Peru.

- As at June 30, 2018, SK Bergé had sold 45,391 units, an increase of 22% compared to June 2017. The units sold in Chile in particular totaled 25,791, a climb of 27.8% compared to 2017. In Chile, the sale of Mitsubishi vehicles rose 15% (in units), Chrysler (+72%), Ssangyong (+23%), MG (+43%), Infinity (+40%) y Chery (+27%). Sales abroad totaled 19,600 units, a rise of 14% compared to the previous year. Of note for makes distributed abroad is the growth in Peugeot Peru (+209%), Peugeot Colombia (+51%) and Chrysler Colombia (+174%).

- Despite the increase in sales, **SKIA recorded income for CLP\$8.35 billion** (-14%). This lower result is explained by a scenario of normalized margins and product of an accounting loss due to exchange rate differences, due to the strong devaluation of the Argentine peso.

- The National Automobile Association of Chile (ANAC) expects around 420,000 units to be sold in 2018 (+16%). The main sources of SKBergé's growth will be an organic growth on the markets where it does business (mainly foreign countries).

