



ARAUCO
Growing the Future

Celulosa Arauco y Constitución S.A.
Second Quarter 2015 Results
August 21st, 2015



- 3 Highlights
- 4 Income statement analysis
- 9 Review by business segment
- 11 Balance sheet analysis
- 13 Financial ratios
- 14 2nd quarter and subsequent events and news
- 15 Financial statements



ARAUCO aims to be a global leader in the production and management of renewable forestry resources and to develop products that improve the quality of life of millions of people around the world.



CONFERENCE CALL

Friday, Aug 28th, 2015

11:00 Santiago time

10:00 Eastern time (New York)

Please Dial:

+1 (877) 317 6776 from USA

+1 (412) 317 6776 from other countries

Password: Arauco

HIGHLIGHTS

- Arauco's revenues reached US\$ 1,372.7 million during the second quarter of 2015, a 7.8% increase or US\$ 99.4 million compared to the US\$ 1,273.3 million obtained in the first quarter of 2015
- Adjusted EBITDA reached US\$ 343.1 million, an increase of 5.4% or US\$ 17.7 million compared to the US\$ 325.4 million obtained during the first quarter of 2015
- Net income reached US\$ 105.9 million, an increase of 23.6% or US\$ 20.2 million compared to the US\$ 85.7 million obtained in the first quarter of 2015
- CAPEX reached US\$ 187.0 million, an increase of 8.9% or US\$ 15.3 million compared to the US\$ 171.6 million during the same quarter of 2014
- Net Financial Debt / LTM⁽¹⁾ Adjusted EBITDA remained stable at 3.1x at the end of the second quarter
- Cash Balance at the end of the quarter amounted to US\$ 511.9 million

KEY FIGURES

In US\$ million	Q2 2015	Q1 2015	Q2 2014	QoQ	YoY	YTD 2015	YTD 2014	YoY Acum
Revenues	1,372.7	1,273.3	1,374.6	7.8%	-0.1%	2,646.0	2,599.3	1.8%
Cost of Sales	(918.7)	(858.5)	(928.4)	7.0%	-1.0%	(1,777.2)	(1,726.3)	3.0%
Gross Profit	454.0	414.8	446.3	9.4%	1.7%	868.8	873.0	-0.5%
Operating Income ⁽²⁾	169.6	161.5	159.1	5.0%	6.6%	331.1	338.1	-2.1%
Net income	105.9	85.7	127.2	23.6%	-16.7%	191.6	232.7	-17.7%
Adjusted EBITDA	343.1	325.4	315.3	5.4%	8.8%	668.4	625.7	6.8%
Adjusted EBITDA Margin	25.0%	25.6%	22.9%	-2.2%	8.9%	25.3%	24.1%	4.9%
LTM ⁽¹⁾ Adj. EBITDA	1,315.0	1,287.2	1,182.3	2.2%	11.2%	1,315.0	1,182.3	11.2%
LTM ⁽¹⁾ Adj. EBITDA Mg	24.5%	23.9%	22.8%	2.2%	7.4%	24.5%	22.8%	7.4%
CAPEX	187.0	94.8	171.6	97.2%	8.9%	281.8	370.5	-23.9%
Net Financial Debt	4,026.9	3,937.2	4,372.1	2.3%	-7.9%	4,026.9	4,372.1	-7.9%
Net Financial Debt / LTM Adj. EBITDA	3.1x	3.1x	3.7x	0.1%	-17.2%	3.1x	3.7x	-17.2%

(1) LTM = Last Twelve Months

(2) Operating income = Gross margin – Distribution costs – Administrative expenses

INCOME STATEMENT ANALYSIS

Revenues

Arauco's revenues for the second quarter of 2015 reached US\$ 1,372.7 million, 7.8% higher than the US\$ 1,273.3 million obtained during the first quarter of 2015. The main driver of this increase was higher sales volumes from all of our business segments.

The main change during this quarter was the increase by 10.4% in our Pulp division, mainly due to a higher sales volume of hard wood pulp. Key drivers were a higher production in Montes del Plata and higher sales in the Chinese market. Average prices for long fiber decreased, partially offset by a sustained increase in short fiber prices.

Our Sawn timber revenues increased 5.3%, explained by the increase in sales volume by 3.0%, which is largely due to strong level of exports to the Asian market. Panels division's revenues increased 4.6%, explained by higher sales volume of 7.5%, mostly driven by our business in North America.

Compared to the US\$ 1,374.6 million obtained in the second quarter of 2014, consolidated sales were 0.1% lower, mainly explained by a 14.9% decrease in sales of our sawn timber business, and partially offset by 5.2% increase in sales of our pulp business and a 2.3% increase in our panels sales.

Revenues by Business Segment Q2 2015

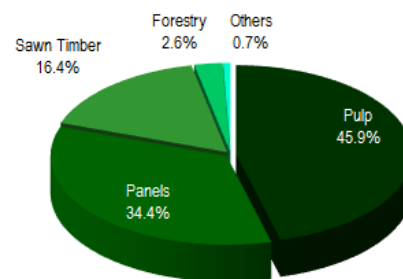
In US\$ million	Q2 2015		Q1 2015		Q2 2014	
Pulp(*)	630.5	45.9%	571.0	44.8%	599.6	43.6%
Panels(*)	472.5	34.4%	451.5	35.5%	461.7	33.6%
Sawn Timber(*)	225.0	16.4%	213.7	16.8%	264.4	19.2%
Forestry	35.4	2.6%	28.7	2.3%	40.7	3.0%
Others	9.3	0.7%	8.4	0.7%	8.2	0.6%
Total	1,372.7	100.0%	1,273.3	100.0%	1,374.6	100.0%

(*) Pulp, Panels and Sawn Timber division sales include energy

The main variances by business segment during this quarter were:

QoQ	Net Sales	Price	Volume
Pulp	10.4%	-0.4%	11.5%
Panels	4.6%	-3.4%	7.5%
Sawn Timber	5.3%	1.5%	3.0%

Sales by Business Segment Q2 2015



Total: US\$ 1,372.7 million

(*) Pulp, Panels and Sawn Timber division sales include energy

Cost of Sales

For the second quarter of the year, cost of sales reached US\$ 918.7 million, 7.0% higher than the US\$ 858.5 million obtained in the first quarter of 2015. This is partially explained by the increase in sales volume in the pulp, panel, and sawn timber industry.

In terms of costs by concept, when we compare with the first quarter of 2015, our main increases were in Chemicals (US\$ 15.5 million) and Forestry services (US\$ 14.8 million) due to a rise in forestry road maintenances, a seasonal work that increases in Winter. In addition, Maintenance expenses increased by US\$ 13.7 million and Raw material and Indirect costs by US\$ 13.6 million.

During the second quarter of the year we had a decrease in unitary cost of sales for bleached softwood pulp and bleached hardwood pulp of 0.6% and 9.2% respectively, when compared to the first quarter of 2015. Hardwood had an important cost improvement due to higher production volume in Montes del Plata and therefore a higher efficiency.

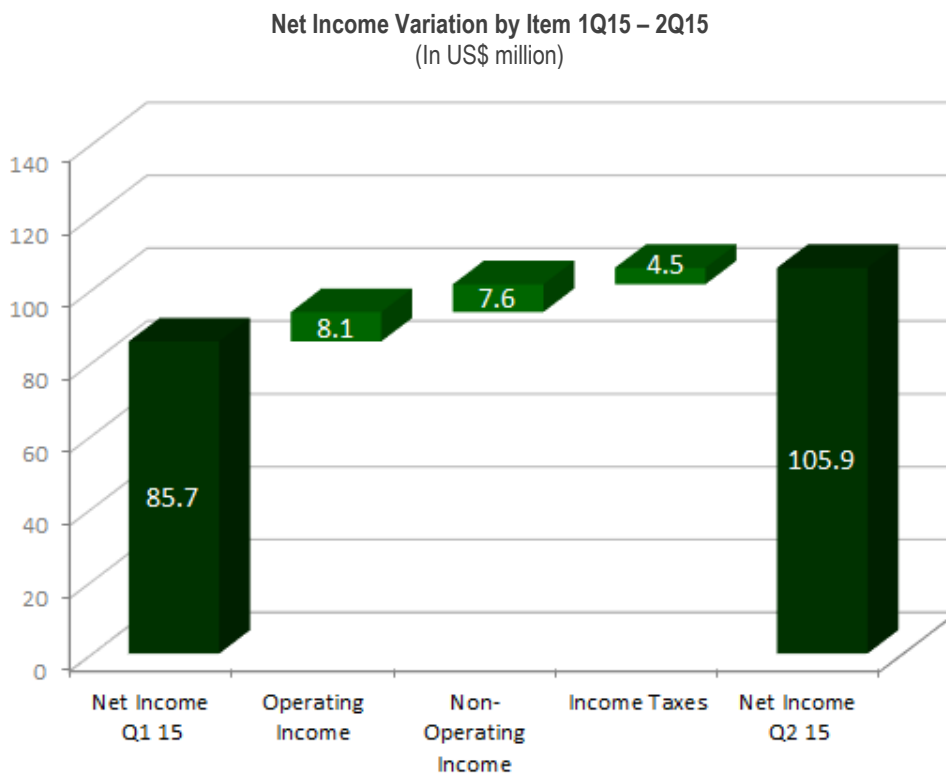
Other Relevant Items:

- **Distribution Costs and Administrative Expenses:** Distribution costs increased 7.9% (US\$ 9.7 million), mainly due to the increase in freight expenses by 8.5%, caused by larger sales volume of our exported products. Administrative expenses increased 16.4% (US\$ 21.4 million). As a percentage of revenues, both items combined were 20.7%, similar to the 19.9% in the previous quarter
- **Foreign Exchange Difference:** There was a US\$10.5 million gain due to Foreign exchange differences during the second quarter, caused by a decrease in tax account receivables paid in April and the 3.2% Brazilian real appreciation during the last three months, due to the debt denominated in US dollars

Net Income

Net income for the second quarter of 2015 was US\$ 105.9 million, an increase of 23.6% or US\$20.2 million compared to the US\$ 85.7 million obtained in the first quarter of the year. This growth was due to a US\$ 8.1 million increase in the Operating Income, which in turn improved because of higher revenues. This effect was partially offset by higher cost of sales of US\$ 60.2 million and higher Administrative expenses of US\$ 21.4 million. There was also an increase in other operating income of US\$7.6 million, caused by foreign exchange gains, previously explained above.

Compared to the same quarter in 2014, Net income in the second quarter of 2015 was 16.7% or US\$ 21.3 million lower.

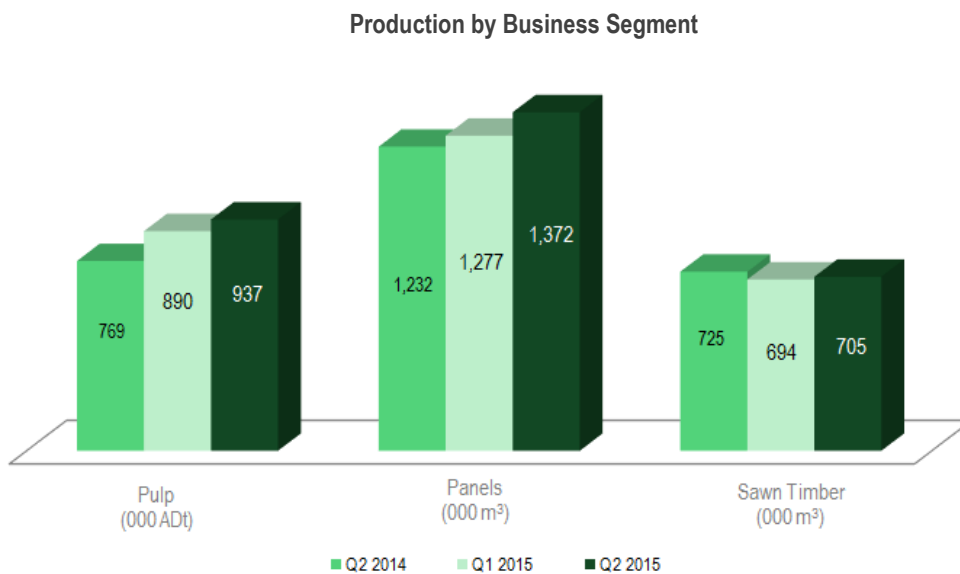


Production

During the second quarter of 2015, our Pulp production was 937 thousand Adt, a 5.3% increase compared to the 890 thousand Adt produced in the previous quarter. This is mainly explained by higher levels of production of the Montes del Plata mill, which improved its performance after the maintenance stoppage executed in the previous quarter. In June, Montes del Plata reached its nominal capacity level.

Production volume in Panels division was 1,372 thousand m³, 7.4% or 95 thousand m³ higher than the previous quarter. The production volume from Sawn timber division was stable, with a 1.6% increase or 11 thousand m³, compared to the 694 thousand m³ produced in the previous quarter.

Compared to the second quarter of 2014, production volume increased 21.9% in our Pulp division, our Panel's production increased 11.3% and our Sawn timber production decreased 2.8%.



Adjusted EBITDA

Adjusted EBITDA for the second quarter of 2015 reached US\$ 343.1 million, which was 5.4% or US\$ 17.7 million higher than the US\$ 325.4 million reached during the previous quarter, which is overall explained by an increase in higher sales volume and an improvement in unitary costs of pulp. In terms of Adjusted EBITDA by business, during the second quarter of the year we had an increase of US\$ 30.8 million in our Pulp division. This is as a result of an increase of Adjusted EBITDA of Montes el Plata, due to higher sales volume as well as an increase of short fiber prices. Panels division increased US\$ 16.2 million mainly due to higher sales volume in the North American market.

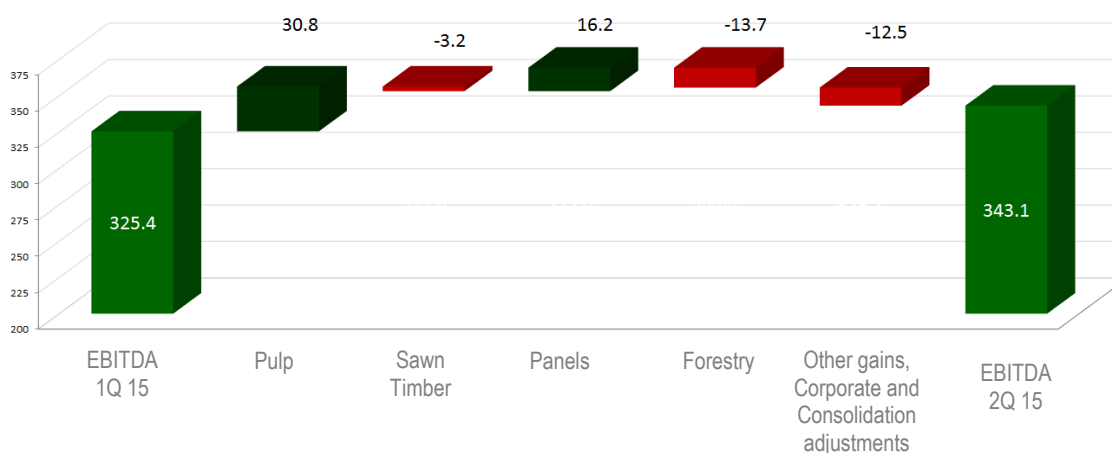
Adjusted EBITDA for the second quarter of 2015 was higher by 8.8% or US\$ 27.7 million when compared with the US\$ 315.3 million reached in the same period of 2014.

Adjusted EBITDA

In US\$ million	Q2 2015	Q1 2015	Q2 2014	QoQ	YoY	YTD 2015	YTD 2014	YoY Acum
Net Income	105.9	85.7	127.2	23.6%	-16.7%	191.6	232.7	-17.7%
Financial costs	63.0	68.2	56.8	-7.7%	10.8%	131.2	110.1	19.2%
Financial income	-8.8	-10.5	-3.9	-16.1%	123.4%	-19.3	-7.5	156.8%
Income tax	36.4	40.9	36.4	-11.0%	-0.1%	77.2	84.0	-8.1%
EBIT	196.4	184.3	216.5	6.6%	-9.3%	380.7	419.2	-9.2%
Depreciation & amortization	102.1	94.7	83.3	7.8%	22.5%	196.8	155.9	26.2%
EBITDA	298.5	279.0	299.8	7.0%	-0.4%	577.5	575.1	0.4%
Fair value cost of timber harvested	76.0	73.9	85.9	2.8%	-11.5%	149.9	162.3	-7.6%
Gain from changes in fair value of biological assets	-47.3	-46.8	-67.0	1.1%	-29.5%	-94.1	-133.6	-29.6%
Exchange rate differences	-2.6	7.9	-5.2	-133.1%	-49.9%	5.3	-10.1	-152.0%
Others (*)	18.5	11.4	1.9	62.1%	897.5%	29.9	32.0	-6.8%
Adjusted EBITDA	343.1	325.4	315.3	5.4%	8.8%	668.4	625.7	6.8%

(*) Includes provision for forestry fire losses.

Adjusted EBITDA Variation by Business Segment 1Q15 - 2Q15 (In US\$ million)



REVIEW BY BUSINESS SEGMENT

1- Pulp Division

During the second quarter of 2015, paper production and pulp demand diminished due to a seasonality effect in the Northern hemisphere. Signs of pulp oversupply was evidenced during the second half of the quarter, although prices in long fiber and short fiber started to show an upward trend in all markets. Short fiber prices rose despite the opening of a new mill in Brazil during May 2015. The initial operation of new mills usually have an effect in markets, even though mills take months to be fully operational.

In Asia, short and long fiber prices increased in US\$ 40 and US\$ 50 respectively, which translates into a 6% and 8% price gain during this second quarter. The price gap between these two fibers was reduced to US\$10 per ton, and can be associated with the substitution of short fiber for long fiber. It is important to note however, that this substitution has a limited effect and usually occurs if the price trend is stable for some months. Chinese paper mills are fairly flexible and are therefore likely to adopt this change. The Chinese market kept growing and pulp imports overall increased in 10.5% up to June 2015 compared to 2014 (9.4% in bleached long fiber and 12.6% in bleached short fiber). The paper market in China is still experiencing a supply surplus, with large inventories and small margins. However, this situation has improved in comparison to the previous quarter.

In the European markets, due to the weakening of the euro, prices have remained stable or have had minor increases throughout this second quarter. In the long fiber market, where there is competition with Eurozone producers, prices have remained stable or have experienced decreases between 0.7% and 1.0%. In contrast, the short fiber market, where imports play a bigger role and therefore follow the US dollar trend, prices rose US\$ 20 to US\$ 30 (4%-5%). Despite the closing of production mills and consequently less production, paper companies in Europe are still under pressure and have not improved their margins. In general, paper producers have their mills working at a capacity of 90%. Although this operational rate is fairly high, producers have still not been able to transfer their higher costs to their consumers. Higher costs are mainly due to the euro depreciation that directly affects imports, shutdown of mills, and a reduction of the European market in general.

The Middle East market has shown a promising level of activity and pulp demand has increased because of new paper mills, especially in tissue paper. Specifically, Turkey has increased tissue paper production considerably and have turned into one of the important producers in the region, exporting to North Africa and Middle East countries in general.

Our production was normal throughout this second quarter. There was a programmed maintenance in the Constitución Mill in April and the Valdivia Mill changed its production from long fiber to short fiber to meet market demands. It is important to note that the latter is designed to be able to produce both types of fibers interchangeably.

2- Sawn Timber Division

The sawn timber market showed a slight improvement in total sales compared to last quarter, although they were inferior when compared to the same period in 2014. This difference is mainly due to the general decrease of price levels within the first six months of this year. This trend is a consequence of a supply surplus from countries with weakening currencies, which makes to export a much more attractive scenario.

Our sales have strengthened in Asia in terms of volume throughout this second quarter, although the Middle East had less activity due to competition, principally from Europe. Both markets have experienced a decrease in volumes exported when compared to the first half of the year of 2014.

The North American market maintains its dynamism in new constructions and renovations, which translates into a stable market demand for our moldings.

In Chile and the rest of Latin America, there is a stable demand, which has enabled a higher market share this year and a desired level of product mix.

3- Panels Division

The tendency observed during the first quarter of the year is maintained, showing a growth in sales compared to the first half of 2014.

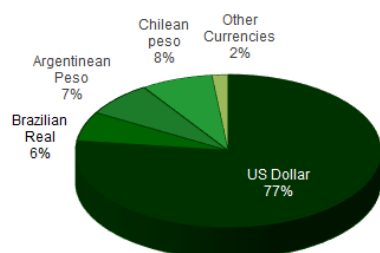
It is worth stressing that there has been an increase in the manufacturing of plywood thanks to our new mill in Nueva Aldea. There have also been favorable levels of sales in particle board manufactured in the Teno Mill, both in volume and product mix. Particleboards has maintained a stable demand throughout the first six months of this year, and our efforts to sell products with added value, such as melamine boards, has continued with promising results.

With respect to MDF, there is more competition throughout all the markets due to a generalized boost in supply. The weakening of the Brazilian real and the supply surplus have increased export volumes. The capacity to export MDF from Argentina is still diminished, forcing to sell primarily in the domestic market and to operate at lower production rates.

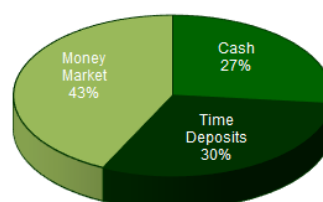
BALANCE SHEET ANALYSIS

Cash

Our cash position stood at US\$ 511.9 million at the end of the second quarter. The main variations during this quarter were US\$ 237.5 million provided by operating activities, US\$ 205.3 million used in investment activities and US\$ 565.1 million used in financing activities. During this second quarter we had in April a US\$ 370 million maturity of a Yankee bond and in May the payment of our full year 2014 dividends, net of our advanced dividend payment in December 2014. In addition, we prepaid US\$ 118 million as a part of the Arauco N.A. loan, partially offset by the US\$ 80 million obtained in the pre export financing loans.



Cash by Currency



Cash by Instrument

Financial Debt

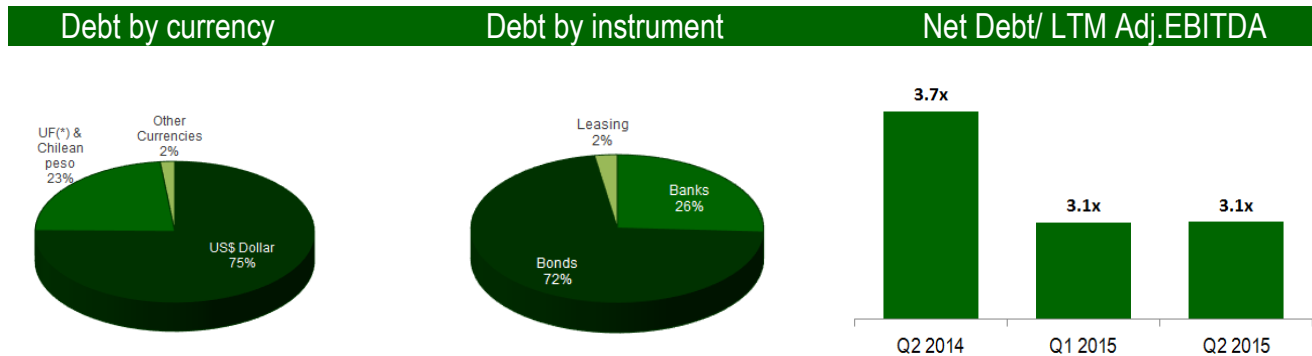
Arauco's consolidated financial debt as of June 30, 2015 reached US\$ 4,538.8 million, a decrease of 8.8% or US\$ 439.3 million when compared to March 31, 2015. The main part of this decrease is explained by the payment at the maturity of US\$ 370 million in Yankee bonds due in last April, the prepayment of US\$ 118 million of the Arauco N.A. loan, offset by the US\$ 80 million obtained in pre export financing loans.

Our consolidated net financial debt increased 2.3% or US\$ 89.6 million when compared with March 2015.

FINANCIAL DEBT

In US\$ million	June 2015	March 2015	June 2014
Short term financial debt	689.2	752.2	994.0
Long term financial debt	3,849.6	4,225.9	4,018.7
TOTAL FINANCIAL DEBT	4,538.8	4,978.1	5,012.8
Cash and cash equivalents	511.9	1,040.9	640.7
NET FINANCIAL DEBT	4,026.9	3,937.2	4,372.1

Our leverage, measured as Net Financial Debt/ LTM Adjusted EBITDA, stood at 3.1 times during this quarter, and decreased when compared to the 3.7 times at June 2014.

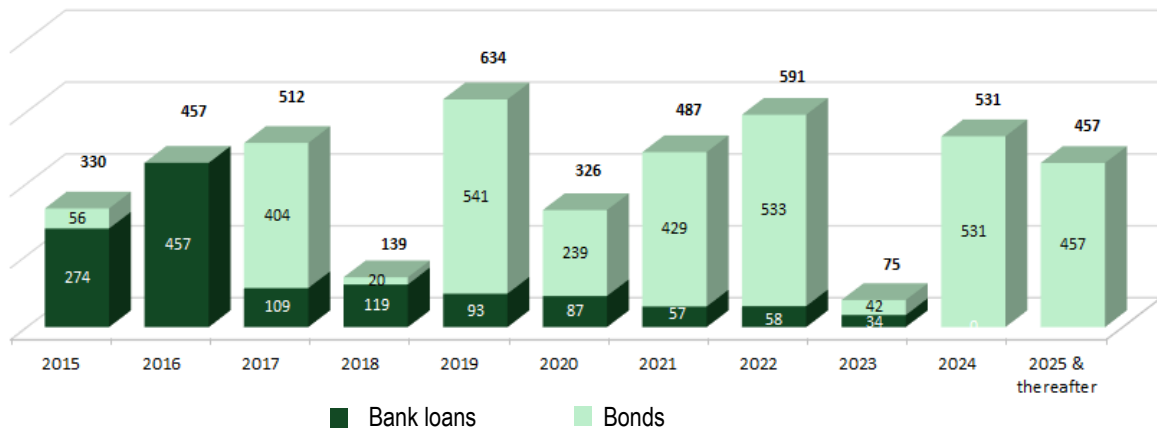


(*) UF is a Chilean monetary unit indexed to inflation. This portion does not consider the effect of debt in UF swapped to US Dollars

Financial Debt Profile

For the period June-December 2015, there is US\$ 80 million in pre export financing loans (that will mature in September), US\$ 121 million of maturities in Montes del Plata, US\$ 38 million in our subsidiaries in Brazil and US\$ 35 million in other bank loans and financial leasings. In addition, we include US\$ 56 million from accrued bond interests. The year 2016 includes US\$299 million bank loan that will mature in June 2016.

Financial Obligation by Year
(In US\$ million)



*Short term debt Includes accrued interest

FINANCIAL RATIOS

FINANCIAL RATIOS

	Q2 2015	Q1 2015	Q2 2014	YTD 2015	YTD 2014
Profitability					
Gross margin	33.1%	32.6%	32.5%	32.8%	33.6%
Operating margin	12.4%	12.7%	11.6%	12.5%	13.0%
LTM ⁽¹⁾ Adjusted EBITDA margin	24.5%	23.9%	22.8%	24.5%	22.8%
ROA (EBIT / Total Assets)	5.5%	5.0%	5.9%	5.3%	5.7%
ROE (Net Income / Equity)	6.3%	5.1%	7.1%	5.7%	6.5%
Leverage					
LTM Interest Coverage Ratio (Adj. EBITDA / Financial Costs)	4.9x	4.9x	5.2x	4.9x	5.2x
Net Financial Debt / LTM Adjusted EBITDA	3.1x	3.1x	3.7x	3.1x	3.7x
Total Financial Debt / Total Capitalization ⁽²⁾	40.1%	42.7%	40.8%	40.1%	40.8%
Net Financial Debt / Total Capitalization	35.6%	33.8%	35.6%	35.6%	35.6%
Total Financial Debt / Shareholders' Equity	67.5%	75.1%	69.6%	67.5%	69.6%
Net Financial Debt / Shareholders' Equity	59.8%	59.4%	60.7%	59.8%	60.7%

(1) LTM = Last Twelve Months

(2) Capitalization = Total financial debt + Equity

SECOND QUARTER AND SUBSEQUENT EVENTS AND NEWS

New effluent treatment investment at Arauco Pulp Mill under way

Construction work for a new effluent treatment system at the Arauco pulp mill has commenced. The treatment system, which will be an important addition to the industrial complex in the Horcones area, will be built on 36.4 hectares (90 acres) of land. The company is investing US\$ 120 million in this project, which is expected to be ready in May 2017. This effluent treatment system is a part of the MAPA project.

Dissolving Pulp Project Environmental Permit

In April a constitutional action (recurso de protección) was filed at the Court of Appeals of Valdivia against the Environmental Assessment Service (SEA) in relation to our Dissolving Pulp Project at the Valdivia Mill, arguing that the environmental permit was granted without meeting all required formalities. The Court of Appeals granted such action and revoked the environmental permit. We have appealed to the Supreme Court and the case is currently under review. Arauco believes that the environmental impact assessment was carried out by the authorities in full compliance with legal standards.

Chilean Pavilion for Expo Milan 2015 carbon neutral

Arauco signed a carbon offset pledge which will allow the Chilean Pavilion for Expo Milan 2015 to become certified as carbon neutral. Biomass-based clean energy registered under the Kyoto Protocol mainly from Arauco's Valdivia pulp mill will offset the pavilion's carbon footprint.

Increase of conservation area in Arauco

Arauco has substantially increased the areas set aside for conservation, from 3,000 hectares (7,413 acres) to almost 60,000 (148,263 acres) in these past four years. This extension includes 37 biological areas and 69 cultural interest sites located throughout the VI and X Regions of Chile, whose identification and management are conducted under the guidelines and methods promoted by the High Conservation Value Network and PROFOREST.

FINANCIAL STATEMENTS

INCOME STATEMENT

US\$ Million	Q2 2015	Q1 2015	Q2 2014	YTD 2015	YTD 2014
Revenue	1,372.7	1,273.3	1,374.6	2,646.0	2,599.3
Cost of sales	(918.7)	(858.5)	(928.4)	(1,777.2)	(1,726.3)
Gross Profit	454.0	414.8	446.3	868.8	873.0
Other income	54.6	55.5	76.4	110.2	154.1
Distribution costs	(132.5)	(122.8)	(139.4)	(255.3)	(256.1)
Administrative expenses	(151.9)	(130.5)	(147.7)	(282.4)	(278.7)
Other expenses	(28.8)	(25.5)	(25.0)	(54.3)	(83.0)
Financial income	8.8	10.5	3.9	19.3	7.5
Financial costs	(63.0)	(68.2)	(56.8)	(131.2)	(110.1)
Participation in (loss) profit in associates and joint ventures accounted through equity method	(1.6)	0.6	0.8	(1.0)	(0.1)
Exchange rate differences	2.6	(7.9)	5.2	(5.3)	10.1
Income before income tax	142.3	126.6	163.6	268.8	316.7
Income tax	(36.4)	(40.9)	(36.4)	(77.2)	(84.0)
Net Income	105.9	85.7	127.2	191.6	232.7
Profit attributable to parent company	105.0	84.9	125.9	189.9	230.1
Profit attributable to non-parent company	0.9	0.8	1.3	1.7	2.5

BALANCE SHEET

US\$ Million	Q2 2015	Q1 2015	Q4 2014
Cash and cash equivalents	511.9	1,040.9	971.2
Other financial current assets	11.8	10.1	7.6
Other current non-financial assets	164.8	182.0	177.7
Trade and other receivables-net	778.0	720.4	731.9
Related party receivables	4.4	4.7	4.7
Inventories	911.1	908.3	893.6
Biological assets, current	255.8	265.0	307.6
Tax assets	43.4	39.4	38.5
Non-Current Assets classified as held for sale	8.0	8.0	8.0
Total Current Assets	2,689.1	3,178.8	3,140.7
Other non-current financial assets	2.0	3.1	5.0
Other non-current and non-financial assets	101.8	100.0	101.1
Non-current receivables	188.7	159.8	182.5
Investments accounted through equity method	303.8	293.6	326.0
Intangible assets	87.4	89.2	93.3
Goodwill	76.7	75.5	82.6
Property, plant and equipment	7,003.4	6,984.9	7,119.6
Biological assets, non-current	3,523.5	3,523.4	3,538.8
Deferred tax assets	149.7	153.1	158.3
Total Non-Current Assets	11,437.1	11,382.6	11,607.2
TOTAL ASSETS	14,126.1	14,561.4	14,747.9
Other financial liabilities, current	691.4	755.3	742.3
Trade and other payables	605.1	638.0	630.4
Related party payables	9.5	5.7	6.0
Other provisions, current	0.7	2.1	2.5
Tax liabilities	21.5	29.6	25.9
Current provision for employee benefits	4.3	3.6	3.6
Other non-financial liabilities, current	118.8	182.7	136.3
Total Current Liabilities	1,451.3	1,617.0	1,547.1
Other non-current financial liabilities	3,988.3	4,368.7	4,453.8
Trade and Other payables non-current	0.0	0.0	0.0
Other provisions, non-current	63.8	60.4	64.5
Deferred tax liabilities	1,745.7	1,749.7	1,757.1
Non-current provision for employee benefits	51.2	48.0	48.6
Other non-financial liabilities, non-current	53.5	48.0	62.0
Total Non-Current Liabilities	5,902.5	6,274.7	6,386.1
Non-parent participation	43.6	42.0	47.6
Net equity attributable to parent company	6,728.8	6,627.7	6,767.1
TOTAL LIABILITIES AND EQUITY	14,126.1	14,561.4	14,747.9

STATEMENT OF CASH FLOWS

US\$ Million	Q2 2015	Q1 2015	Q2 2014	YTD 2015	YTD 2014
Collection of accounts receivables	1,480.6	1,398.0	1,348.8	2,878.7	2,525.3
Collection from insurance claims	0.0	3.0	0.0	3.0	0.0
Other cash receipts (payments)	101.0	113.3	89.5	214.3	183.4
Payments of suppliers and personnel (less)	(1,264.0)	(1,221.7)	(1,092.0)	(2,485.7)	(2,200.7)
Interest paid and received	(41.4)	(72.5)	(39.3)	(114.0)	(87.2)
Income tax paid	(35.3)	(13.6)	8.1	(48.9)	(4.9)
Other (outflows) inflows of cash, net	(3.5)	4.6	(2.5)	1.1	(1.3)
Net Cash Provided by (Used in) Operating Activities	237.5	211.1	312.5	448.6	414.6
Capital Expenditures	(187.0)	(94.8)	(171.6)	(281.8)	(370.5)
Other investment cash flows	(18.3)	(0.6)	6.1	(19.0)	19.2
Net Cash Provided by (Used in) Investing Activities	(205.3)	(95.4)	(165.5)	(300.8)	(351.3)
Proceeds from borrowings	174.8	26.3	216.8	201.1	463.6
Repayments of borrowings	(640.8)	(67.7)	(151.1)	(708.5)	(478.5)
Dividends paid	(98.6)	0.0	(77.7)	(98.6)	(77.8)
Other inflows of cash, net	(0.4)	(0.4)	(0.0)	(0.8)	(0.0)
Net Cash Provided by (Used in) Financing Activities	(565.1)	(41.8)	(12.1)	(606.9)	(92.7)
Total Cash Inflow (Outflow) of the Period	(532.9)	73.8	134.9	(459.0)	(29.4)
Effect of exchange rate changes on cash and cash equivalents	3.9	(4.1)	0.4	(0.2)	2.9
Cash and Cash equivalents at beginning of the period	1,040.9	971.2	505.5	971.2	667.2
Cash and Cash Equivalents at end of the Period	511.9	1,040.9	640.7	511.9	640.7

For more details on Arauco's financial statements please refer to www.svs.cl or www.arauco.cl

DISCLAIMER

This news release may contain forward-looking statements concerning Arauco's future performance and should be considered as good faith estimates by Arauco. These forward looking statements reflect management's expectations and are based upon currently available data. Actual results are subject to future events and uncertainties, many of which are outside Arauco's control and could materially impact Arauco's performance.

Readers are referred to the documents filed by Arauco with the United States Securities and Exchange Commission, specifically the most recent filing on Form 20-F which identifies important risk factors that could cause actual results to differ from those contained in the forward-looking statements. All forward-looking statements are based on information available to Arauco on the date hereof and Arauco assumes no obligation to update such statements. References herein to "US\$" are to United States dollars. Discrepancies in any table between totals and the sums of the amounts listed are due to rounding. This report is unaudited.

For further information please contact:

José Luis Rosso
jose.rosso@arauco.cl
Phone: (56-2) 2461 7221