Parque Arauco wins the “Best Capital Markets Strategy in the Andean Region” award by Latin Finance

Santiago, August 17, 2016 – Parque Arauco S.A. (SSE: PARAUCO; Bloomberg: PARAUCO:CI) (“Parque Arauco”) has been named the Corporate With the Best Capital Markets Strategy: Andes by Latin Finance in the publication’s 2016 Best Corporates in the Capital Markets Awards. The award recognizes the leading issuers from Latin America and the Caribbean in the capital markets in the last year.

Parque Arauco merits this honor due to its investor relations efforts and strategy. The company has improved its reporting in terms of content, especially the quality and depth of information provided to the market, including specific real estate indicators such as Net Operating Income, Funds From Operations, Same Store Sales and Same Store Rents. Additionally, all of the company’s reporting is published simultaneously both in English and Spanish. Finally, the corporate website was renewed, improving the easiness of use and information available.

In terms of market communications, Parque Arauco regularly attends approximately ten investor conferences a year, including specific real estate conferences. Additionally, the company holds quarterly earnings calls in English to discuss the company’s performance. Finally, the company has strengthened its sell side analyst coverage which now includes international banks such as Morgan Stanley, JP Morgan and Citibank.

In the last year Parque Arauco has been active in the markets; in terms of equity issuances, the company successfully completed three follow-ons in the last six years, equivalent of 31% of current fully subscribed shares. In the last follow-on, implemented during the first quarter of 2016, 98% of shareholders subscribed its preferential rights, reflecting the high confidence in the company strategy.

Regarding debt issuance, the company issued debt in the last two years in all three markets where it participates, and the amount of debt negotiated in the last two years represents 70% of existing financial liabilities. In Colombia the company successfully negotiated a syndicated loan with Corpbanca Colombia, Banco de Bogota and Davivienda. In Peru, the company successfully issued local bonds through its subsidiary Inmuebles Panamericana S.A. and renegotiated leasings with Banco de Credito de Perú. Finally, in Chile the company did an innovative exchange of bonds that offered bonds free of mortgages with a premium in interest rate in exchange for bonds backed by
mortgages, eliminating the mortgages that the company had in Chile. After this transaction, the company successfully issued a second bond at one of the lowest rates in the history of corporates in Chile.

The equity performance of Parque Arauco has been strong, as the shares have appreciated approximately 50% in the last three years and approximately 25% in 2016 due to the profitable expansion of the company in the last years and the relevant growth prospects in the years to come.

In terms of debt performance, the spreads of bonds issued by Parque Arauco have narrowed in the last years due to the strengthening of its financial position, reflected in the two notch improvement of the company’s debt rating, from A to AA-.

*LatinFinance*’s Best Corporates in the Capital Markets Awards are Latin America’s most prestigious and rigorously judged awards for excellence in utilizing debt, equity and M&A markets, and Parque Arauco is honored to have received this award.

Parque Arauco has 873,000 m² of total GLA in Chile, Peru, and Colombia. The company inaugurated its first shopping center in Chile in 1982, entered Peru in 2005 and Colombia in 2008. The company’s assets include six regional shopping centers, four premium outlet malls and thirteen strip centers in Chile; six regional shopping centers, eight neighborhood centers, two premium outlet malls and two strip centers in Peru; and two regional shopping centers in Colombia as well as a large land bank to support the company’s future growth plans. For more details, visit the company’s website: [www.parauco.com](http://www.parauco.com).

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