

Costanera Norte

Annual Report

2012



Costanera Norte

Annual Report 2012

This Annual Report is also available for the iPad on the AppStore, and as a PDF file. Please visit the following page to download the files:

<http://www.costaneranorte.cl/memorias>





Contents

1	LETTER FROM THE CHAIRMAN OF THE BOARD	110
2	DESCRIPTION OF THE COMPANY	112
3	OWNERSHIP OF THE COMPANY	114
4	MANAGEMENT AND HUMAN RESOURCES	116
5	DESCRIPTION OF THE SECTOR / ACTIVITIES AND BUSINESSES OF THE COMPANY	118
	Corporate Purpose of the Company	119
	Historical Review	119
	Financing	120
	Facts of the Project	124
	Commissioning of the Works	126
	Santiago Centro – Oriente Program	126
	Rates	128
	Suppliers	130
	Insurance	131
6	OPERATION AND CONSERVATION OF THE WORKS	132
	Number of Transits in the East - West System	133
	Maintenance and Road Improvement Works in the Highway	134
	User Attention and Services	136
	Road Safety	136
	Billing and Collections	139
	User Services	142
	TAG Distribution	146
	Arauco Tag	149
	Environmental Management	149
	Dividends Policy	154
	Distributable Profits	154
	Information Regarding Subsidiaries and Associates	154
7	RELEVANT EVENTS IN YEAR 2012	156
8	OTHER INFORMATION	158
9	FINANCIAL STATEMENTS FOR YEAR 2012	161



To the Shareholders:

It is my pleasure to present to all shareholders the annual report of the Company corresponding to the year ended December 31, 2012, with the information of the Financial Statements, in which is shown that the results and indicators are in line with the forecasts.

The excellent economic and financial conditions of Chile, have caused, especially in the city of Santiago, a significant and sensitive increase of motorized vehicles which leads to the needs of improving and extending the road infrastructure of the country. Within this context, and as of 2009, the Company started working with the Ministry of Public Works on the Program Santiago Centro Oriente [Downtown and East Santiago], whose main goal is to provide a comprehensive road solution for the area Downtown and East Santiago; and, in the specific case of Costanera Norte, improve the quality of connectivity of it with other highways and with the rest of the downtown and eastern area of the city. Finally, in this framework, the Ministry of Public Works instructed the Company, in the last quarter of 2012, to start with the construction of the first three works called "Stage 1", significantly relevant for the city of Santiago, which will allow facing the main congestion points presented at current by Costanera Norte.

Included in the above, is the improvement of the current existing connectivity between Costanera Norte and Autopista Central, which will allow an express connection through a tunnel, increasing the capacity, standard and security of it, in direct benefit of the users circulating on the highway, from the Eastern part of town towards Autopista Central in order to travel towards the south of the country.

Likewise, the Company expects that during this year, the Ministry of Public Works will instruct the Company the building of the works included in Stage 2 of the mentioned program Santiago Centro-Oriente, which will also have a positive impact on the inhabitants of this city.

Among these, we highlight the improvement of the link Lo Saldes - Rotonda Pérez Zujovic, which will turn into an express connectivity between Costanera Norte and Kennedy, which will allow extending the capacity of vehicles, which will be able to circulate in a faster and more secure manner. The above will be achieved through a series of works that will modify the area, including the current Rotonda Pérez Zujovic.

On the other hand, we believe it is important to highlight also, within the same instruction, the work that will be entrusted by the Ministry of Public Works to the Company consisting in the elaboration and development of the study called "PID Parque La Unión", which pretends joining the districts of Vitacura and Las Condes, through the construction of a park, which without doubt will become a new green lung for Santiago, which will serve as a gathering area for its inhabitants, for the development of sport and leisure activities, in general.

Chile is growing, its infrastructure is becoming insufficient and its economy shows strong signs of stability. These are elements that allow us indicating that opportunities are being created for the concessions industry towards a scenario of a new expansion in the country. One of the actors will be the group Costanera (to which our Company belongs) that has consolidated itself as one of the most relevant and it has currently an excellent position to take advantage to the favorable outlook presented for the industry. In this sense, we expect that the Ministry of Public Works, develops large scale projects, which respond to the growing infrastructure needs, which will constitute a vital platform for the development and economic growth of the country.

In such a positive and favorable scenario, I invite you to analyze the contents of this annual report and its attached documents, expecting these comply with the delivery of the necessary information for the appropriate understanding of the Company's operations.

Finally, I would like to use this opportunity to thank the effort shown by the entire team working at Costanera Norte, which has assisted in achieving the established goals and which allow showing the results obtained by the Company during 2012. Also, we would like to express our gratitude to all shareholders who have granted their trust and support on the Board of Directors that I chair, all factors that in aggregate have allowed that the State of Chile has entrusted to us the study and construction of works that are so significant for the development of its capital city, Santiago, consolidating even more Costanera Norte as one of the most important highways.



Roberto Mengucci
Chairman of the Board

② Description of the Company



NAME

Sociedad Concesionaria Costanera Norte S.A.

TAX ID N°

76.496.130-7

REGISTERED ADDRESS

General Prieto N° 1430, Independencia District, Santiago. Nevertheless, agencies or branches may also register other addresses in other locations of the Country or abroad.

DURATION

The duration of the Company is indefinite, but in no case will it be terminated before two years as from the termination date of the Concesión Sistema Oriente Poniente.

CORPORATE PURPOSE

The purpose of the Company is the execution, repair, conservation, maintenance, exploitation and operation of the State's public work called "Concesión Internacional Sistema Oriente-Poniente", through its concessions system, as well as the rendering and exploitation of the services agreed upon in the concession contract, intended to develop said work and all the activities necessary for the proper execution of the project.

LEGAL CONSTITUTION

"Sociedad Concesionaria Costanera Norte S.A." formerly "Sociedad Concesionaria Nueva Costanera Norte S.A." was incorporated on March 21st, 2006 through a public deed in the Notary Office of Santiago of Mrs. María Gloria Acharán Toledo; its extract was registered under page 11m626 number 7,885, in the Commerce Registrar of Santiago of the year 2006, and published in the Official Gazette dated March 27th of the same year.

According to its by-laws, the capital of the Company is fifty one thousand million Chilean pesos divided into fifty one thousand ordinary, nominative, single series and no par value shares. Currently, the capital is fully subscribed and paid in.

"Sociedad Concesionaria Costanera Norte S.A.", formerly "Sociedad Concesionaria Nueva Costanera S.A." is the legal successor of the earlier "Sociedad Concesionaria Costanera Norte S.A." in all its rights and obligations, including all those related to the construction, operation and maintenance of the public work concession called "Sistema Oriente – Poniente" after the dissolution of the earlier company under the terms of article 103 Number 2 of Law 18,046 (Chilean law governing corporations).

MODIFICATIONS

At the Extraordinary Shareholders Meeting held on June 21st, 2006, it was agreed to change the corporate name of "Sociedad Concesionaria Nueva Costanera S.A." to the name "Sociedad Concesionaria Costanera Norte S.A.".

The minutes of the aforementioned shareholders meeting were transformed into a public deed dated June 22nd, 2006, in the Notary Office of Santiago of Mrs. María Gloria Acharán Toledo. Its extract was registered on page 24,770; Number 17,259, in the Commerce Registrar of Santiago, of year 2006, and published in the Official Gazette dated June 28th of the same year.

This modification was approved by Ministerio de Obras Públicas through Resolution No. 1,873 of "Dirección General de Obras Públicas" dated June 14th, 2006.

TYPE OF COMPANY

Privately Held Company, subject to the rules applicable to Public Companies. Registered in the Securities Registrar of Superintendency of Securities and Insurance under number 938, dated May 24th, 2006.

EXTERNAL AUDITORS

Deloitte.

BUSINESS ADDRESSES

- Central Offices: General Prieto n° 1430, Independencia District, Santiago, Chile.
- Vitacura E-1: Autopista Costanera Norte Km. 7,6 dirección Oriente – Poniente o Av. Santa María N° 5.621.
- Vitacura E-2: Autopista Costanera Norte Km. 7,6 dirección Poniente – Oriente.
- Bicentenario E-3: Avenida Bicentenario N° 3.800, Centro Cívico Municipalidad de Vitacura.
- Access to Santiago's International Airport.
- Metro Universidad de Chile: 1st floor, office 3, customer service along with Autopista Vespucio Sur.
- Mall Parque Arauco: Av. Pdte. Kennedy 5413, Comuna de Las Condes. Arauco Tag Authorization.
- Bodega: Las Alpacas 903, Renca.
- Av. Holanda 1998, Providencia.

TELEPHONE +56-2-2490 0000

FAX +56-2-2490 0704

E-MAIL consultas@cnorte.cl

WEB SITE www.costaneranorte.cl

3 Ownership of the Company

AUTO
TARIFA ALTA
POR KM \$ 145

Salida 11a y 11b
Túnel San Cristóbal
Los Conquistadores

OWNERSHIP OF THE COMPANY

The Company's subscribed and paid-in capital as of December 31st, 2012, comprises 51,000 ordinary, nominative, single series shares, distributed among 2 shareholders as follows: *(right)*

CONTROLLING COMPANIES

Sociedad Concesionaria Costanera Norte S.A. ("Costanera Norte") is controlled by Grupo Costanera S.A. and Autostrade Sud América S.r.L. These companies, in turn, are constituted as: *(right)*

The relations of the shareholders of Sociedad Concesionaria Costanera Norte S.A. are ruled by the by-laws of the Company, with no shareholder agreements.

CORPORATE CONFORMATION

Autostrade Sud America S.r.L., company Italian is controlled by Autostrade per l'Italia SpA. Atlantia SpA., (parent company of Autostrade per l'Italia SpA) is an Italian group that operates more than 5,000 km of highways in Italy, Brazil, Chile, Poland and India, with an investment of more than € 20 billion. It is a world leader in electronic toll collection systems. The company has been listing securities on the Milan stock exchange since 1986 and is part of the S & P / MIB index. It has a market capitalization of € 8 billion approximately. In 2001 it had a billing of €3.9 billion, EBITDA for € 2.4 billion and cash flows of € 1.7 billion.

The majority shareholder of Atlantia S.p.A. is Sintonia S.A., whose parent company is Edizione S.r.L (This company is controlled by the Benetton family).

CPP Investment Board is an organization managed, separately from Canada's Pension Plan, by highly qualified professionals, who help keeping future pensions of 18 million Canadians. Its role is maximizing the profit ratio of CPP's funds, without taking inappropriate risks. At December 31, 2012 CPP's funds were US \$ 173 billion.

CHANGES IN THE OWNERSHIP

On April 2, 2012 Autostrade Sud América S.r.L. by means of a share purchase and sale agreement sold and transferred the only and single share of Sociedad Concesionaria Costanera Norte S.A. to Gestión Vial S.A.

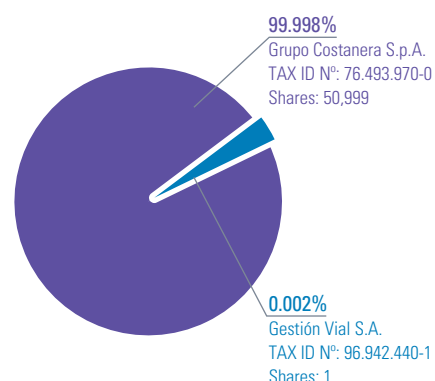
CHANGES IN THE PARENT'S OWNERSHIP

On August 1, 2012 an extraordinary meeting of shareholders was held and it agreed to capitalize all the reserves from existing profits and price-level restatements as of December 31, 2011 for ThCLP\$ 27,615,312. The meeting also agreed on a capital increase of ThCLP\$ 216,203,241 by issuing 152,557,956 new shares, which were offered to the current shareholders, who rejected the subscription of these shares on behalf of the Canadian company Canada Pension Plan Investment Board ("CPPIB"). Also, the meeting agreed on re-denominating the shares into which the capital is divided from series A to series A and B; the latter series with preferences and limitations. Finally, the meeting agreed to approve the required amendment to the Company's by-laws to implement these agreements.

On August 2, 2012 CPPIB signed an agreement to purchase such shares. The deadline to pay for that purchase was stated as September 27, 2012.

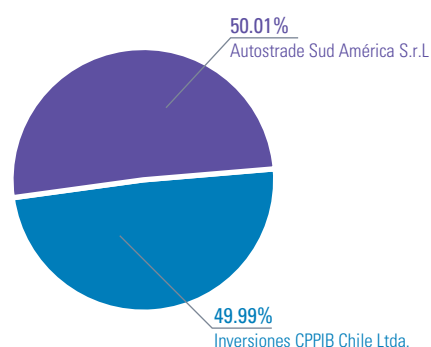
SHAREHOLDERS

COSTANERA NORTE S.A.



CONTROLLING COMPANIES

GRUPO COSTANERA S.p.A

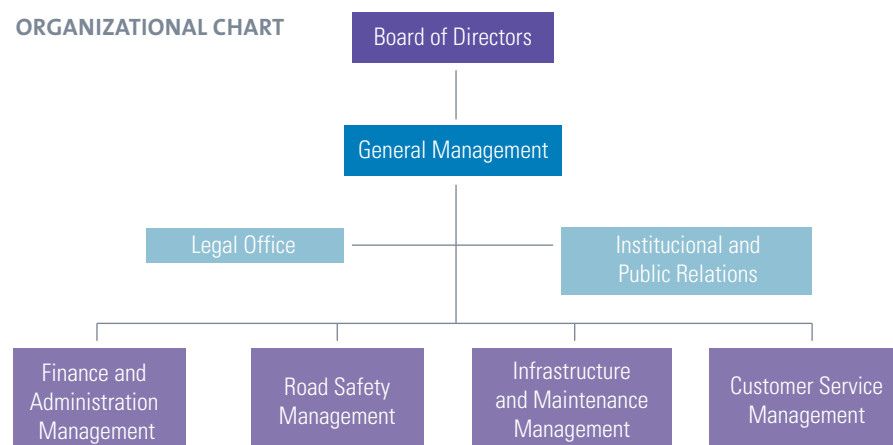


④

Management & Human Resources



ORGANIZATIONAL CHART



MANAGEMENT AND HUMAN RESOURCES

Costanera Norte's Board of Directors consists of five leading members and their corresponding substitutes, with a duration in office of three years. The members of the Company's Board are as follows:

Name	Status
Michele Lombardi	Regular
Roberto Mengucci	Regular
Massimo Sonogo	Regular
Bruce Hogg	Regular
Dan Fetter	Regular
Carlos Barrientos	Alternate
Giuseppe Natali	Alternate
Michelangelo Damasco	Alternate
Andrew Alley	Alternate
Etienne Middleton	Alternate

The Company is managed, as of December 31st, 2012, by the team of executives shown below:

Name	Position	Profession
Diego Savino	CEO	Economist
Carolina Escobar G	Administration and Finance	Commercial Engineer
Juan Kuster	Technical and Infrastructure Maintenance Manager	Civil Engineer
Nelson Molina	Road Safety Manager	Retired General of the Police
Riccardo Martelletti	User Assistance Manager	Geometer
Patricia Vásquez	Councillor	Lawyer

STAFF

By December 31st, 2012, the company has a staff of 229 people, divided into 5 managers and executives, 74 professionals and technicians and 155 workers.

REMUNERATION RECEIVED BY EACH DIRECTOR

None, since in compliance with the provisions of the thirteenth article of the Company's by-laws, the Directors' activities are not to be compensated. Likewise, it is informed that they do not receive and have not received income due to advisory services during the years 2007, 2008, 2009, 2010, 2011 and 2012. They only have representation and traveling expenses, for which there were no payments during 2011 and 2012.

MANAGERS AND EXECUTIVES' COMPENSATION

Total Wages	2011	2012
Cost (ThCLP\$)	644,110	604,942

COMPENSATION PAYMENTS PER YEARS OF SERVICE TO MANAGERS AND EXECUTIVES

During 2012, the company paid no compensation per years of service to its executives.

INCENTIVE PLANS

In year 2012, Sociedad Concesionaria Costanera Norte S.A. has not defined, for its directors, managers and / or executives, any incentives plan, such as bonuses, stock compensations, stock options or other.

Description of the Sector

(5)



CORPORATE PURPOSE OF THE COMPANY

The corporate purpose of the Company is, exclusively, the execution, repair, conservation, maintenance, exploitation and operation of the fiscal public work named "Concesión Internacional Sistema Oriente – Poniente" and all the activities and businesses developed by the company are focused on the performance of the Concession Contract, as well as the exploitation of commercial services stipulated in the Tender Bases (TEBA).

HISTORICAL REVIEW

"Concesión Internacional Sistema Oriente – Poniente" was awarded through the Awarding Supreme Decree of Ministerio de Obras Públicas number 375, dated February 24th, 2000, which was published in the Official Gazette number 36,644, dated April 19th, 2000. As a symbol of acceptance of its contents, this Supreme Decree was signed by the representative of the tendering holding Impregilo – Fe Grande – Tecsca in the Notary Office of Santiago of Mr. Eduardo Avello Concha, on July 3rd, 2000. As a result, the Concession Contract for the fiscal public work named "Concesión Internacional Sistema Oriente – Poniente" took effect.

In order to comply with the Concession Contract, Sociedad Concesionaria Costanera Norte S.A. was incorporated under the legal name "Sociedad Concesionaria Impregilo – Fe Grande – Tecsca S.A.", through a public deed dated June 9th, 2000.

In an Extraordinary Shareholders' Meeting, held on August 1st, 2000, the legal name of the Company was changed, to be named "Sociedad Concesionaria Costanera Norte S.A." ("Old Costanera Norte").

Subsequently, Old Costanera Norte requested, in compliance with the Concessions Law and its Regulations, authorization from Ministerio de Obras Públicas for the sale of the shares of the Company. Said authorization was granted by Ministerio de Obras Públicas through an MOP Resolution n° 1,186, dated May 2nd, 2006, in which the entities "Impregilo International Infrastructures N.V.", "Empresa Constructora Fe Grande S.A.", "Empresa Constructora Tecsca S.A." and "Simest S.p.A." were expressly authorized to transfer all the shares they had in Old Costanera Norte to "Sociedad Concesionaria Nueva Costanera S.A.".

In light of this authorization, on June 21st, 2006, "Sociedad Concesionaria Nueva Costanera S.A.", a company under the control of the Italian entities Autostrade S.p.A., Società Iniziative Autostradali e Servizi - Sias S.p.A. and Mediobanca, purchased all the shares issued by the old Sociedad Concesionaria Costanera Norte S.A. which were transferred by Impregilo International Infrastructures N.V., Empresa Constructora Fe Grande S.A. and Empresa Constructora Tecsca S.A., in their capacity of sole shareholders on that date, in compliance with the corresponding shares sale and purchase agreements entered into through private instruments dated June 15th, 2006, between the "Sociedad Concesionaria Nueva Costanera S.A." – now named "Sociedad Concesionaria Costanera Norte S.A." – as the buyer, and the aforementioned shareholders of Costanera Norte, as sellers.

As a consequence of the acquisition by "Sociedad Concesionaria Costanera Norte S.A.", formerly named "Sociedad Concesionaria Nueva Costanera S.A.", of all the shares of Old Costanera Norte, the latter was terminated, in terms of article 103 number 2 of Law 18,046 (Chilean law on corporations), as all its shares became the property of a single owner, turning the current "Sociedad Concesionaria Costanera Norte S.A.", into the legal successor of the old "Sociedad Concesionaria Costanera Norte S.A.", in all its rights and obligations, including all those related to the execution, repair, conservation, maintenance, exploitation and operation of the fiscal public work concession named "Sistema Oriente – Poniente", of which the current "Sociedad Concesionaria Costanera Norte S.A." is now the holder.

"Sociedad Concesionaria Costanera Norte S.A.", as the successor of Old Costanera Norte and as the current holder of the concession "Sistema Oriente – Poniente" has continued developing the business and business activities that such concession company used to perform.



FINANCING

In order to fund the Sistema Oriente – Poniente Concession Project, the shareholders have contributed the entire subscribed capital of CLP\$ 51,000,000,000 to Sociedad Concesionaria Costanera Norte S.A.. This amount is greater than the one required by the Tender Bases, which required a minimum of CLP\$ 35,600,000,000.-

On December 11th, 2003, a Bonds in Unidades de Fomento were placed in the local market, for a total of UF 9,500,000, divided into two series: One of UF 1,900,000 with a term of 12 years and 7 months and, the second one, for UF 7,600,000 for a term of 21 years and 1 month. The interest accrued is 5.21% and 5.71%, respectively.

Banco Interamericano de Desarrollo (BID) as Guarantor, and Ambac as Co-Guarantor, provided an unconditional and irrevocable insurance policy to the Concession Company, which was then delivered to BBVA as paying bank. Currently, the Bonds have an AAA rating in the local market, from Feller Rate and AA+ from Humphreys.

Prior to the placement date of the bonds, the old Sociedad Concesionaria Costanera Norte S.A. signed the following contracts with Banco Interamericano de Desarrollo and Ambac:

- a) Guaranty and Reimbursement Agreement.
- b) Collateral Agency and Security Agreement.
- c) Sponsors Support and Guaranty Agreement.
- d) Pledge of contractual rights upon several relevant contracts.

On June 21st, 2006, the current Company signed the public and private deeds neces-

sary to carry out the modifications to its financing, including the granting of new bonds in favor of Banco Interamericano de Desarrollo and Ambac, in their capacity of guarantors, under the Guarantee and Reimbursement Agreement and other financing contracts.

On December 19th, 2007, the company reached both the technical and the Project's fulfillment, according to the terms defined in the Guarantee and Reimbursement Contract.

Exit of Ambac

On March 30th, 2010, an Extraordinary Meeting of Bondholders took place in order to modify the contract in the sense of terminating the guarantee granted by Ambac and replacing it with an increase in the rate paid by the bonds. The Meeting was held with a 100% attendance of the bondholders and the modification was approved unanimously, with an increase of 0.21% to the annual rate paid by the bonds. On June 10th, 2011, the public deed completing this process was signed, meeting the last condition regarding such process.

Additionally to the capital and obligations to the public, the Company has a debt due to its controlling company, Grupo Costanera S.A., for an amount of UF 4,585,065. This debt is subordinated to the debt for the bonds issuance and includes an annual interest rate of 4.8855% and, to proceed with the payment of interest and principal, the conditions for restricted payments established in the Guarantee and Reimbursement Contract and Security and Guarantee Agency Contract with Banco Interamericano de Desarrollo must be met.







At Nominal Value			
Funding Source	Amount in UF as of 31-12-20 11	Amount in UF as of 31-12-2012	Nominal Rate
Subscribed and paid-in capital	2,640,158	2,576,963	N/A
Loans Grupo Costanera S.A. (Subordinated to senior debt)	4,585,065	2,827,565	4.8855%
Series A Bonds	1,413,896	1,210,535	5.21%
Series B Bonds	7,991,323	7,959,100	5.71%
Total	16,630,442	14,574,163	

The Company, at the closing of the current year, had constituted, and funded, the following reserve accounts to guarantee the payment of Bonds (A and B Series). These investments are detailed in Note 6 to Financial Instruments and Note 9 Other Financial Assets:

Reserve Account	UF equivalent amount
Debt Service Reserve	786,670
Operation and Maintenance Reserve	221,664
Major Maintenance Reserve	69,898
General Account	576,652
Total Reserve Accounts Balance	1,654,844

Debt Service Reserve

This is the amount equivalent to the next to bi-annual expirations of the bills of Series A and B Bonds.

Operation and Maintenance Reserve

This is an amount equivalent to a year of Operation and Maintenance of the Highway, variable costs deducted in terms of collection.

Major Maintenance Reserve

This amount is equivalent to the sum of: (A) 100% of non routine Maintenance of the next year plus (B) 66% of the Non Routine Maintenance of the second year and (C) 33% of the non routine maintenance expected for the third year.

FACTS OF THE PROJECT

The "Concesión Internacional Sistema Oriente – Poniente" Project comprises two road axes of the city of Santiago in Chile:

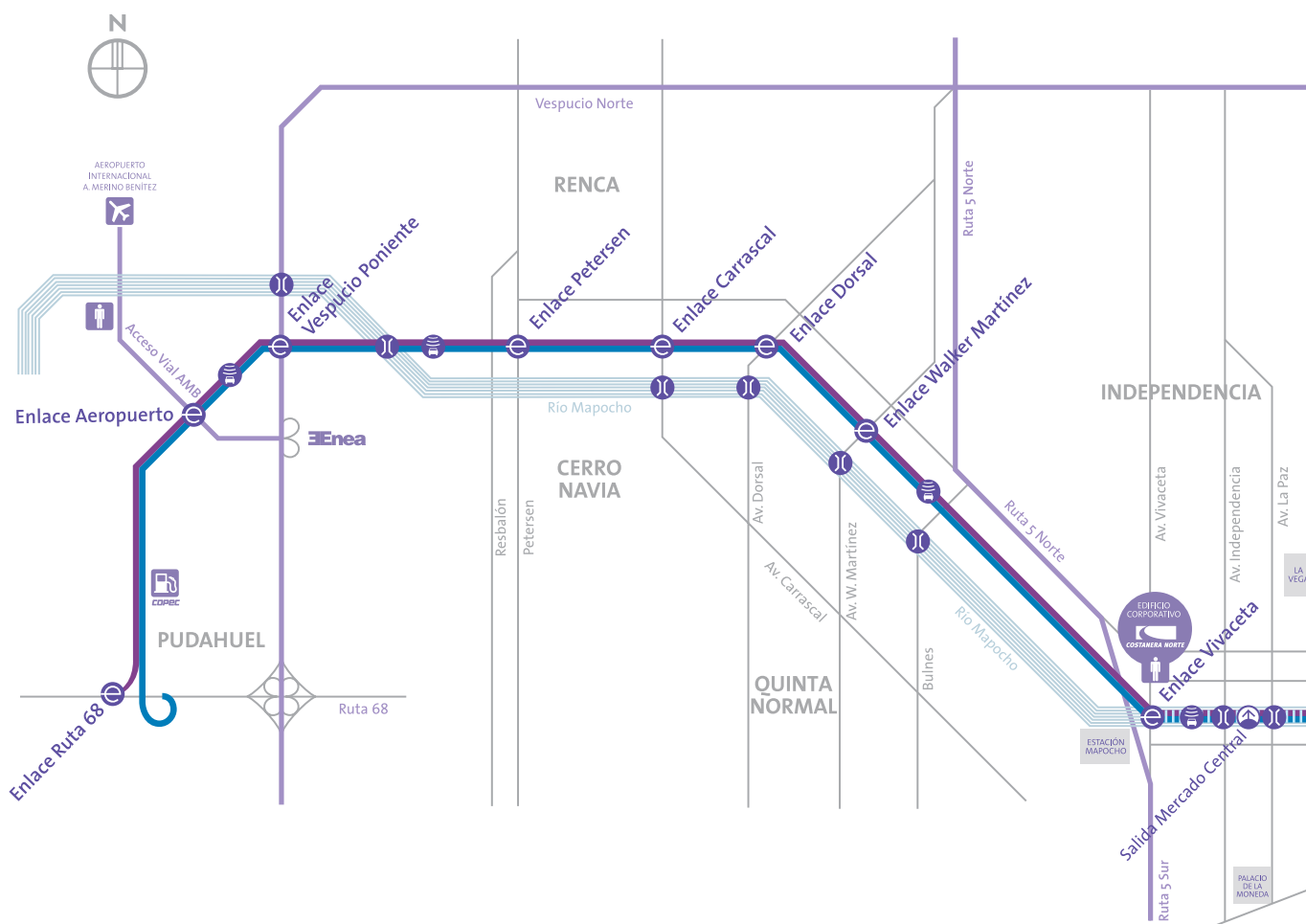
— East – West Axis, with a length of 35.26 kilometers, runs through the city, east to west. This segment starts in Puente La Dehesa in the Lo Barnechea District and ends in the intersection with Ruta 68 (road linking Santiago to Valparaíso and Viña del Mar). This axis is located by the riverside of the Mapocho river, except for

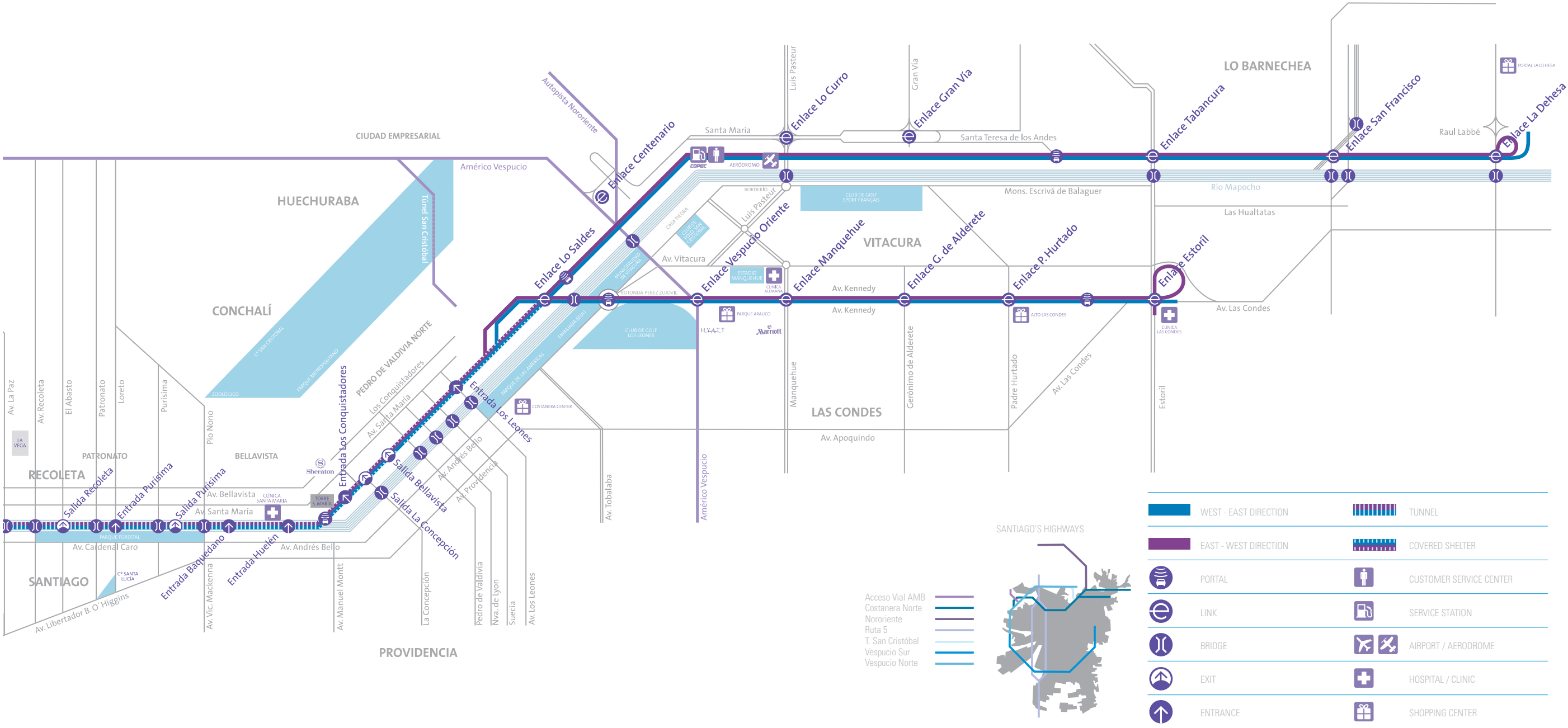
the segment between Torres de Tajamar and Vivaceta, where it goes through a tunnel under the riverbed.

— Kennedy Axis, with a length of 7.4 kilometers, dividing the districts of Las Condes and Vitacura, extending through Estoril street and Lo Saldes bridge.

The Concesión Internacional Sistema Oriente – Poniente contract has an expiration date set at June 30th, 2033.

HIGHWAY MAP







COMMISSIONING OF THE WORKS

All the segments described below have a Definitive Commissioning (DC):

Road Axis	Sector	Approximate Location
East – West Axis	1	Puente La Dehesa - Puente Tabancura
East – West Axis	2	Puente Tabancura – Puente Lo Saldes
East – West Axis	3	Puente Lo Saldes – Vivaceta
East – West Axis	4	Vivaceta – Américo Vespucio
Kennedy Axis	5	Estoril – Puente Lo Saldes
East – West Axis	6	Américo Vespucio - Ruta 68

SANTIAGO CENTRO – ORIENTE PROGRAM

In May the Chilean Ministry of Public Works announced the starting dates of the works in Santiago Centro – Oriente Program (Center/East Santiago Program). This program will be performed in three phases:

The first phase will include carrying out works to improve the connection with Route 5, widen the La Concepción exit and remodel Manquehue – Kennedy connection.

The second phase will include works to improve the link Lo Saldes - Pérez Zujovic Roundabout, build a tunnel under Kennedy Avenue and the new segment of Costanera Sur Highway.

The third phase will include the extension of Costanera Norte Highway from La Dehesa Bridge to Padre Arteaga Street.

The details of the works are as follows:

Improvements in the connection between North-South Highway and Costanera Norte Highway

These works will improve the access to Santiago Downtown area through a 700 meter long and 2 lane tunnel that will directly connect the East/ West System to the south access to Autopista Central (Central Highway).

Extension of La Concepción exit of Costanera Norte Highway

This includes the widening of the exit lane No.13, La Concepción. This exit will be disconnected from the entry of traffic flow from Huelén Bridge. This will avoid the intercrossing of ex-

press routes. The acceleration and braking lanes in the access and exit with La Concepción will be extended. The traffic to Providencia District will be relieved.

Improvements in Manquehue – Kennedy connection

Two bridges over Manquehue will be built in order to give continuity to the access roads of Kennedy Avenue. These improvements also include the improvement of the road safety by installing road barriers, and acceleration and braking lanes. A low level crossing will be built at the crossroads of the access road and Rosario Sur. This will improve the current connectivity in the area. This will also include a change in Cuauhtemoc footbridge.

Improvements in the link Lo Saldes - Pérez Zujovic Roundabout

These improvements will include the extension of Vitacura and the re-design of Pérez Zujovic Roundabout by eliminating the arrival of the express routes from Kennedy Avenue. A new bridge and a new tunnel will be built to improve the connectivity between Costanera Norte Highway and Kennedy Avenue. This will increase the design speed and reduce the traffic jams in Santa María Avenue. These improvements also include branch roads between Kennedy Avenue and Nueva Costanera Sur Highway.

Nueva Costanera Sur Highway, Tajamar – Isabel Montt segment

The construction of Costanera Sur Highway, additional to the mitigation works carried out by Parque Titanium, includes three lanes in each side between Presidente Riesco and Lo Saldes, plus a two lane road between Lo Saldes and Isabel Montt.



This also includes the construction of two tunnels directly connecting with Costanera Norte Highway, one in each side (located between Lo Saldes Bridge and Centenario Bridge), and the building of an uneven crossing at the crossroads with Escrivá de Balaguer, east of Centenario Bridge.

**Kennedy Avenue tunnel between
Pérez Zujovic roundabout
and Américo Vespucio**

This includes the construction of a mining tunnel for west/east express routes of Kennedy Avenue. This will leave express routes from east to west on the surface. A two lane access road will be built to separate local traffic flows that access buildings on the north side of Kennedy Avenue.

**Extension of Costanera Norte
Highway from La Dehesa Bridge to
Padre Arteaga Street**

Costanera Norte Highway will be extended between La Dehesa Bridge and Padre Arteaga Street, with two lanes in each side. This work proposes a new link through a bridge that connects this highway with the future Costanera Sur Highway, Las Condes Avenue and San José de la Sierra.

RATES

The rates ruling the period between January 10th and December 31st, 2012, are the following:

East – West Direction			Toll Category ⁽¹⁾ (amount in \$)								
			Category 1			Category 2			Category 3		
Portal	Segments	Length (km)	TBFP	TBP	TS	TBFP	TBP	TS	TBFP	TBP	TS
COSTANERA AXIS											
P1	Puente La Dehesa – Gran Vía	4,90	230.30	441.00	671.30	460.60	882.00	1,342.60	690.90	1,323.00	2,013.90
P2	Gran Vía – Puente Lo Saltes	6,45	303.15	580.50	883.65	606.30	1,161.00	1,767.30	909.45	1,741.50	2,650.95
P3	Puente Lo Saltes – Vivaceta	6,72	315.84	604.80	920.64	631.68	1,209.60	1,841.28	947.52	1,814.40	2,761.92
P5	Vivaceta – Carrascal	6,69	314.43	602.10	n/a	628.86	1,204.20	n/a	943.29	1,806.30	n/a
P6	Carrascal – Américo Vespucio Poniente	5,65	265.55	508.50	n/a	531.10	1,017.00	n/a	796.65	1,525.50	n/a
P9	Américo Vespucio Poniente - Ruta 68	5,00	235.00	450.00	n/a	470.00	900.00	n/a	705.00	1,350.00	n/a
KENNEDY AXIS											
P7	Estoril – Padre Hurtado	1,85	86.95	166.50	(d)	173.90	333.00	(d)	260.85	499.50	(d)
P8	R. Pérez Zujovic – Puente Los Saltes	3,00	141.00	270.00	(d)	282.00	540.00	(d)	423.00	810.00	(d)

⁽¹⁾ Categories correspond to vehicle types, which are:

Category 1: Cars and motorcycles.

Category 2: Trucks.

Category 3: Trailer trucks.

n/a: This rate is not applicable.

(d): Deferred.



Portal	Peak Hours (TBP) Business Day						Saturation Time (TS) Business Day		
COSTANERA AXIS									
P1	07:00 - 07:30	08:30 - 10:00	12:00 - 13:00	14:00 - 15:00			07:30 - 08:30	13:00 - 14:00	
P2	07:00 - 07:30	08:30 - 10:00	12:00 - 13:00	14:00 - 15:00			07:30 - 08:30	13:00 - 14:00	
P3	07:00 - 07:30	08:30 - 10:00	12:00 - 13:00	14:00 - 15:00	18:00 - 18:30	19:30 - 21:00	07:30 - 08:30	13:00 - 14:00	18:30 - 19:30
P5	12:00 - 15:00	18:00 - 21:00							
P6	12:00 - 15:00	18:00 - 21:00							
P9	12:00 - 15:00	18:00 - 21:00							
KENNEDY AXIS									
P7	07:00 - 10:00	12:00 - 15:00							
P8	07:00 - 10:00	12:00 - 15:00							

			Toll Categories (amount in \$)								
Direction West - East			Category 1			Category 2			Category 3		
Portal	Segments	Length (km)	TBFP	TBP	TS	TBFP	TBP	TS	TBFP	TBP	TS
KENNEDY AXIS											
P8	Puente Los Saltes - R. Pérez Zujovic	3,00	141.00	270.00	(d)	282.00	540.00	(d)	423.00	810.00	(d)
P7	Padre Hurtado – Estoril	1,85	86.95	166.50	(d)	173.90	333.00	(d)	260.85	499.50	(d)
COSTANERA AXIS											
P9	Ruta 68 - Américo Vespucio Poniente	5,00	235.00	450.00	n/a	470.00	900.00	n/a	705.00	1,350.00	n/a
P6	Américo Vespucio Poniente – Carrascal	5,65	265.55	508.50	n/a	531.10	1,017.00	n/a	796.65	1,525.50	n/a
P5	Carrascal - Vivaceta	6,69	314.43	602.10	n/a	628.86	1,204.20	n/a	943.29	1,806.30	n/a
P4	Vivaceta – Torres Tajamar	3,86	181.42	347.40	528.82	362.84	694.80	1,057.64	544.26	1,422.20	1,586.46
P3	Torres de Tajamar – Puente Lo Saltes	2,86	134.42	257.40	391.82	268.84	514.80	783.64	403.26	772.20	1,175.46
P2	Puente Lo Saltes - Gran Vía	6,45	303.15	580.50	883.65	606.30	1,161.00	1,767.30	909.45	1,741.50	2,650.95
P1	Gran Vía - Puente La Dehesa	4,90	230.30	441.00	671.30	460.60	882.00	1,342.60	690.90	1,323.00	2,013.90

Portal	Peak Hours (TBP) Business Day						Saturation Time (TS) Business Day		
KENNEDY AXIS									
P8	12:00 - 15:00	18:00 - 21:00							
P7	12:00 - 15:00	18:00 - 21:00							
COSTANERA AXIS									
P9	07:00 - 10:00	12:00 - 15:00							
P6	07:00 - 10:00	12:00 - 15:00							
P5	07:00 - 10:00	12:00 - 15:00							
P4	07:00 - 07:30	08:30 - 10:00	12:00 - 13:00	14:00 - 15:00	18:00 - 18:30	19:30 - 21:00	07:30 - 08:30	13:00 - 14:00	18:30 - 19:30
P3	07:00 - 07:30	08:30 - 10:00	12:00 - 13:00	14:00 - 15:00	18:00 - 18:30	19:30 - 21:00	07:30 - 08:30	13:00 - 14:00	18:30 - 19:30
P2	12:00 - 13:00	14:00 - 15:00	18:00 - 18:30	19:30 - 21:00			13:00 - 14:00	18:30 - 19:30	
P1	12:00 - 13:00	14:00 - 15:00	18:00 - 18:30	19:30 - 21:00			13:00 - 14:00	18:30 - 19:30	



For those non frequent users, an interoperable supplementary charging system of the urban highways called Single Daily Pass (SDP) is used. As of December 31st of the current year, the rates to the public were CLP \$4,800 for Category 1 and CLP \$9,600 for Categories 2 and 3, in the Prepaid mode.

Valid rates for years 2011, 2012 and 2013 are shown in the following table:

Rate Type (Category 1 Vehicles) based on hour kilometer	Year 2011 Rate in pesos	Year 2012 Rate in pesos	Year 2013 Rate in pesos
Tarifa Base Fuera de Punta (TBFP)	44	47	50
Tarifa Punta (TBP)	84	90	95
Tarifa Saturación (TS)	127	137	145

Vehicles are classified in Category 1 (Motorcycles, Scooters, Cars, Pickup Trucks, Cars and Pickup Trucks with Trailers), Category 2 (Buses and Trucks) and Category 3 (Trucks with Trailers); the rates described in the table above are multiplied by the vehicle category factor.

SUPPLIERS

The main suppliers of Sociedad Concesionaria Costanera Norte S.A. (including related companies) for the 2012 year are listed in the following table (invoiced amount): *(below)*

Supplier	Amount in ThCLP\$
Chilectra S.A.	1,398,240
Aguas Cordillera S.A.	1,381,278
RSA Seguros Chile S.A.	1,044,884
Sociedad de Recaudación y Pago de Servicios Ltda.	948,196
Núcleo Paisajismo S.A.	938,612
Kapsch TrafficCom Chile S.A.	811,030
Construtora de Pavimentos Asfálticos BITUMIX S.A.	758,196
Kapsch TrafficCom AB	756,103
Autostrade Sud America S.r.L	445,622
Gestión Vial S.A.	369,453
Grupo Costanera S.p.A.	329,466
Empresas Jordan S.A.	254,656
Servicios de Correspondencia Envía Ltda.	253,511
Pedro Juan Astaburuaga Gutiérrez	239,155
Carlos Rodrigo Moll Silva	206,461
Cia. de Petróleos de Chile Copec S.A.	184,751
Consortio Nacional de Distribución y Logística S.A.	183,992
Arcadis Chile S.A.	172,519
SK Servicios de Seguridad Ltda.	171,144

INSURANCE

For the purposes of complying with the Tender Bases and take the precautions to preserve the Concession Company from any possible economic consequence derived from possible losses, an insurance program with comprehensive coverage has been hired, according to the following table:

Policy N°	Insurance Company	Coverage	Expiration date	Currency	Coverage
4060293	RSA Seguros Chile S.A.	Finished civil works	30-06-2013	UF	14,495,225
4061048	RSA Seguros Chile S.A.	Finished civil works	30-06-2013	UF	15,835,640
2703199	Chilena Consolidada	Civil liability	30-09-2013	UF	25,000
2714713	Chilena Consolidada	Civil liability	30-09-2013	UF	600,000
2714714	Chilena Consolidada	Civil liability	30-09-2013	UF	375,000



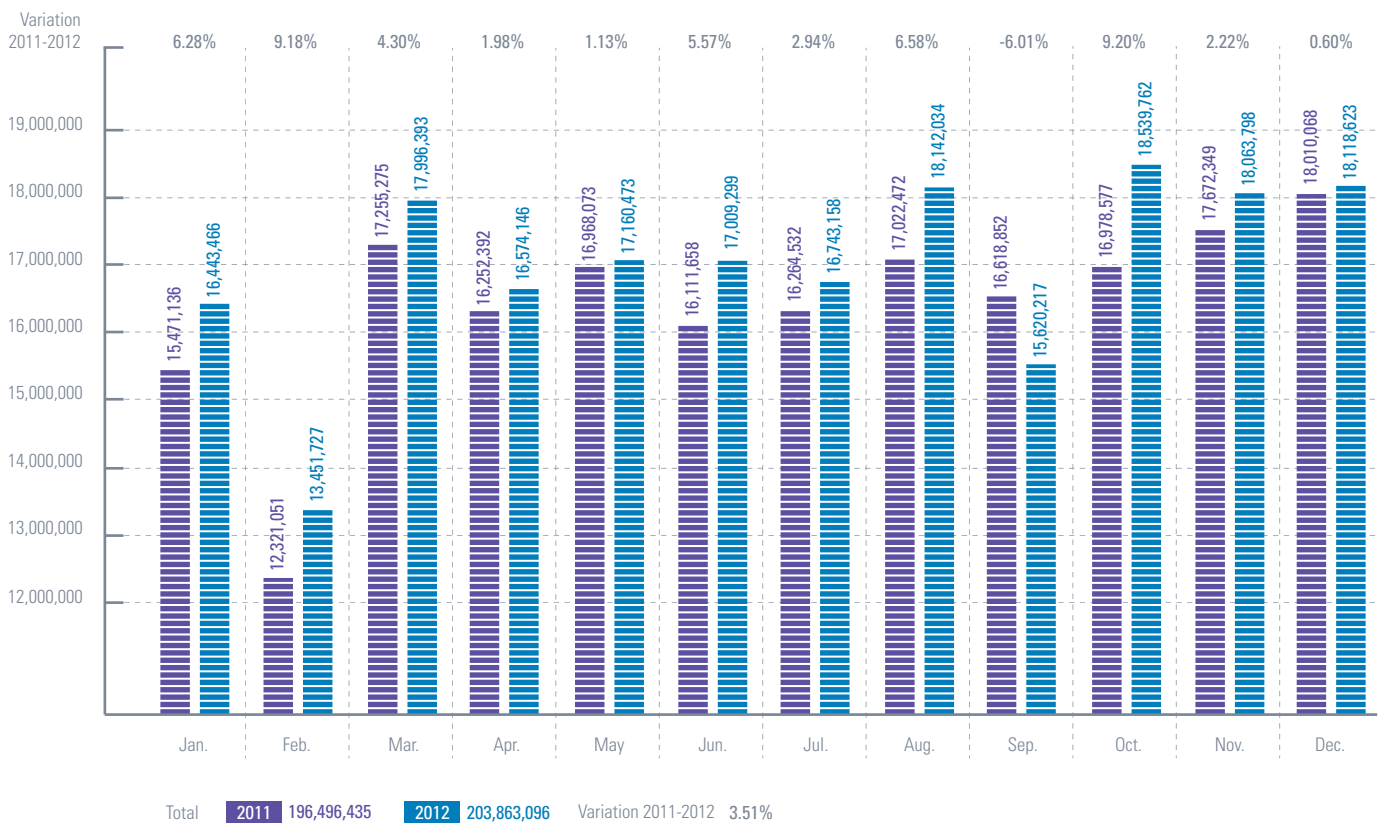
Operation 6 & Conservation



NUMBER OF TRANSITS IN THE EAST - WEST SYSTEM

During the current year, the following total transits were registered in the Sistema Oriente – Poniente, which are compared to those of year 2011 below:

TOTAL TRANSITS





To the right, the evolution of car sales during the last decade is detailed:

MAINTENANCE AND ROAD IMPROVEMENT WORKS IN THE HIGHWAY

The Concessionaire Company is responsible for performing the necessary repairs to the works or facilities built by the Concessionaire or preexisting in the concession area, with the purpose of maintaining or recovering the service level they were built for, both in terms of quantity as well as in quality. Preventive measures necessary to keep the works or facilities from deteriorating are also understood as included in this concept. Said tasks apply both to the infrastructure (road and structures) as well as to the electromechanical equipment within the Concession area, across 35.26 kilometers in the Costanera Norte Axis and 7.40 kilometers in the Kennedy Axis.

For the fulfillment of these tasks, the Concessionaire Company has a Comprehensive Maintenance Plan. The goal of the comprehensive maintenance plan of the concession is to maintain, in a proper condition, the structure of the roads, its rolling surface, berms, bridges and tunnel of the road, equipment, facilities, its supplementary works and annex works, so safety and comfort conditions are optimal. In this sense, the criteria and technical standards adopted in the development and execution of said program must ensure, at all times, and for the duration of the Concession, that such are met and that, by the expiration date of the Concession, the work is returned in usable conditions according to the standard initially established.

Road conservation works will be separated into 3 types: Routine conservation, periodical conservation and deferred conservation.

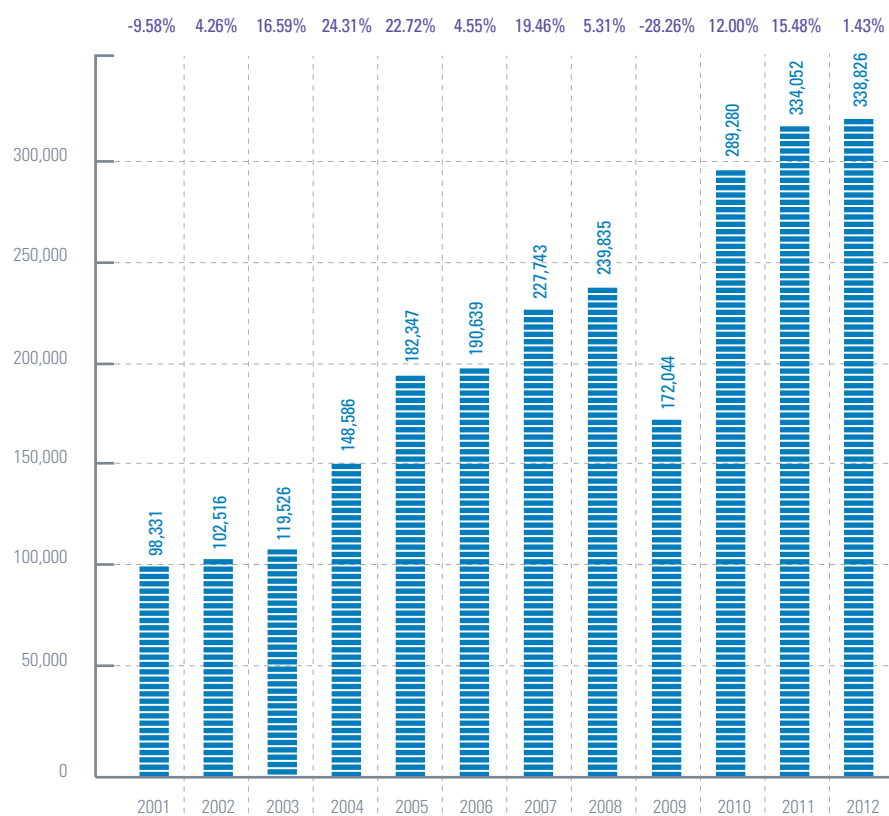
Likewise, the Concessionaire Company has a Conservation Program, which develops the following topics:

- The chosen conservation policy with its technical justification, making use of the required pavement indexes and those effectively measured by MOP.
- A schedule with the routine, periodical and deferred conservation operations, using the denominations and measurement units as defined in the MOP's Road Conservation Catalog and currently valid standards from Dirección de Vialidad, and for those not defined in this document, those proposed by the proponent, along with estimates of the quantities of work to be executed.

The program also includes conservation works for the facilities and special utilities of the con-



EVOLUTION OF CAR SALES



Increase vs. previous year

Source: ANAC Report, December 2012 (vehicles include: SUV passenger vehicles, commercial vehicles).

cession, as well as of collection locations, tunnel and others.

Supplementary to the above, the Concessionaire Company has other Plans and Regulations listed below:

- Work Service Regulation.
- Traffic Management Plan for the Exploitation Stage.
- Accidental Risks Prevention Plan for the Exploitation Stage.
- Environmental Management Plan for the Exploitation Stage.
- Contingency Measures Plan.

USER ASSISTANCE AND SERVICES

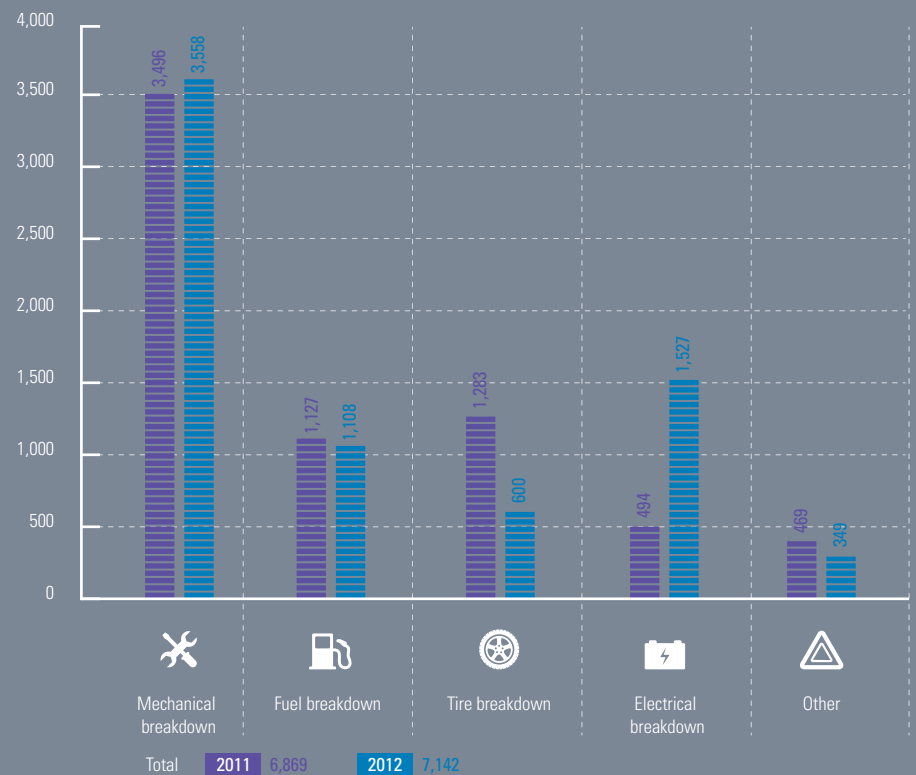
Road Safety

Costanera Norte, through a highly professionalized team operating from an Operations Control Center (OCC) 24 hours and 365 days a year, is in charge of monitoring the conditions of the highway through 147 cameras installed in the roads. The operators, supported by the Automatic Incident Detection System, can instantly detect any emergency or abnormality occurring in Costanera Norte.

This Control Center takes the calls made through the 295 SOS poles, of which 239 are located in tunnel areas and 56 in open segments. Also, they operate 94 variable signaling panels informing the users about the conditions of the highway and estimated travel times.

In the case of an emergency, the OCC coordinates action with tows, motorcycles, ambulances and rescue teams of Costanera Norte, providing service to our clients. During year 2011, 6,869 Client assists were carried out in the Highway due to the following causes: *(right)*

REASON FOR THE ROAD ASSISTANCE



Carabineros de Chile (the Chilean police) has a 24 hours presence in our Control Center and continuous coordination with the safety agencies is generated to avoid and anticipate contingencies. In this sense, we must highlight the continuous enforcement performed by Carabineros de Chile throughout the route, to guard the compliance with transit regulations by users.

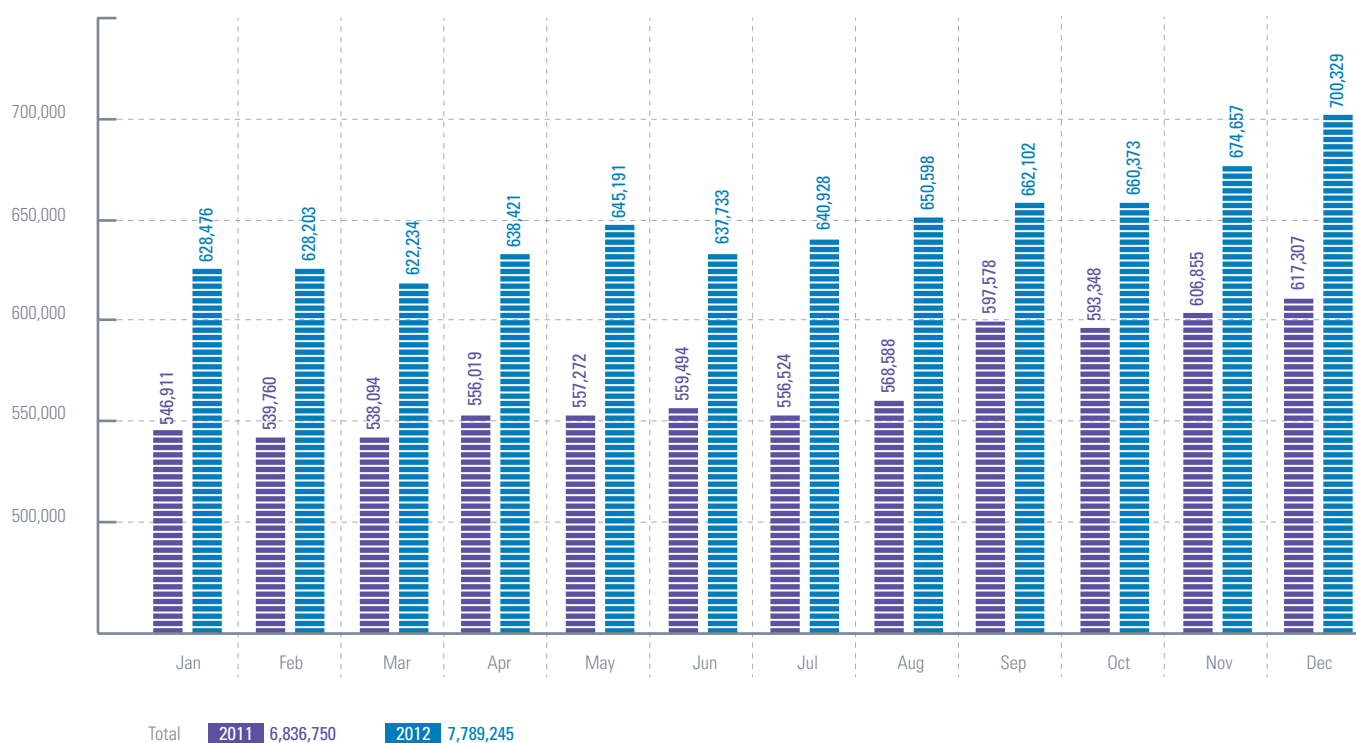




Billing and Collections

During the current year, the Company issued, to its users, a total of 7,789,244 bills, a 13.93% increase over the previous year. The monthly average consumption per client in year 2012 was CLP\$8,525.

BILLING AND COLLECTIONS (Number of Issued Bills)





Within the wide variety of payment choices Costanera Norte has enabled for its users, with in this operational year, the evolution of Internet payments stands out.

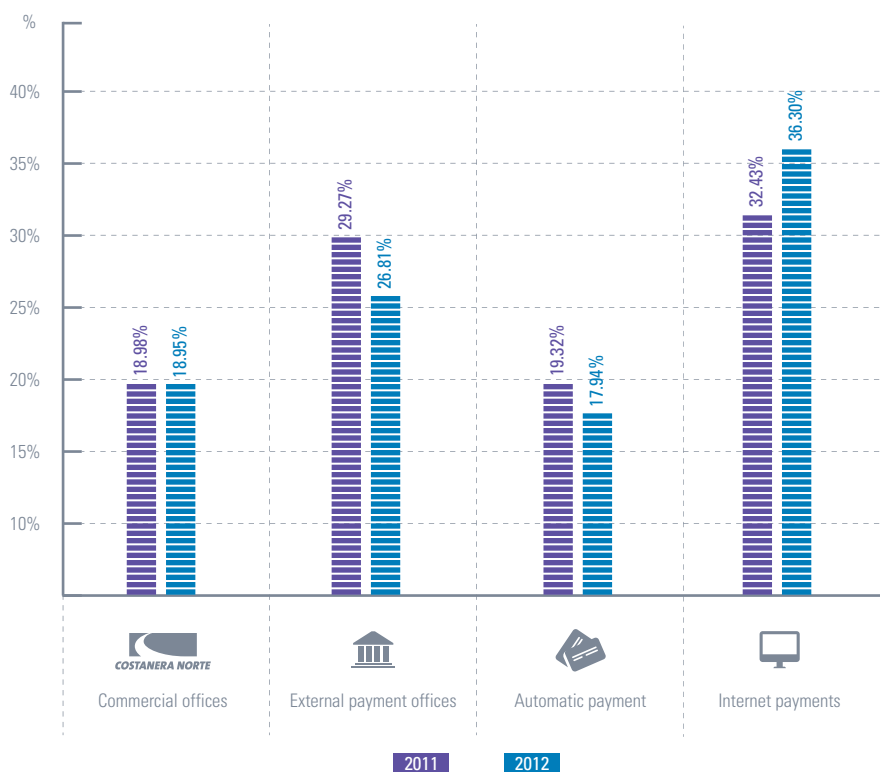
The following table shows the payment means chosen by our users and a comparison between 2011 and 2012. (below)

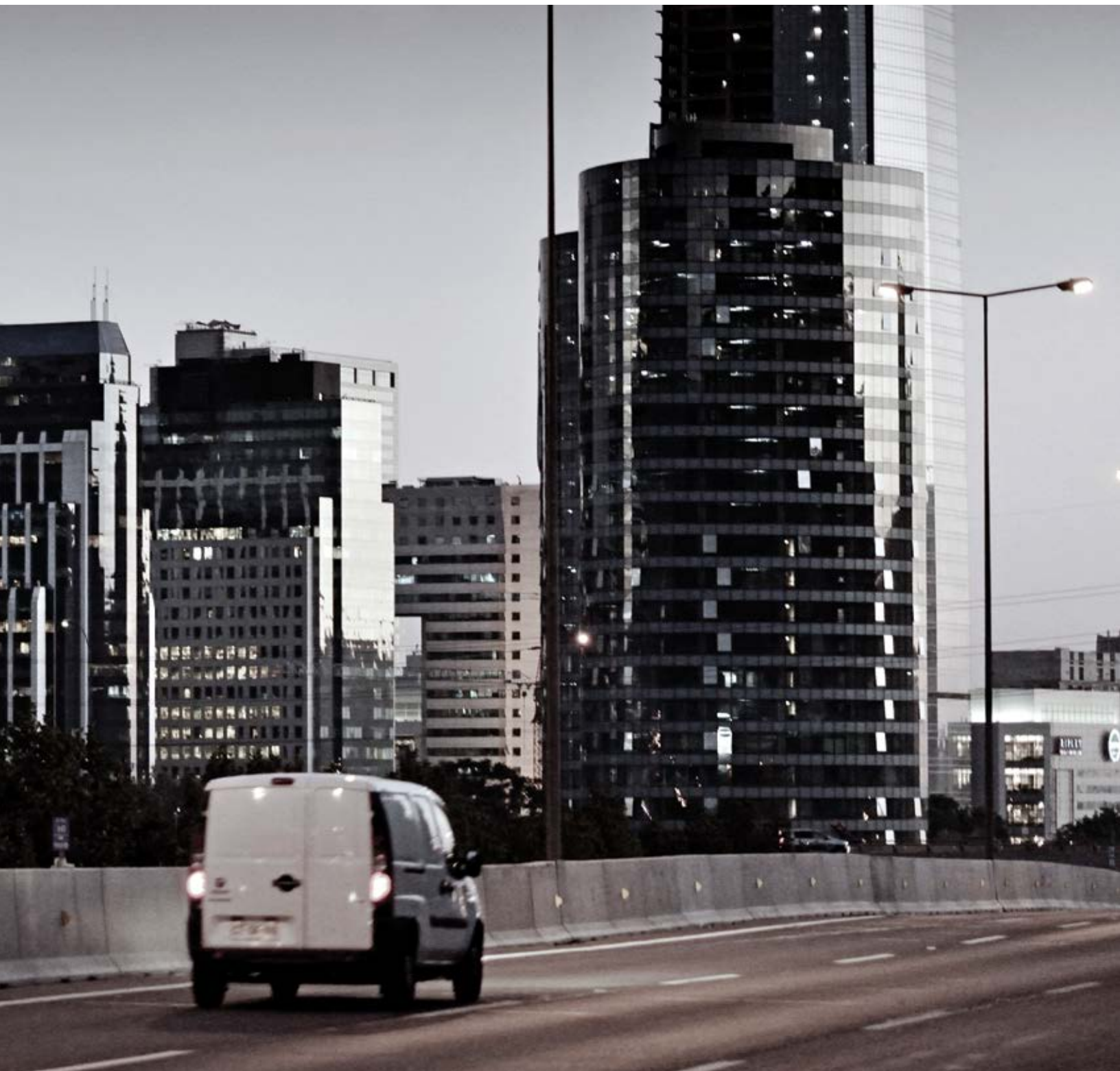
A trend towards Internet payment channels can be noted, with an increase of 3.87 points compared to year 2011.

Automatic payments have had a negative variation, even though they represent less than 2%.

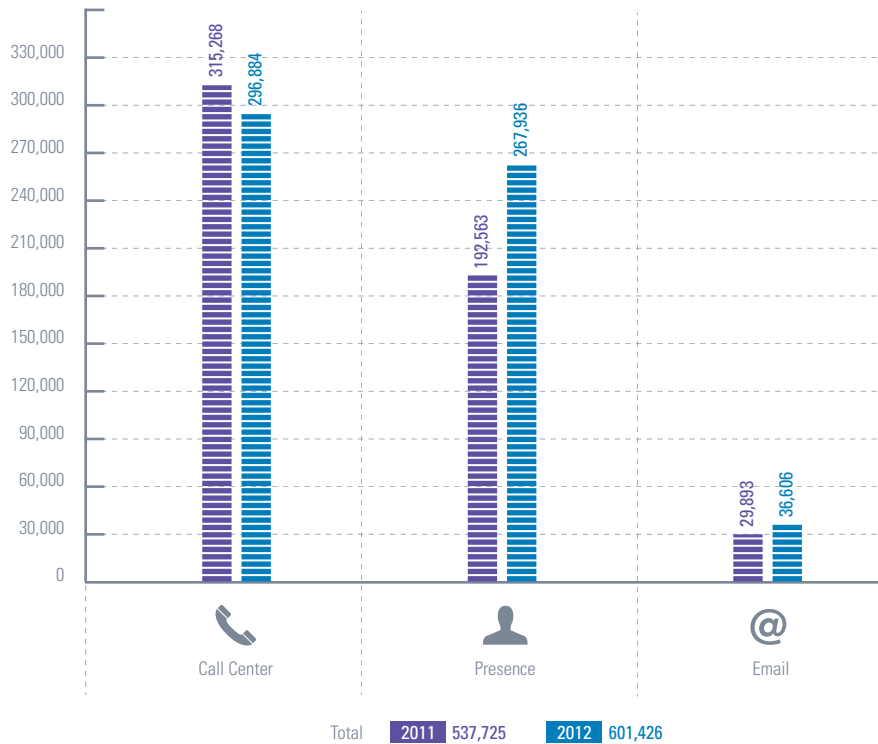
In the year 2012, again there is a decreasing trend regarding the use of offices of the Concessionaire and external offices, by the users, as a collection channel the 2,46%. This may be due to the fact that users may prefer to pay on line.

COLLECTION CHANNEL





COMMUNICATION CHANNEL (Number of contacts)



User Services

During the 2012 period, a total of 601,426 contacts with users through the different channels were registered. Regarding presence customer service, mostly motivated by the lease of a TAG, an increase of almost 39,14% occurred compared to the previous year.

COMPLAINT CHANNEL

Month	N° of Collection Documents	N° of Claims	Claims Book	User Attention Center (CAC)	Web
January	628,476	815	39	356	420
February	628,203	671	34	239	398
March	622,234	924	40	344	540
April	638,421	840	21	294	525
May	645,191	909	31	379	499
June	637,733	859	22	395	442
July	640,928	878	36	409	433
August	650,598	869	29	367	473
September	662,102	599	13	196	390
October	660,373	847	30	377	440
November	674,657	724	20	381	323
December	700,329	731	24	449	258
Total	7,789,245	9,666	339	4,186	5,141

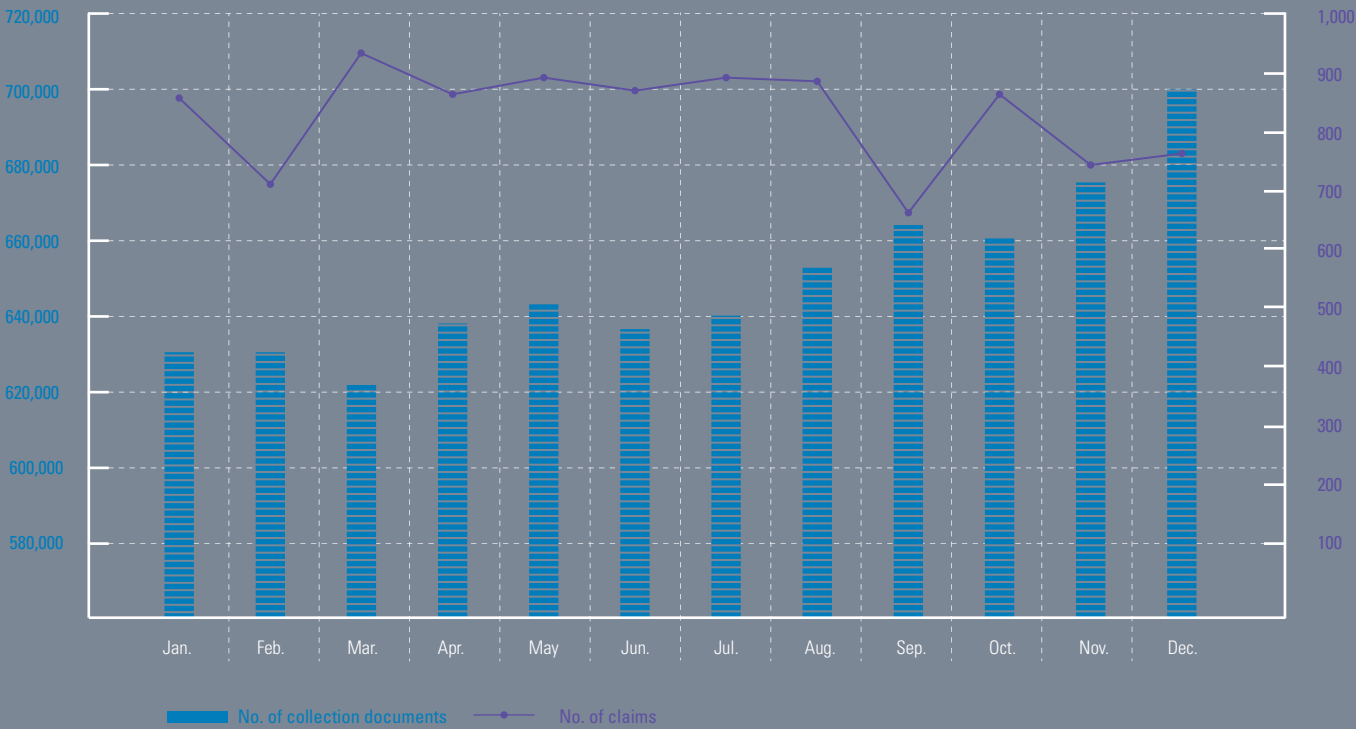




The following chart represents, in different scales, the correlation between collection documents issued per month and the number of complaints received by this Company, through the website, call center, presence and complaint books in the same time period.

The relationship of contacts of users represents a rate of 0.22% regarding the total collection documents issued by this Company: *(right)*

CORRELATION BETWEEN COLLECTION DOCUMENTS ISSUED
AND NUMBER OF COMPLAINTS

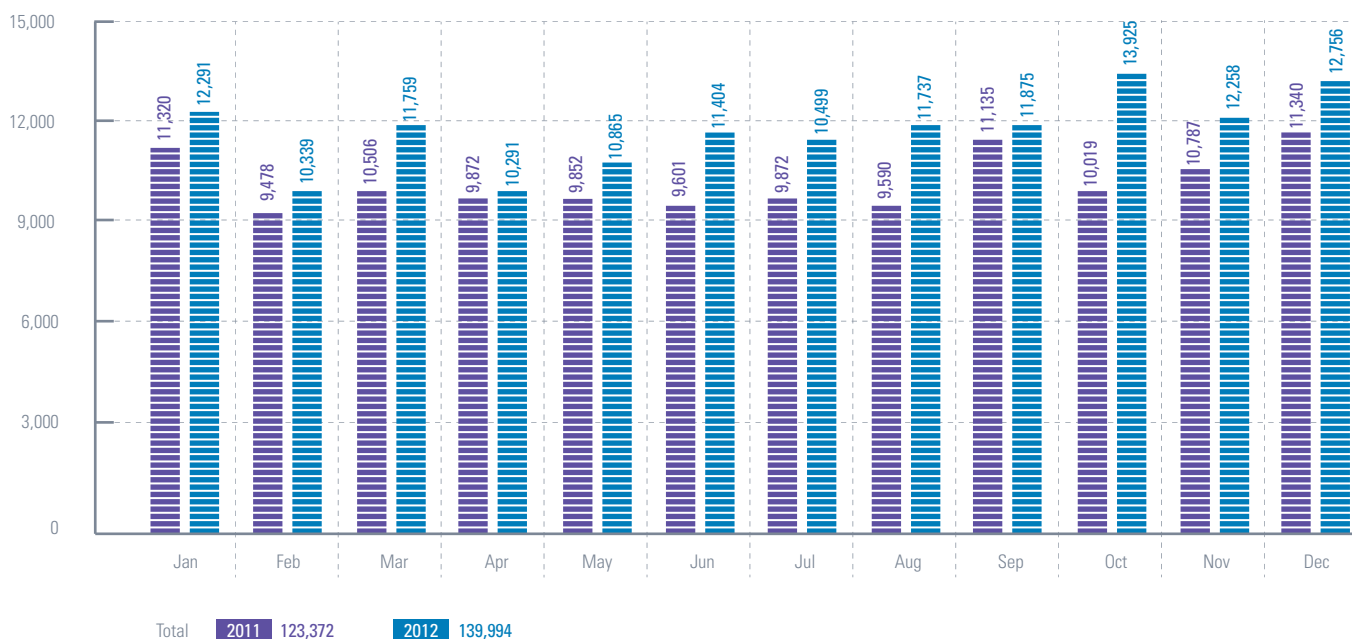


TAG Distribution

During the year 2012, this Concession Company continued distributing, without any interruption, these electronic devices. The following table shows the TAGs distributed on lease during year 2012 compared to the year 2011

As of December 31st, 2012, Sociedad Concesionaria Costanera Norte S.A. has placed, in the hands of its users, a total of 700,460 active TAGs, over a universe of 2,099,355; hence representing 33.37% of the active interoperable TAGs distributed in Chile by the four urban highways of Santiago.

TAG DISTRIBUTION





ENVIRONMENTAL RESOLUTIONS

Resolution Number	Issuing Agency	Approval Date	Qualification
Resolution 335-A/1998	COREMA R.M.	10/07/1998	Qualifies the Costanera Norte Project favorably
Resolution 367/1998	COREMA R.M.	24/07/1998	Supplements Resolution 335-A/1998
Resolution 125/2002	COREMA R.M.	22/02/2002	Qualifies the Costanera Norte Alternate Project as environmentally favorable
Resolution 524/2003	COREMA R.M.	20/11/2003	Qualifies the Costanera Norte extension, Américo Vespucio - Ruta 68 Project as environmentally favorable



Arauco Tag

In accordance with Resolution No. 2,206 issued by the Department of Public Works in May 2012, the Concession Company is authorized to render services to third parties known as "collection services in other applications related to tag".

In October Costanera Norte and Parque Arauco presented "Arauco TAG", a new payment system for the use of parking in the mall.

With the implementation of this system, the access and exit barriers of the parking in the mall will be lifted when detecting the TAG. This system will record the entry and exit times of the vehicles. This will allow companies to calculate the amount to be paid for this service every time it is used. Periodically, these amounts will be added and charged to Costanera Norte Highway receipt. Costanera Norte will be responsible for billing the collections made by this system.

Arauco TAG will allow the customers of Parque Arauco mall to save time and access the parking in the mall in a simpler and more comfortable way. Arauco TAG will be set up in all the accesses to the mall. Customers will not need to collect a ticket at the entrance. They will only have to stop their cars for a few seconds, so that the antenna detects their devices. The customers will enjoy their visit to Parque Arauco mall and will not have to collect tickets or validate them.

ENVIRONMENTAL MANAGEMENT

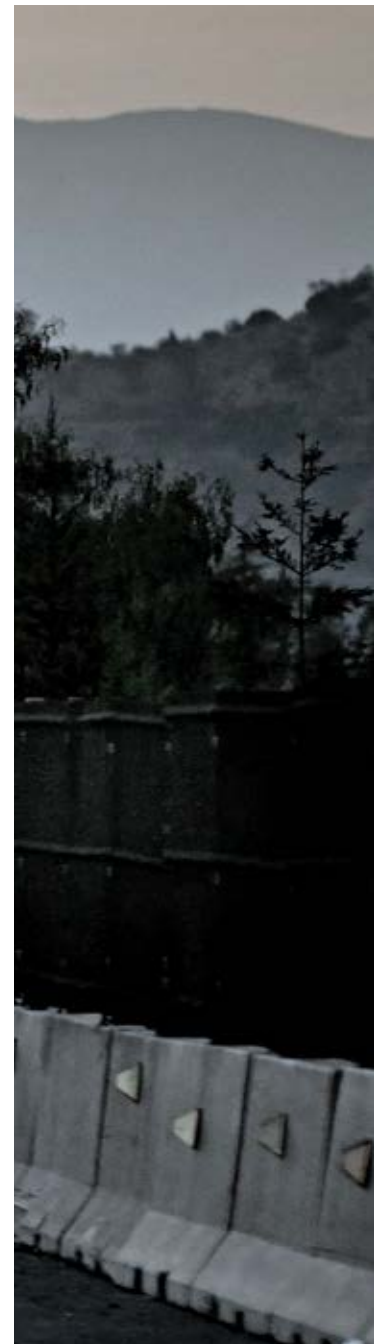
The goal of Costanera Norte, in environmental

matters, is to prevent any event that may jeopardize the health of the users, the community and the environment. In this regard, it performs all tasks derived from the operation of the highway complying with all applicable environmental regulations, either in handling waste, emissions or work environment conditions. Likewise, it performs follow-up regarding each variable that could eventually receive emissions during the operation of the project: Air, noise and water, so it strictly complies with all environmental requirements of the agreement and those imposed resulting from the environmental assessment of the project, upon said parameters.

Costanera Norte acts in full responsibility of the care of the environment, diligently repairing the damage that could arise as a consequence of the activities associated to the project.

The Concession Company has the following environmental resolutions qualifying the Costanera Norte project favorably, which was subject, voluntarily and entirely, to the environmental authorities: *(left)*

The Concession Company has an Environmental Management Plan (EMP) in order to meet the environmental requirements described in the Tender Bases and in the environmental qualification resolutions of the project, ruling the actions in order to grant the required environmental standards to the project, according to the currently valid environmental regulations, developing the environmental commitments applicable to the exploitation stage.



In order to perform follow-up of the possible atmospheric emissions in the area of influence of the project, Costanera Norte has 3 air quality monitoring stations which are installed in the east, center and west sectors. Monitored variables correspond to particulate material and gases, whose measurement, validation and instrumentation methods are approved by the health authority. As a way of guaranteeing the proper operation of the Network and information recorded, an independent environmental auditing is carried out annually, both on the procedures as well as on the company operating the network. In this sense, environmental and visibility conditions inside the tunnel, are a constant task that is closely related to the ventilation of the pipes, in both directions.

Regarding acoustic emissions generated by the flow of vehicles passing through the highway, quarterly noise measurements are taken in 23 points throughout the layout, established by CONAMA (currently, Environmental Assessment Service) prior to the commissioning of the highway; with this monitoring, it is possible to know the extent of compliance with the maximum noise levels allowed at the different areas adjacent to the highway, as well as allowing to take necessary measures, in case levels are exceeded.

The highway segment going from Lo Saldes to Vivaceta, which is an underground tunnel, has been called Alternative Project. This segment runs parallel to the Mapocho River and then below the river, heading to the West of the city, an aspect that defined, in the environmental assessment, the performance of a quality level of the underground water tables immediately adjacent to the surroundings of the highway. This hydro geological monitoring is performed twice a year, during the summer season and another in the most humid period, so as to reflect the seasonal behavior.

Finally, in order to know and react before possible environmental aspects, occurring during the operation of the highway and not identified in the environmental assessment, there is a methodology for unforeseen environmental impacts, which allows both surveying and generating of actions for resolution.

The care of green areas and landscaping of the highway is not just a cosmetic concern of the project, but rather, serves road safety functions and structural support in slopes, while also contributing to air pollution control and increasing the number of green areas per person in the city of Santiago. In turn, in the case of districts with a deficit of parks and usable areas for the benefit and enjoyment of nature, Costanera Norte provides an extensive green area with over 1200 trees and shrubs, with conference rooms, sports fields, playground equipment, lighting equipment, benches and trash cans, which we call Parque

Renca, located in the district of Renca, which provides an intensive service to the surrounding community, and whose maintenance is performed periodically by the Company Concession Company. A similar case is Parque Estoril, on the other end of the project, at the end of the Kennedy Axis in the districts of Vitacura and Las Condes.

Currently, our highway is performing improvement works to reduce traffic jams in certain areas. Improvement projects are carried out within the framework of "Santiago Centro – Oriente Program", which is performed in conjunction with the Chilean Ministry of Public Works to provide an all-encompassing solution to the road system in Center/East Santiago. The projects include:

- "Improvement of Connections Costanera Norte - Route 5 South, Vivaceta Area"
- "Extension of Costanera Norte Highway between La Dehesa Bridge and Padre Arteaga Street"
- "Improvement of Link Lo Saldes - Pérez Zujovic Roundabout"
- "Kennedy Tunnel between Américo Vespucio and Pérez Zujovic Roundabout"

The purpose of the project "Improvement of Connections Costanera Norte Highway - Route 5 South, Vivaceta Area" is improving the definition of the road design that currently connects Costanera Norte Highway with Autopista Central through a direct connection in the form of a new tunnel that starts in Vivaceta area, and crosses under Santa María Avenue, Costanera Norte Highway and the River Mapocho. This tunnel connects the express routes from east to west of Costanera Norte Highway with the express routes of Autopista Central from north to south.



The “Extension of Costanera Norte Highway between La Dehesa Bridge and Padre Arteaga Street” includes the construction of 600 meters of highway approximately with two lanes in each side, along the north riverside of the River Mapocho, from the existing La Dehesa link to the west, up to the projected Padre Arteaga Link. The purpose of the construction of Padre Arteaga Link is connecting the extended east/west axle of Costanera Norte Highway with the existing north/south axle of Padre Arteaga Street, up to the future Escrivá de Balaguer Avenue in the south riverside of the River Mapocho. This project considers a low level crossing under Raúl Labbé Avenue to connect Padre Arteaga Street to and from the north, and a bridge over the River Mapocho to connect the north-east area of Las Condes district to and from the south, with Costanera Norte Highway and Lo Barnechea District, through Padre Arteaga Street and Raúl Labbé Avenue.

This project is socially responsible as it involves the need to relocate 115 families that currently live illegally as lodgers in land that is owned by the government. This impact defined the entry of the project in the Environmental Evaluation System as an Environmental Impact Study. This project has resulted in citizen participation, visits and communication between the Concession Company and the neighborhood people, neighborhood organizations, religious centers, sport clubs in the area, and also the municipality in order to officially record the affected people and the infrastructure where the community activities take place. This has helped to answer questions and satisfy several needs, all of which have been reflected in the components and commitments of the Company to carry out the works in this project.

The “Improvement of Link Lo Saldes - Pérez Zujovic Roundabout” project involves improving the connectivity in the area by implementing

works, including the extension of Pérez Zujovic Roundabout and the re-design (including new bridges and tunnels) of the current connections between Costanera Norte Highway, and the most important roads in the area, such as the future Costanera Sur Highway, Kennedy Avenue, Presidente Riesco, Vitacura Avenue and San Cristóbal Tunnel, among others.

Finally, the improvement works for “Kennedy Tunnel between Américo Vespucio – Pérez Zujovic Roundabout” project include works to build a tunnel under Kennedy axle, and improvement works in Vespucio Junction. The general and main purpose of implementing the project is providing a solution of the current problem of a high number of traffic jams, specially in peak hours in the connection of Costanera Norte Highway with the rest of the urban roads in the segment of Kennedy Avenue, between Pérez Zujovic Roundabout and Américo Vespucio Avenue, including the link between both. Additionally, the project involves substantially improving the connectivity of the existing traffic flows near the current Vespucio junction, by re-arranging accesses and connections from and to Vespucio Sur y Norte, and Alonso de Córdova Street.

The table on the right shows the instances of each project from their entry in the Environmental Impact Evaluation System to their current status.





PROJECTS ENTERED IN THE ENVIRONMENTAL IMPACT EVALUATION SYSTEM

Activity	Improvement of Connections Costanera Norte - Route 5 South, Vivaceta Area	Environmental Impact Study of Extension of Costanera Norte Highway between La Dehesa Bridge and Padre Arteaga Street	Environmental Impact of Improvement of Link Lo Saldes - Pérez Zujovic Roundabout	DIA Kennedy Tunnel between Américo Vespucio and Pérez Zujovic Roundabout
Entry in Environmental Impact Evaluation System	10.28.10 by means of letter to Environmental Impact Evaluation System 10-0001 dated 10.27.10 from SCCN.	06.03.11 by means of letter with no number dated 06.02.11 from SCCN.	10.21.11 by means of letter to Environmental Impact Evaluation System 11-0006 from SCCN.	11.11.11 by means of letter to Environmental Impact Evaluation System 11-007 dated 11.08.11 from SCCN.
Current status	Approved. By means RCA 234/11 dated 06.10.11 received with letter N° 1095 dated 06.10.11 from the Regional (alternate) Director of the Environmental Evaluation Service of the Metropolitan Region.	Approved. By means RCA 296/2012 dated 07.05.12 received with letter N° 1364 dated 07.05.12 from the Regional Director of the Environmental Evaluation Service of the Metropolitan Region.	Approved. By means RCA 395/2012 dated 07.05.12 received with letter N° 1933 dated 09.06.12 from the Regional Director of the Environmental Evaluation Service of the Metropolitan Region.	Approved. By means RCA 418/2012 dated 09.14.12 received with letter N° 2035 dated 09.14.12 from the Regional Director of the Environmental Evaluation Service of the Metropolitan Region.

DIVIDENDS POLICY

As of December 31st, 2012, the Company, during the year, had a positive result equivalent to ThCLP\$ 26,604,618.-

The Company's dividends policy is subject to the financial obligations contracted upon the issuance of Bonds. Dividend distribution may be carried out when there are available financial resources and the obligations or restrictions established in the financing agreements have been met.

Given the aforementioned restrictions, dividends will not be distributed.

DISTRIBUTABLE PROFITS

The Company does not have a scheme regarding the determination of distributable profits, since during this year, no dividends will be distributed as explained in the Dividends Policy.

Likewise, regarding the periodical calculation of the net distributable profits, the policy is not to apply any adjustments to the "Profit (Loss) attributable to the owners of the controlling company".

**INFORMATION REGARDING
SUBSIDIARIES AND ASSOCIATES**

As of December 31st, 2012, the Company has no subsidiaries, associates or investments in other entities.





Relevant Events


COSTANERA NORTE

SALIDA
RADIAL
NORORIENTE

42m

In the period corresponding to the year 2012, the following events that might be classified as essential or relevant took place:

On June 28, 2012 the Company informed that Federico Botto, Graziano Settime and Francesco Ripandelli voluntarily resigned as regular directors of Sociedad Concesionaria Costanera Norte S.A., and they will be replaced by their respective substitutes Paolo Pierantoni, Roberto Saniño and Pierluigi Davide.

On August 2, 2012 the extraordinary meeting of the Company's shareholders was held. The meeting agreed to renew all its directors, and appointed the regular members and respective substitutes informed in chapter 4 Management and Human Resources.

The Board of Directors will operate until an ordinary meeting of shareholders to be held in the first quarter of 2015. The Board of Directors will be renewed in accordance with the Company's by-laws then.

On October 8, 2012 Ms. Carolina Escobar Gálvez joined the Company's management. She will work as the Administration and Finance Manager.



Other Information



CLIENT

Ministerio de Obras Públicas de la República de Chile.

FINANCIAL ACTIVITIES

Detailed in Notes 6 and 9 of the Financial Statements.

ENGINEERING AND CONSTRUCTION OF THE WORKS

The engineering and construction of all the works was completed, with all the segments of the Concession having their Definitive Commissioning by Ministerio de Obras Públicas.

RISK FACTORS

Those inherent to the activity of the Concession, the risks of the business mainly include the following aspects:

Project's dependency on Chile's economic performance. The revenues of the Company come, mainly, from the tolls. Traffic levels and highway usage are related to the economic performance of the Country.

— Traffic Estimations: Traffic projections, particularly in an urban highways system, have a high level of uncertainty. To minimize such risks, the traffic projections were developed with the assistance of independent consultants. On the other part, the Company filed for the coverage of Minimum Guaranteed Revenue, mitigating this risk factor. The project behaved solidly during the years in operation.

— Rates risk: The rates risk is covered by the updating mechanisms included in the Tender Bases, which establish an IPC (Price Index) adjustment and a real growth of the rates in a 3.5% yearly over IPC.

— Catastrophes, force majeure, and civil liability: This risk is mitigated and covered through insurances protecting the Company before destructive events or lawsuits and claims from third parties.

— Over cost risk in the exploitation stage: To mitigate this Risk, a Costs and Budget control is performed. Years 2008, 2009, 2010 and 2011,

behaved accordingly to the budgets originally estimated by the Company.

— Offenders Risk: Costanera Norte has state-of-the-art technology for the detection of vehicles passing through the highway, both with TAGs as well as without them. The latter, in case they do not acquire a supplementary system, are penalized by the Transit Law, which has specifically included the breach of article 114, allowing Ministerio de Obras Públicas to report the corresponding offenses to the corresponding Local Police Courthouses, for the later imposition of a fine with a value equivalent to a serious offense.

BRANDS

Sociedad Concesionaria Costanera Norte S.A. owns the following brands and labels registered in the Commercial Brands Registrar of Departamento de Propiedad Industrial del Ministerio de Economía, Fomento y Reconstrucción:

Brand	Type	Request N°	Request Date	Registration N°	Registration Date	Classes	Country
Costanera Norte	Word Mark	486,128	15.05.2000	584,886	12.12.2000	37	Chile
Costanera Norte	Mixed Label	491,675	30.06.2000	593,713	03.04.2001	37	Chile
Costanera Norte	Word Mark	589,966	26.11.2002	728,478	29.06.2005	16	Chile
Costanera Norte	Word Mark	654982	29.07.2004	717,199	09.02.2005	36	Chile
Costanera Norte	Word Mark	654981	29.07.2004	717,200	09.02.2005	35	Chile
Costanera Norte	Word Mark	654983	29.07.2004	721,831	31.03.2005	39	Chile
Costanera Norte	Word Mark	654985	29.07.2004	717,197	09.02.2005	36	Chile
Label	Simple Label	491,676	30.06.2000	589,385	01.02.2001	37	Chile
Label	Simple Label	654,984	29.07.2004	717,198	09.02.2005	35	Chile
Costanera Norte	Mixed Label	589,965	29.11.2002	736,285	17.10.2005	16	Chile
Label	Simple Label	654,986	29.07.2004	736,284	17.10.2005	39	Chile



COSTANERA NORTE

www.costaneranorte.cl