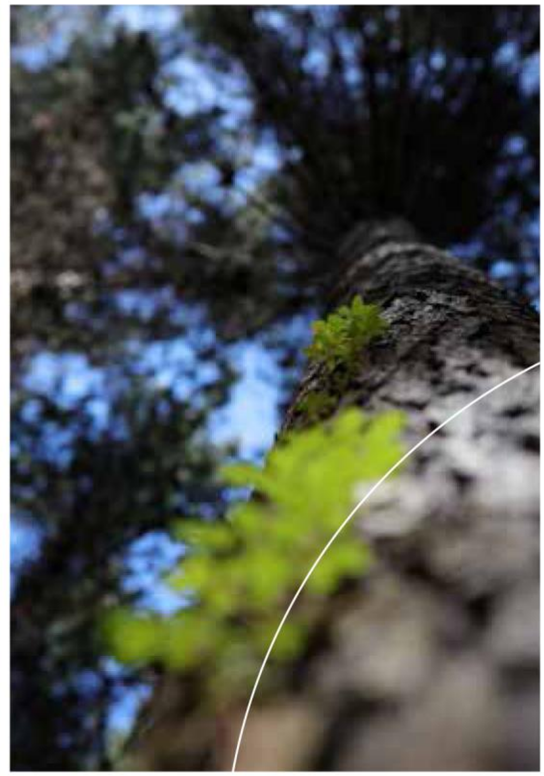


CELULOSA **ARAUCO**

Y CONSTITUCIÓN S.A.

Third Quarter

2017 Results

November 16, 2017

renewables for a better life

arauco

REVENUES U.S.$ 1,393.4 MILLION
Arauco's revenues reached U.S.$ 1,393.4 million during the third quarter of 2017, a 8.9% increase compared to the U.S.$ 1,279.9 million obtained in the second quarter of 2017.

NET INCOME U.S.$ 148.4 MILLION
Net income reached U.S.$ 148.4 million, an increase of 76.5% or U.S.$ 64.3 million compared to the U.S.$ 84.1 million obtained in the second quarter of 2017.

ADJUSTED EBITDA U.S.$ 385.3 MILLION
Adjusted EBITDA reached U.S.$ 385.3 million, an increase of 15.2% or U.S.$ 50.7 million compared to the U.S.$ 334.6 million obtained during the second quarter of 2017. Accumulated up to September, Adjusted EBITDA reached U.S.$1,011.5 million, an increase of 27.7% or U.S.$ 219.2 million compared to the U.S.$ 792.3 million obtained during the first nine months of 2016.

NET FINANCIAL DEBT/ LTM ADJUSTED EBITDA
Net Financial Debt / LTM(1) Adjusted EBITDA ratio reached 2.9x in this quarter, a decrease compared to the 3.3x obtained in the second quarter of 2017.

(1) LTM = Last Twelve Months

CAPEX
CAPEX reached U.S.$ 169.0 million, an increase of 27.8% or U.S.$ 36.7 million compared to the U.S.$ 132.2 million during the second quarter of 2017.

Conference Call
Monday, November 20th, 2017
17:00 Santiago Time
15:00 Eastern Time (New York)
Please Dial:
+1 (844) 839 2184 from USA
+1 (412) 317 2505 from other countries
Password: Arauco

For further information, please contact:

Marcelo Bennett
marcelo.bennett@arauco.cl
Phone: (562) 2461 7309

Fernanda Paz Vásquez
fernanda.vasquez@arauco.cl
Phone: (562) 2461 7494

investor_relations@arauco.cl

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

OVERVIEW

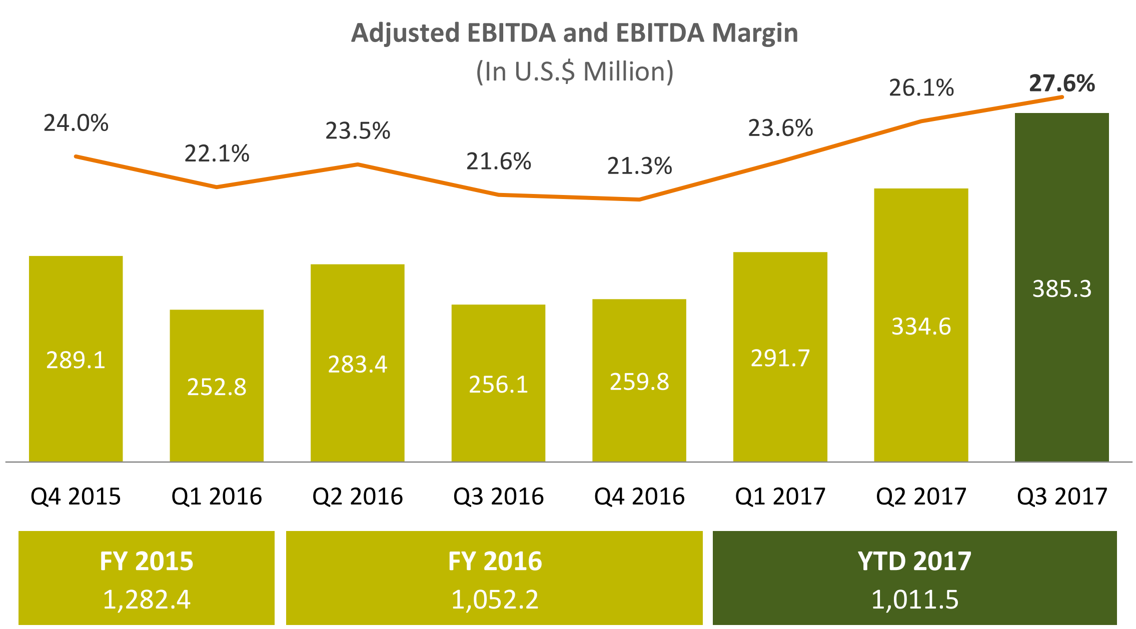
During this quarter, Arauco attained an overall EBITDA margin of 27.6%, preserving the upward trend we have been able to keep during this whole year. Pulp prices, which had a swift increase during the first semester of the year, consolidated their new price levels during the third quarter, increasing slightly by 2.0% compared to last quarter. Sales of our wood products also increased during the quarter, thanks to higher sales volume, partially offset by a decrease in average prices.

Supply in the pulp market tightened thanks to supply disruptions and up ticking demand in China even after a seasonally strong demand during the summer months. Price hikes took up once again during the month of September after remaining fairly stable the first two months of the quarter. The ban on unsorted paper waste was also a factor that enabled prices to continue at their new levels. In Europe, overall economic growth beat forecasts and prices continued to follow developments in China.

Our wood products segment increased its EBITDA margin with higher sales volume, especially from our value-added products. Forecasts for the economy in the United States was fairly optimistic, even after hurricane Irma and Harvey hit the East coast during the month of September. One deterrent for price hikes were the new MDF mills in Brazil and Mexico which maintain a heightened level of competition in the region.

Arauco´s Free Cash Flow reached U.S.$ 86.9 million during the quarter, even with an increase in CAPEX as the Grayling Project continues its construction phase.

In U.S. Million	Q3 2017	Q2 2017	Q3 2016	QoQ	YoY	YTD 2017	YTD 2016	YoY Acum
Revenue	1,393.4	1,279.9	1,187.5	8.9%	17.3%	3,907.0	3,540.8	10.3%
Net income	148.4	84.1	31.4	76.5%	372.3%	187.2	141.8	32.0%
Adjusted EBITDA	385.3	334.6	256.1	15.2%	50.4%	1,011.5	792.3	27.7%
Adjusted EBITDA Margin	27.6%	26.1%	21.6%	5.8%	28.2%	25.9%	22.4%	15.7%
LTM Adj. EBITDA	1,271.3	1,142.2	1,081.4	11.3%	17.6%	1,271.3	1,081.4	17.6%
CAPEX	169.0	132.2	129.0	27.8%	31.0%	421.1	501.3	-16.0%
Net Financial Debt	3,679.2	3,735.8	3,882.9	-1.5%	-5.2%	3,679.2	3,882.9	-5.2%
Net Financial Debt / LTM Adj. EBITDA	2.9x	3.3x	3.6x	-11.5%	-19.5%	2.9x	3.6x	-19.5%



INCOME STATEMENT

Net income for the third quarter of 2017 was U.S.$ 148.4 million, an increase of 76.5% or U.S.$ 64.3 million compared to the U.S.$ 84.1 million obtained in the second quarter of this year.

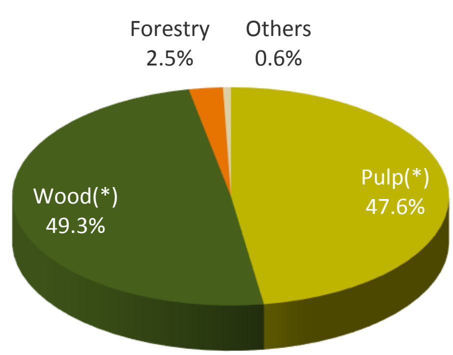
In U.S.$ Million	Q3 2017	Q2 2017	QoQ
Revenues	1,393.4	1,279.9	*8.9%*
Cost of sales	(940.3)	(877.7)	*7.1%*
Distribution costs	(138.3)	(128.1)	*7.9%*
Administrative expenses	(123.7)	(127.2)	*-2.8%*
Other income	42.2	32.6	*29.5%*
Other expenses	8.2	(8.1)	*-201.2%*
Financial income	3.3	5.9	*-43.5%*
Financial costs	(54.1)	(57.7)	*-6.2%*
Participation in (loss) profit in associates and joint ventures accounted through equity method	7.0	3.4	*103.8%*
Exchange rate differences	2.9	(1.6)	*-277.0%*
Income before income tax	**200.6**	**121.5**	***65.1%***
Income tax	(52.2)	(37.4)	*39.4%*
Net income	**148.4**	**84.1**	***76.5%***

Revenues reached U.S.$ 1,393.4 million during the third quarter of 2017 compared with the U.S.$ 1,279.9 million in the previous quarter, as a result of an increase in sales from our pulp, wood products and forestry sector. Revenues from our pulp segment also rose thanks to higher average pulp prices which increased by 2.0% compared to last quarter, and 15.0% when compared to the third quarter of 2016. Wood products revenues were driven by an increased sales volume of 5.6% compared to last quarter. Forestry revenues increased 20.2% as our pulp segment increased sales volume in both pulp and wood products segments. Energy sales overall decreased 38.7%, with prices being the main driver as energy spot prices in Chile sunk after a fairly wet season during the winter months. The following table shows a breakdown of our revenue sales distributed by business segment:

In U.S.$ Million	Q3 2017	Q2 2017	QoQ
Pulp(*)	663.2	587.7	*12.9%*
Wood Products(*)	687.0	652.7	*5.2%*
Forestry	35.0	29.1	*20.2%*
Others	8.2	10.4	*-21.5%*
Total	**1,393.4**	**1,279.9**	***8.9%***

(*) Pulp and Wood division sales include energy

Sales by Business Segment 3Q 2017



Cost of sales for the third quarter of the year reached U.S.$ 940.3 million, U.S.$ 62.7 million or 7.1% higher than the U.S.$ 877.7 million obtained in the second quarter of 2017. Many of our costs increased with the rise in sales volume from our pulp and wood products segment. In particular, forestry costs increased by 18.3% compared to last quarter due to various factors: (i) an increase in the harvest of forests that were burnt during the summer months; (ii) an increase in the costs of roads, since harvesting during the winter months implies a higher use of asphalt roads; and (iii) an increase in the average distance of forests harvested to mills during this quarter.

In U.S.$ Million	Q3 2017	Q2 2017	QoQ
Timber	178.7	189.9	*-5.9%*
Forestry costs	179.1	151.5	*18.3%*
Depreciation and amortization	102.9	89.9	*14.5%*
Maintenance costs	69.6	65.5	*6.2%*
Chemical costs	132.8	128.2	*3.6%*
Sawmill services	30.9	25.4	*21.9%*
Other raw materials and indirect costs	98.4	88.5	*11.2%*
Energy and fuel	51.1	43.4	*17.7%*
Cost of electricity	9.8	13.9	*-29.6%*
Wage, salaries and severance indemnities	86.9	81.6	*6.6%*
Cost of Sales	**940.3**	**877.7**	***7.1%***

Administrative expenses have remained stable throughout each quarter of this year, overall decreasing by 2.8% or U.S.$ 3.5 million compared to the second quarter of the year. Computer services had the largest percentual decrease, after many licensing expenses were paid during the second quarter of the year. Other items did not fluctuate more than U.S.$ 3.4 million during the quarter.

In U.S.$ Million	Q3 2017	Q2 2017	QoQ
Wage, salaries and severance indemnities	55.7	53.3	*4.6%*
Marketing, advertising, promotion and publications expenses	2.1	2.7	*-21.0%*
Insurance	3.9	5.0	*-21.4%*
Depreciation and amortization	6.9	6.7	*2.4%*
Computer services	5.6	8.2	*-30.9%*
Lease rentals (offices, warehouses and machinery)	3.3	4.1	*-19.1%*
Donations, contributions, scholarships	1.8	1.5	*21.6%*
Fees (legal and technical advisories)	10.6	8.1	*31.9%*
Property taxes, patents and municipality rights	4.4	5.1	*-14.0%*
Other administration expenses	29.2	32.6	*-10.3%*
Administrative Expenses	**123.7**	**127.2**	***-2.8%***

Distribution costs increased 7.9% or U.S.$ 10.2 million. In general, all variations are directly affected by an increase in sales volume from our pulp and wood products segment during the quarter.

In U.S.$ Million	Q3 2017	Q2 2017	QoQ
Commissions	4.1	3.0	*39.5%*
Insurance	0.8	0.8	*-1.5%*
Other selling costs	5.3	5.5	*-2.6%*
Port services	8.0	7.5	*5.4%*
Freights	101.3	95.3	*6.3%*
Other shipping and freight costs	18.8	16.1	*16.9%*
Distribution Costs	**138.3**	**128.1**	***7.9%***

As a percentage, administrative expenses and distribution costs combined were 18.8% of sales, showing a downward trend compared to the 19.9% in the previous quarter, and a downward trend compared to 19.8% in the quarter before that.

Other income rose 29.5% or U.S.$ 9.6 million this quarter compared to the second quarter of 2017. Gain from changes in fair value of biological assets increased by U.S.$ 9.9 million compared to last quarter due to the adjustments made during the second quarter for the total year. The rest of the items did not suffer any major fluctuations.

In U.S.$ Million	Q3 2017	Q2 2017	QoQ
Gain from changes in fair value of biological assets	33.9	24.0	*41.0%*
Net income from insurance compensation	1.1	0.2	*366.7%*
Leases received	0.9	1.2	*-29.6%*
Gains on sales of assets	4.9	2.8	*73.9%*
Access easement	-	0.4	*-100.0%*
Other operating results	1.5	3.9	*-61.9%*
Other Income	**42.2**	**32.6**	***29.5%***

Other expenses fell overall 201.2% or U.S.$ 16.2 million compared to last quarter. The provision for forestry fire losses was decreased by U.S.$ 34.5 million due to the insurance payment that was provisioned during the third quarter. The payment of the insurance was finally received during October of this year.

In U.S.$ Million	Q3 2017	Q2 2017	QoQ
Depreciation	0.6	0.4	*45.3%*
Legal payments	0.5	1.1	*-55.2%*
Impairment provision property, plant and equipment and others	1.5	1.8	*-13.3%*
Plants stoppage operating expenses	1.0	1.1	*-10.3%*
Project expenses	0.1	(0.0)	*-685.8%*
Gain (loss) from asset sales	1.9	2.0	*-7.8%*
Loss of assets	0.0	(0.0)	*-485.7%*
Provision for forestry fire losses	(34.5)	(4.5)	*667.5%*
Other taxes	4.3	1.9	*129.0%*
Research and development expenses	0.5	0.8	*-39.1%*
Fines, readjustments and interest	1.7	0.2	*956.3%*
Other expenses (donations, repayments insurance)	14.2	3.2	*343.8%*
Other expenses	**(8.1)**	**8.1**	***-201.2%***

Foreign exchange differences showed a gain of U.S.$ 2.9 million, a U.S.$ 4.5 million difference when compared to the previous quarter that ended at a loss of U.S.$ 1.6 million. The Chilean peso appreciated by 4.0% against the U.S. dollar during the quarter, which increased our cash and cash equivalents and outstanding debt in this currency. The average of the Chilean peso during the quarter also appreciated by 3.3% against the U.S. dollar, which increased our revenues and costs in Chilean pesos when converted to U.S. dollar. On the other hand, the Argentine peso depreciated by 4.1% against the U.S. dollar compared to last quarter, decreasing our cash and cash equivalents and our outstanding debts. The average of the Argentine peso depreciated by 9.8% throughout the quarter, which decreased our revenues and costs in Argentine pesos when converted to U.S. dollar.

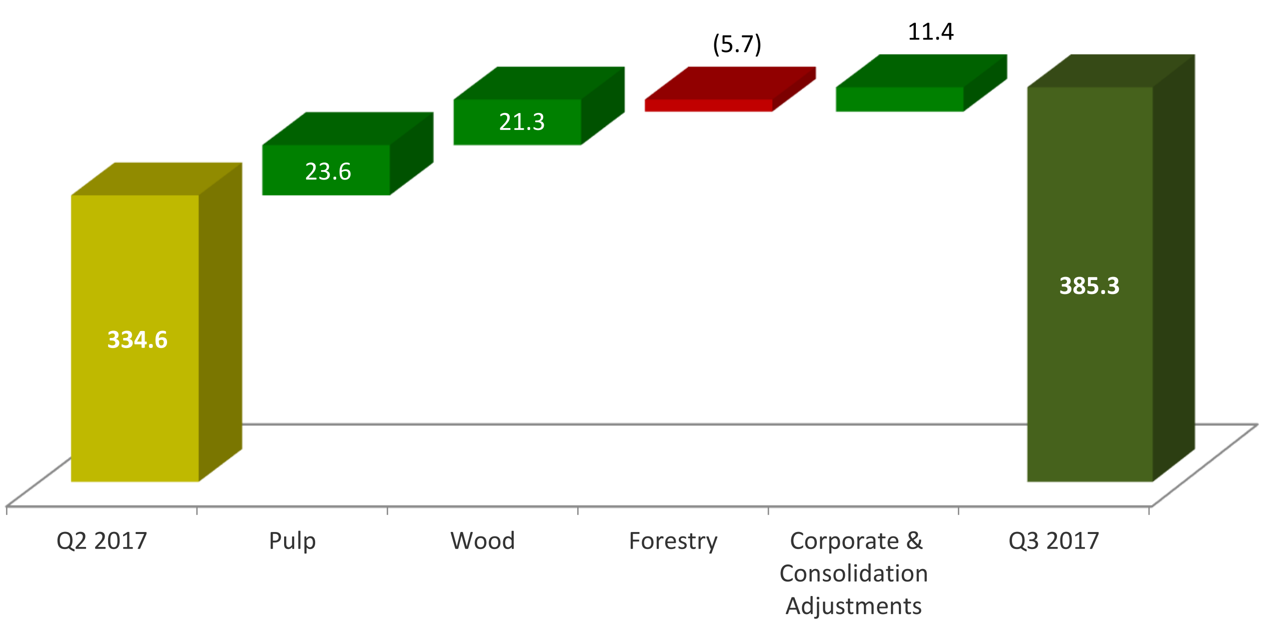
ADJUSTED EBITDA

Adjusted EBITDA for the third quarter of 2017 was U.S.$ 385.3 million, 15.2% or U.S.$ 50.7 million higher than the US$ 334.6 million reached during the previous quarter. In terms of Adjusted EBITDA by business, during the third quarter of the year we had an increase in our pulp and wood products divisions of 11.5% and 22.6%, respectively, partially offset by a 9.6% decrease in our forestry division. The positive trend in pulp prices continued to boost gross margins within this segment and increased our EBITDA margin. In the wood products segment, sales volume increased, offsetting the slight decrease in average prices. Our forestry EBITDA slightly decreased during the quarter, since the winter months usually bring with them an added cost to harvesting.

In U.S.$ Million	Q3 2017	Q2 2017	Q3 2016	QoQ	YoY
Net Income	148.4	84.1	31.4	76.5%	372.3%
Financial costs	54.1	57.7	64.7	-6.2%	-16.3%
Financial income	(3.3)	(5.9)	(7.9)	-43.5%	-57.6%
Income tax	52.2	37.4	17.8	39.4%	192.5%
EBIT	**251.4**	**173.4**	**106.1**	**45.0%**	**137.0%**
Depreciation & amortization	110.5	96.8	102.8	14.1%	7.5%
EBITDA	**361.9**	**270.2**	**208.9**	**34.0%**	**73.3%**
Fair value cost of timber harvested	94.6	91.3	86.6	3.7%	9.2%
Gain from changes in fair value of biological assets	(33.9)	(24.0)	(40.9)	41.0%	-17.2%
Exchange rate differences	(2.9)	1.6	1.0	-277.0%	-391.9%
Others (*)	(34.5)	(4.5)	0.6	667.5%	-5801.0%
Adjusted EBITDA	**385.3**	**334.6**	**256.1**	**15.2%**	**50.4%**

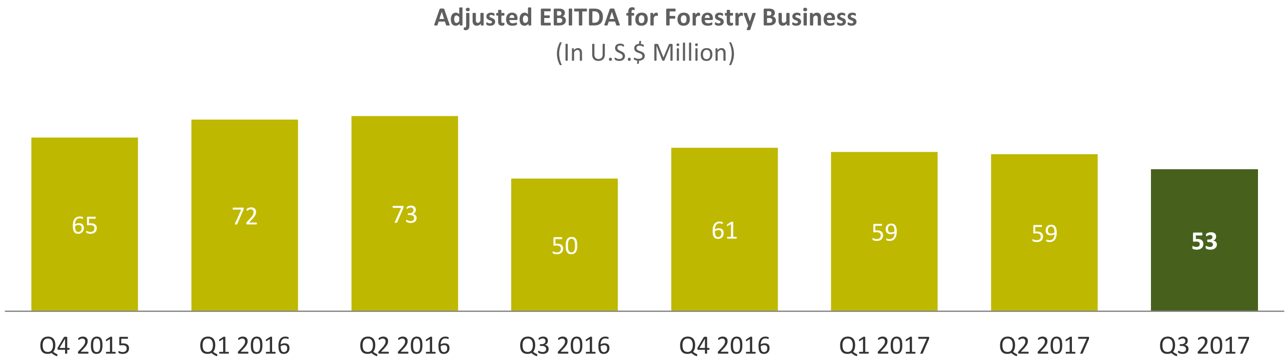
(*) Includes provision from forestry fire losses.

Adjusted EBITDA Variation by Business Segment Q2 2017 – Q3 2017
(In U.S.$ Million)

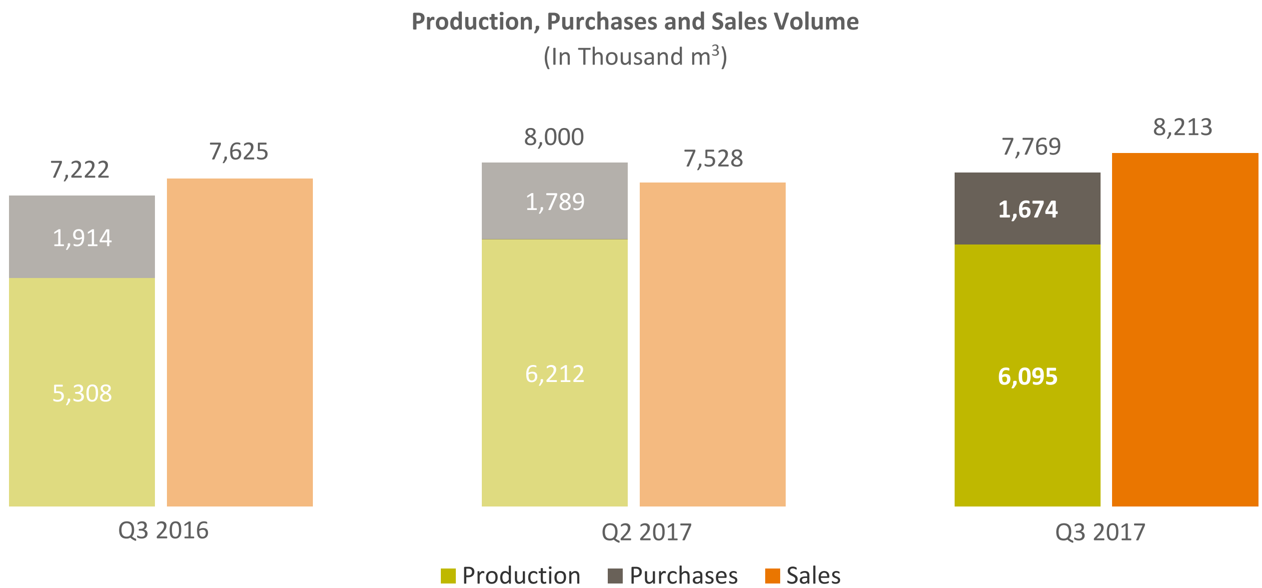


FORESTRY BUSINESS

The Adjusted EBITDA for our forestry business reached U.S.$ 53.0 million during this quarter, which translates to a 9.6% or U.S.$ 5.7 million decrease compared to the previous quarter.

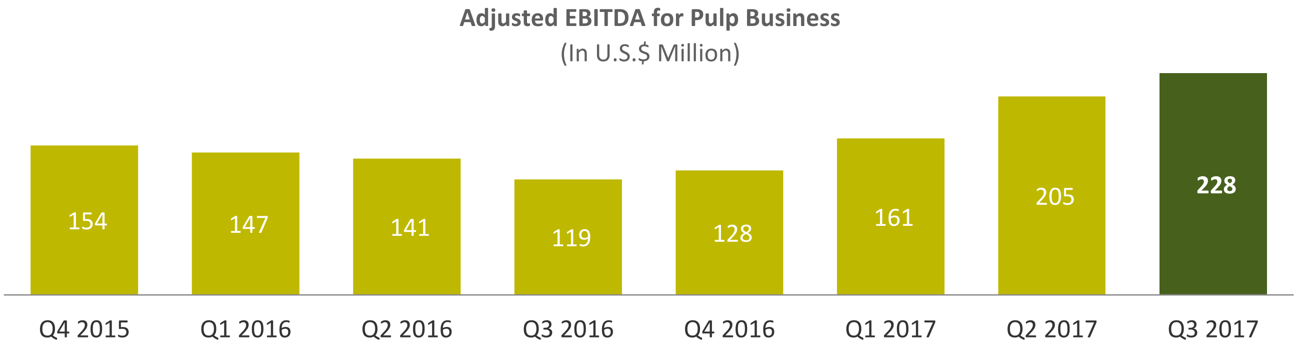


During the third quarter, our forestry production was 6.1 million m3, a 1.9% decrease compared to the 6.2 million m3 produced in the previous quarter. Sales volume increased by 8.3% from 7.5 million m3 to 8.2 million m3.



PULP BUSINESS

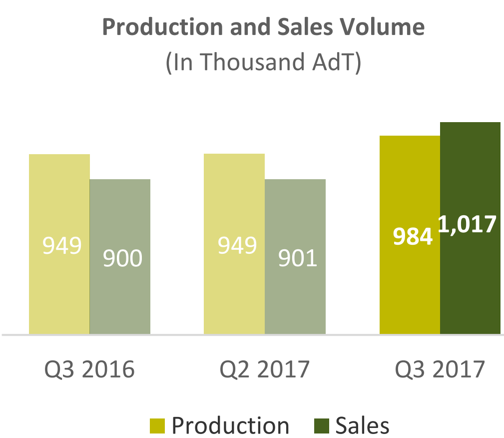
The Adjusted EBITDA for our pulp business reached U.S.$ 228.3 million during this quarter, which translates to a 11.5% increase or U.S.$ 23.6 million compared to the previous quarter.



Global Pulp Demand Change
Q2 2017 – Q3 2017

North America	3.6%
West Europe	-0.1%
East Europe	3.0%
Latin America	-0.6%
Japan	5.4%
China	2.2%
Others	-6.1%

Source: Hawkins Wright



Consistent with the tendency at the end of the second quarter, the summer months of July and August proved to be stable in terms of pricing despite the usual seasonal downturn in demand. Price hikes started up once again in September throughout all markets, a clear sign of the healthy economies in Europe, Asia and North America. From the supply side, new incoming supply of market pulp into the market became more apparent. The OKI Mill is not expected to reach the 2.8 million tons of annual production, and instead is expected to produce approximately 2.0 million tons per year for the next three to four years. In turn, new supply from the Horizonte II Mill did not have a significant effect in the market.

Asian markets continue to follow Chinese trends in prices. Short fiber increased average prices by 5% during the quarter, while long fiber increased average prices by 4% during the quarter. Low inventories, especially in China, pushed local trader prices to elevated levels. The gap between local prices and import prices reached U.S.$ 100, hinting that prices will probably continue to rise. Paper producers have been able to pass along their higher costs to the final consumer and maintained or even increased their margins. Although it is too early to understand the full impact, the ban on unsorted paper waste has also limited the supply of raw materials for paper and packaging producers. In a market that continues to grow and therefore demands an ever-growing amount of paper and packaging, this ban should have a positive effect on average pulp prices. The ban on old corrugated containers has caused unbleached pulp prices also to improve. Korea and Taiwan, which are important packaging producers, were affected by the increase in unbleached pulp prices but were somewhat offset by higher imports of unsorted paper waste to these countries where it is not banned. In Southeast Asia, demand in fibrocement which also utilizes unbleached pulp was subdued as the construction sector lost strength.

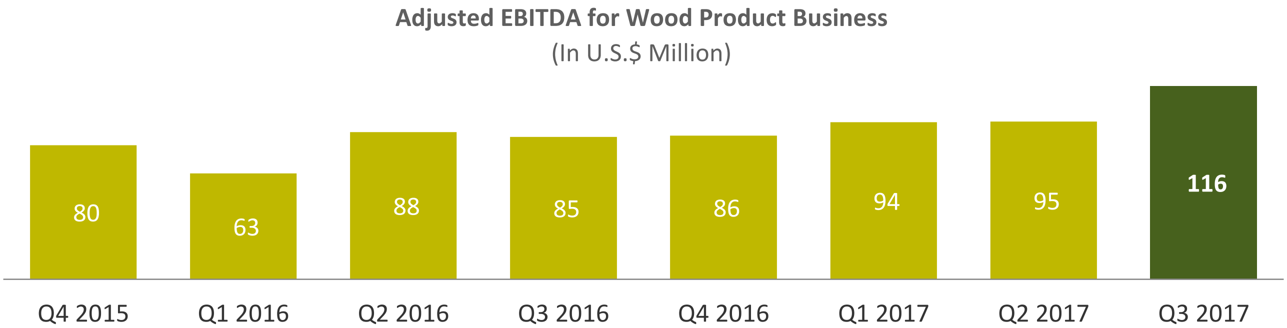
In Europe, the positive demand for pulp and paper was a strong reflection of greater economic activity. During this season, paper producers usually have annual maintenance stoppages that can last anywhere between seven to ten days. This year, however, many paper producers decided otherwise, and production levels remained in above-normal levels. Average pulp prices increased 6% in short fiber and 2% in long fiber during the quarter. It is important to note that long fiber is most commonly provided for locally, and Chilean imports are not relevant within this market. Consumption of printing and writing paper increased between 3% and 5% for the first time in ten years, and European paper producers were able to push their higher costs to the final consumer. Tissue is a different matter, since tissue prices are usually negotiated once or twice a year, and therefore do not have as much flexibility to changes throughout the seasons.

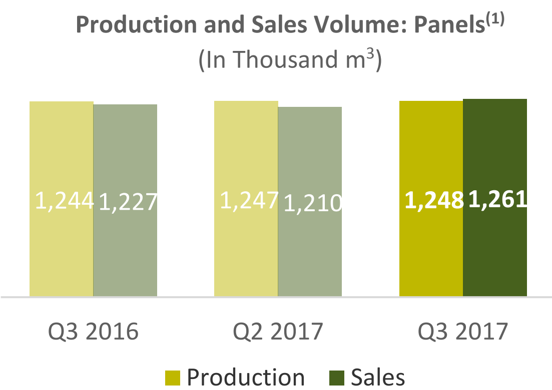
Other regions such as the Middle East, North America and South America followed international price trends. Particularly in the Middle East prices increased despite having added pressure since paper producers were unable to transfer increased costs through their value chain and due to lower activity during the month of Ramadan.

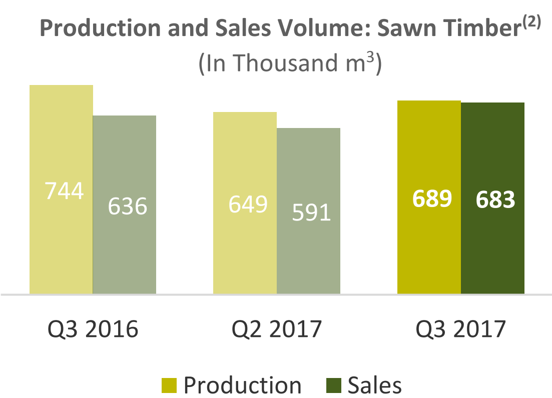
Production during the third quarter increased by 3.7% compared to last quarter and 3.8% compared to the same quarter of last year. We had a maintenance stoppage in our Licancel Mill during the month of July.

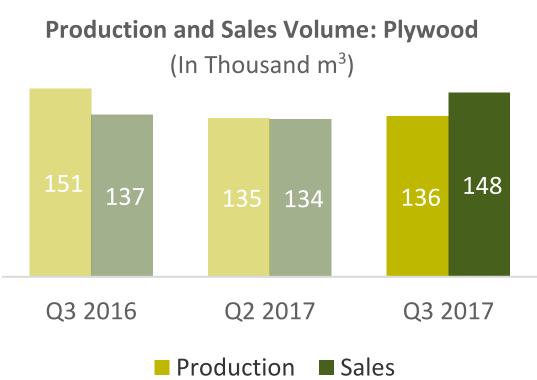
WOOD PRODUCTS BUSINESS

The Adjusted EBITDA for our wood products business reached U.S.$ 116.0 million during this quarter, which translates to a 22.6% increase or U.S.$ 21.3 million compared to the previous quarter.









Composite panel sales remained solid, with overall sales volume increasing 4.2% and average prices decreasing 1.4%. MDF and PBO sales were generally restrained in all markets. However, OSB sales in Chile more than compensated this downfall in terms of sales volume, thanks to production from Sonae Arauco which we were able to sell within this market through market trading.

Sales in the North American market continued to show sustainable price levels, undeterred by a slower MDF market due to South American imports that continue to penetrate these markets. The West coast showed the highest demand within the region.

Brazil has shown a muted recovery in terms of sales volume as internal consumption levels increased with a slight decrease in prices. However, there is still the need to keep exporting to other markets in order to decrease pressure in the local markets. The rest of Latin America reached stable sales thanks to our diversified product mix. These markets have not been as dynamic as other parts of the world, as less projects that require construction and furniture products come into execution. The new MDF mills in Brazil and Mexico continue to maintain a heightened level of competition in this region.

Sawn timber markets kept their positive trend from last quarter, with sales volume increasing 7.9% and average prices increasing 1.1%. Asia and the Middle East are the primary factor in this upsurge, since European markets increased their internal consumption and therefore decreased exports to these countries. Remanufactured wood products also showed stable revenues, with North America showing increased dynamism.

Plywood continued to show better returns, as prices increased 4.4% and sales volume increased 10.6% compared to the last quarter. Sales to European markets have benefitted from the appreciation of the euro, while in North America the high demand in retail, distribution and industrial chains boosted overall average prices. Value added products continue to be key in maintaining higher margins despite the continuing incoming supply of products from Brazilian competitors in the Northern hemisphere.

(1) Includes HB, MDF, OSB, PB
(2) Includes sawn timber, kilned sawn timber, remanufactured wood products, pallets
Note: Sales include trading

CAPITAL EXPENDITURES

U.S.$ Million	Q3 2017	Q2 2017	Q3 2016	YTD 2017	YTD 2016
Cash flows used to purchase in associates	-	-	-	-	153.1
Purchase and sales of property, plant and equipment	132.4	88.2	97.6	289.7	243.0
Purchase and sales of intangible assets	2.1	3.1	0.2	9.9	1.9
Purchase of other long-term assets	34.5	40.9	31.2	121.5	103.3
Total CAPEX	**169.0**	**132.2**	**129.0**	**421.1**	**501.3**

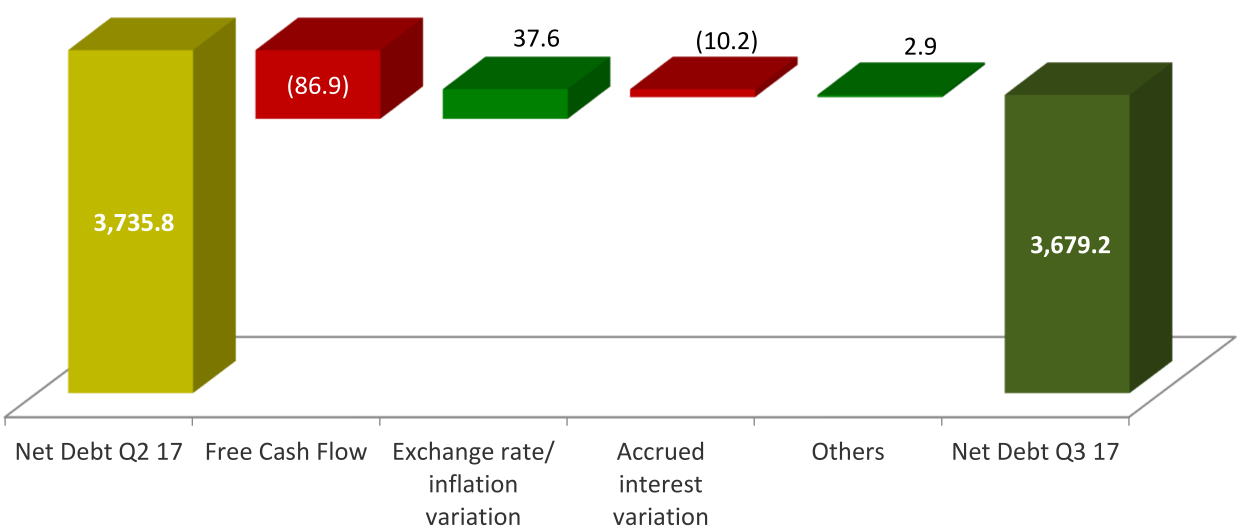
During this quarter, capital expenditures were U.S.$ 169.0 million, an increase of U.S.$ 36.7 million or 27.8% compared to the second quarter of 2017. The only programmed maintenance stoppage during the quarter was the Licancel Mill, which disbursed approximately U.S.$ 6.9 million. The water treatment plant disbursed U.S.$ 12.7 million during this quarter, with approximately U.S.$ 30.8 million left to disburse until completion. The Grayling Project disbursed approximately U.S.$ 57.3 million during the quarter, accumulating U.S.$ 100.6 million during the year and U.S.$ 117.3 million since the beginning of the project. Plantation CAPEX across all countries amounted to U.S.$ 34.5 million. The remaining CAPEX pertains to sustaining business investments.

FREE CASH FLOW

Our free cash flow continued to be positive during the third quarter of 2017, with U.S.$ 86.9 million during the quarter. Our Adjusted EBITDA continues to be the main driver in the increase of our cash from operations, led by higher sales volume in our pulp and wood products segment, and better average prices in our pulp segment. Interest payments increased by U.S.$ 36.4 million as most of our interest payments are made during the first and third quarter of each year. CAPEX increased during this quarter as Grayling continues its construction phase, which disbursed U.S.$ 57.3 million during the period, in turn increasing the cash used in investment activities. This quarter there were no seasonal payments of dividends, increasing the cash from financing activities by U.S.$ 60.3 million.

U.S.$ Million	Q3 2017	Q2 2017	Q3 2016
Adjusted EBITDA	385.3	334.6	256.1
Working Capital Variation	(13.9)	5.2	(1.0)
Interest paid and received	(70.4)	(34.0)	(68.8)
Income tax paid	(12.3)	(0.8)	(36.4)
Other cash inflows (outflows)	(42.6)	0.3	(6.2)
Cash from Operations	**246.1**	**305.2**	**143.7**
Capex	(169.0)	(132.2)	(129.0)
Proceeds from investment activities	1.8	2.9	3.0
Other inflows of cash, net	6.1	4.3	1.2
Cash from (used in) Investment Activities	**(161.1)**	**(125.1)**	**(124.9)**
Dividends paid	(0.6)	(59.7)	(0.3)
Other inflows of cash, net	1.2	0.1	(0.3)
Cash from (used in) Financing Activities - Net of Proceeds and Repayments	**0.6**	**(59.6)**	**(0.6)**
Effect of exchange rate changes on cash and cash equivalents	1.3	(4.2)	(7.2)
Free Cash Flow	**86.9**	**116.3**	**11.0**

Net Debt Variation Q2 2017 – Q3 2017
(In U.S.$ Million)



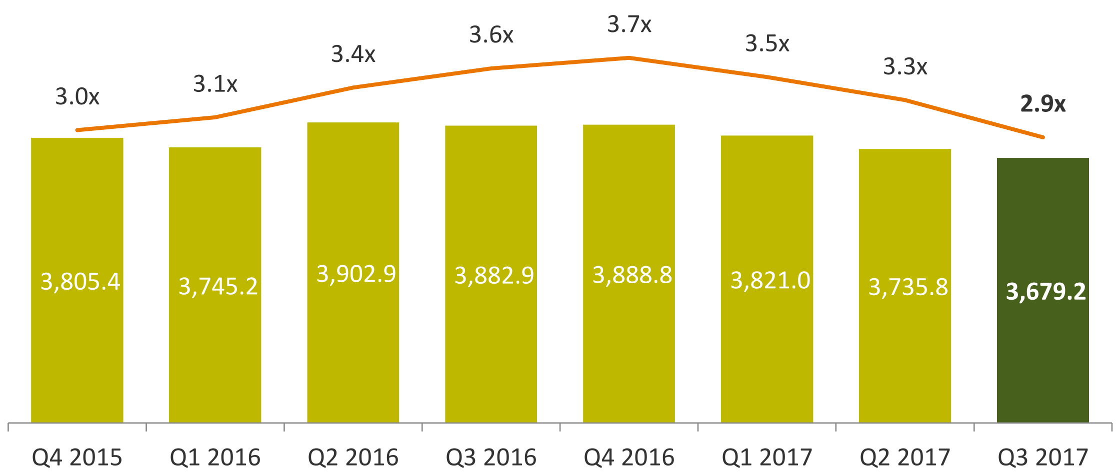
FINANCIAL DEBT AND CASH

Arauco's financial debt as of September 30, 2017 reached U.S.$ 4,164.8 million, a decrease of 2.0% or U.S.$ 83.7 million when compared to June 30, 2017. Our consolidated net financial debt decreased 1.5% or U.S.$ 56.6 million when compared with June 2017, while cash and cash equivalents decreased by U.S.$ 27.2 million.

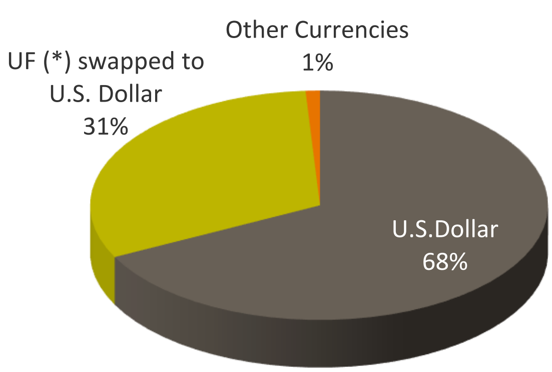
Our leverage, measured as Net Financial Debt/LTM Adjusted EBITDA, decreased compared to last quarter from 3.3 times to 2.9 times.

In U.S.$ Million	September 2017	June 2017	September 2016
Short term financial debt	629.5	453.8	716.9
Long term financial debt	3,535.3	3,794.7	3,625.7
TOTAL FINANCIAL DEBT	**4,164.8**	**4,248.6**	**4,342.6**
Cash and cash equivalents	485.6	512.7	459.7
NET FINANCIAL DEBT	**3,679.2**	**3,735.8**	**3,882.9**
LTM Adjusted EBITDA	**1,271.3**	**1,142.2**	**1,081.4**

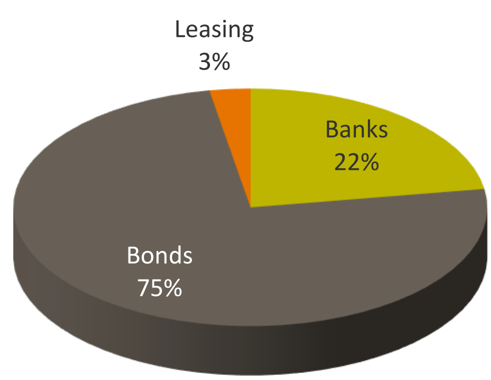
Net Financial Debt and Leverage
(In U.S.$ Million)



Debt by Currency



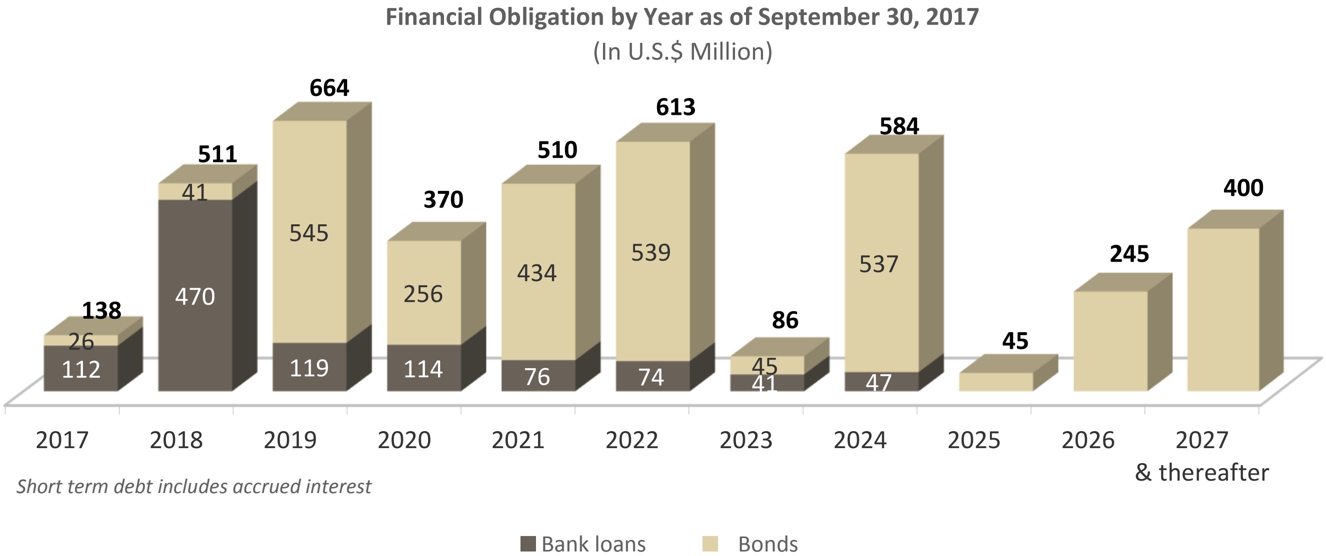
Debt by Instrument



(*) UF is a Chilean monetary unit indexed to inflation.

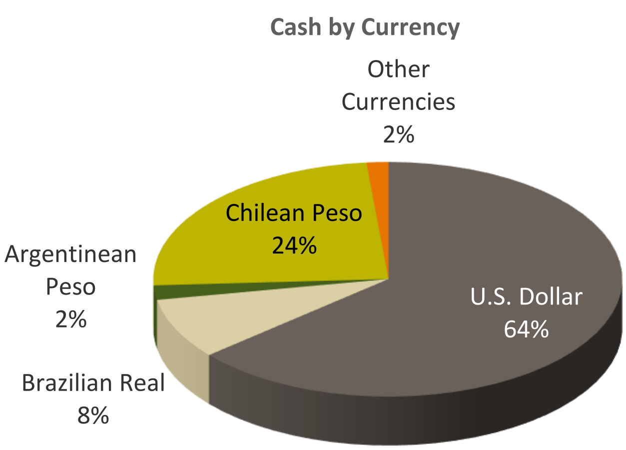
Financial Debt Profile

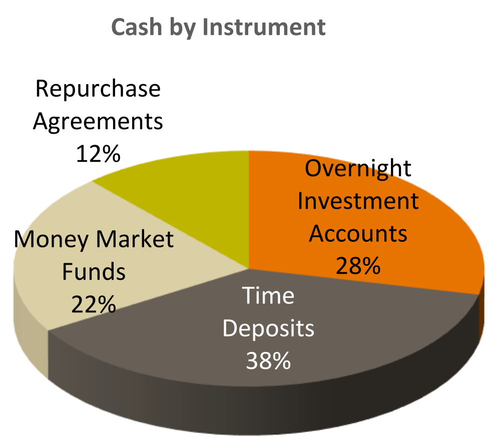
For the remainder of the year, bank obligations (which include accrued interest) sum up a total of U.S.$ 112.1 million, which include the following maturities: U.S.$ 54.0 million of loans in Montes del Plata, U.S.$ 30.0 million of a pre-export financing loan and U.S.$ 10.1 million from leasing in Chile, U.S.$ 15.1 million in our Argentine subsidiaries, and U.S.$ 2.1 million from our Brazilian subsidiaries. Bond amortizations include the first amortization of an amortizing local bond BARAU-Q of U.S.$ 10.5 million that will be paid in October. Of our committed facility line for the Grayling Project, a total of U.S.$ 31.0 million was disbursed during the quarter, amounting to a total of U.S.$ 67.0 million of the line used. Disbursements of the committed facility line can be made in the first two years. The total amount disbursed during the two years will then be amortized semiannually from 2019 to 2024, with a final balloon payment of 70% of the total loan.



Cash

Our cash position was U.S.$ 485.6 million at the end of the third quarter, which is a U.S.$ 27.2 million or 5.3% decrease compared to the end of the second quarter of 2017. Cash provided from operating activities decreased U.S.$ 59.1 million, as receipts from sales of goods and rendering of servicies decreased U.S.$ 19.7 million, and net interest paid seasonally increased by U.S.$ 36.4 million. CAPEX increased U.S.$ 36.7 million compared to last quarter with higher expenditures coming from the Grayling construction. During the quarter, we paid off a U.S.$ 125.0 million Yankee Bond and U.S.$ 120.0 million in pre export financing loans that were taken out and paid off during the quarter. In terms of our breakdown of cash by currency, this quarter ended with a higher-than-average exposure to the Chilean peso since payment to local suppliers were due during the first few days of October.





THIRD QUARTER AND SUBSEQUENT EVENTS AND NEWS

Arauco's new visual identity

On August 31st, Arauco changed its corporate image which expresses greater closeness and differentiation in a visual language that is simple and global; in this effect, Arauco is able to transition from the corporate world to products in contact with our customers and end consumers. Our new image aims to express the evolution that we've experienced in over 40 years in Chile and the world, by means of the concept "Renewables for a better life". This image emerges from our story as a company and our corporate identity, which is supported by the renewable origin of our resources and the development of products and solutions that improve people's lives. Another aspect is the global nature of our company, which, nearing its 50th anniversary, has transformed into an internationally renowned company that maintains its ongoing and dynamic growth under high management standards.

Dissolving Pulp

During September 2017, Arauco's Board of Directors unanimously approved the Dissolving Pulp Project which will enable the Valdivia Mill to produce dissolving pulp without losing the capacity to switch back to market pulp. Arauco estimates the project will require an investment of US$ 185 million, which the Company will pay with its own cash generation. The project will be executed in the same existing installations, with some minor adjustments and additional equipment. The new equipment includes two new digesters with the purpose of optimizing the pulp production level, a new discharge pond for the pulp, and other treatment area modifications.

This project allows Arauco to continue diversifying its product portfolio to the pulp market. Dissolving pulp is used in the textile industry to soften, shine, and purify fibers. It can also be used in the food, cellophane, and flexible packaging industries, among others. This project should take about two years of construction, with the ramp-up scheduled to occur during the end of 2019.

Arauco to acquire Masisa's subsidiary in Brazil

In September 2017, Arauco do Brasil S.A. agreed with Masisa S.A. the total buyout of the social rights of the subsidiary named Masisa do Brasil Ltda. The transaction price is for approximately U.S.$ 102.8 million, with final disbursement amounting to U.S.$ 52.8 million. The main assets of Masisa do Brasil S.A. consist of two industrial complexes located in Ponta Grossa (Paraná) and Montenegro (Rio Grande do Sul) in Brazil, with a total annual installed capacity of 300,000 m3 of MDF, 500,000 m3 of MDP and 660,000 m3 of melamine capacity. When the transaction is finalized Arauco will have a total installed capacity of over 10 million m3, consolidating its position as the second largest player of panels in the world.

The transaction is still subject to a series of conditions precedent, with the authorization of free competition given by the "Conselho Administrativo de Defensa Económica" (or "CADE") of Brazil being the most relevant. This transaction is expected to finalize during the end of 2017 or the beginning of 2018.

Arauco performed liability management during the fourth quarter of 2017

On November 2nd, Arauco issued two bonds in the United States market for a total of U.S.$ 900.0 million: U.S.$ 500.0 million with a tenor of 10 years and a coupon rate of 3.875%; and U.S.$ 400.0 million with a tenor of 30 years and a coupon rate of 5.500%. Both bonds are bullet with interests paid each semester. The main use of proceeds for these bonds was to partially repurchase three of our outstanding bonds: (i) 7.250% Notes due 2019 of U.S.$ 500.0 million, (ii) 5.000% Notes due 2022 of U.S.$ 400.0 million, and (iii) 4.750% Notes due 2022 of U.S.$ 500.0 million. There was an early bird settlement payment on November 2nd, with the final settlement of the cash tender offer on November 13th. In total, the following amounts were validly tendered: U.S.$ 297.2 million for the 7.250% Notes due 2019, U.S.$ 199.7 million for the 5.000% Notes due 2021, and U.S.$ 244.1 million for the 4.750% Notes due 2022. The remaining funds will be used for other corporate purposes. With this liability management, Arauco was able to extend its average debt duration from approximately 4.9 years to 8.3 years.

Income Statement

In U.S.$ Million	Q3 2017	Q2 2017	Q3 2016	YTD 2017	YTD 2016
Revenues	1,393.4	1,279.9	1,187.5	3,907.0	3,540.8
Cost of sales	(940.3)	(877.7)	(890.5)	(2,689.6)	(2,602.2)
Gross profit	**453.0**	**402.3**	**297.0**	**1,217.4**	**938.6**
Other income	42.2	32.6	69.9	123.2	189.6
Distribution costs	(138.3)	(128.1)	(126.1)	(390.4)	(360.5)
Administrative expenses	(123.7)	(127.2)	(127.3)	(371.2)	(363.9)
Other expenses	8.2	(8.1)	(10.5)	(193.0)	(43.9)
Financial income	3.3	5.9	7.9	15.7	25.8
Financial costs	(54.1)	(57.7)	(64.7)	(171.8)	(200.5)
Participation in (loss) profit in associates and joint ventures accounted through equity method	7.0	3.4	4.0	18.6	14.0
Exchange rate differences	2.9	(1.6)	(1.0)	2.7	(0.1)
Income before income tax	**200.6**	**121.5**	**49.3**	**251.2**	**199.2**
Income tax	(52.2)	(37.4)	(17.8)	(64.0)	(57.4)
Net income	**148.4**	**84.1**	**31.4**	**187.2**	**141.8**
Profit attributable to parent company	148.4	84.0	31.1	186.8	140.2
Profit attributable to non-parent company	(0.0)	0.1	0.3	0.4	1.6

Balance Sheet

In U.S.$ Million	Q3 2017	Q2 2017	Q3 2016
Cash and cash equivalents	485.6	512.7	459.7
Other financial current assets	3.0	4.4	9.6
Other current non-financial assets	157.9	181.3	177.6
Trade and other receivables-net	888.3	704.6	642.5
Related party receivables	6.5	6.2	3.7
Inventories	775.1	847.0	909.6
Biological assets, current	312.3	303.6	297.5
Tax assets	41.1	67.3	92.3
Non-Current Assets classified as held for sale	2.9	2.5	3.1
Total Current Assets	**2,672.7**	**2,629.6**	**2,595.6**
Other non-current financial assets	27.8	11.7	5.3
Other non-current and non-financial assets	122.2	111.0	129.9
Non-current receivables	15.2	14.9	15.5
Investments accounted through equity method	361.7	347.9	438.5
Intangible assets	90.6	91.0	81.6
Goodwill	76.0	74.5	75.1
Property, plant and equipment	6,985.1	6,867.1	6,914.3
Biological assets, non-current	3,514.6	3,519.0	3,588.5
Deferred tax assets	7.6	7.1	3.9
Total Non-Current Assets	**11,200.7**	**11,044.2**	**11,252.7**
TOTAL ASSETS	**13,873.4**	**13,673.8**	**13,848.3**
Other financial liabilities, current	629.9	454.0	717.9
Trade and other payables	600.8	508.8	558.0
Related party payables	14.7	8.5	7.3
Other provisions, current	0.4	0.4	0.6
Tax liabilities	9.8	4.8	8.9
Current provision for employee benefits	5.5	5.4	5.2
Other non-financial liabilities, current	153.8	84.4	91.3
Total Current Liabilities	**1,415.0**	**1,066.3**	**1,389.2**
Other non-current financial liabilities	3,573.0	3,866.7	3,731.5
Other provisions, non-current	37.4	37.5	38.7
Deferred tax liabilities	1,604.4	1,604.0	1,637.5
Non-current provision for employee benefits	64.0	61.8	59.8
Other non-financial liabilities, non-current	64.2	60.5	60.1
Total Non-Current Liabilities	**5,343.0**	**5,630.6**	**5,527.6**
Non-parent participation	44.9	43.7	44.5
Net equity attributable to parent company	**7,070.5**	**6,933.3**	**6,886.9**
TOTAL LIABILITIES AND EQUITY	**13,873.4**	**13,673.8**	**13,848.3**

Cash Flow Statement

U.S.$ Million	Q3 2017	Q2 2017	Q3 2016	YTD 2017	YTD 2016
Receipts from sales of goods and rendering of services	1,347.6	1,367.3	1,308.9	4,036.6	3,880.9
Other cash receipts (payments)	62.2	56.5	70.7	182.6	203.5
Payments of suppliers and personnel (less)	(1,076.6)	(1,081.4)	(1,127.2)	(3,277.8)	(3,252.7)
Interest paid and received	(70.4)	(34.0)	(68.8)	(174.8)	(159.6)
Income tax paid	(12.3)	(0.8)	(36.4)	(25.8)	(71.1)
Other (outflows) inflows of cash, net	(4.5)	(2.3)	(3.6)	(8.7)	(3.5)
Net Cash Provided by (Used in) Operating Activities	**246.1**	**305.2**	**143.7**	**732.1**	**597.4**
Capital Expenditures	(169.0)	(132.2)	(129.0)	(421.1)	(501.3)
Other investment cash flows	7.9	7.2	4.1	15.8	18.9
Net Cash Provided by (Used in) Investing Activities	**(161.1)**	**(125.1)**	**(124.9)**	**(405.3)**	**(482.4)**
Proceeds from borrowings	218.9	72.6	175.5	296.6	542.5
Repayments of borrowings	(333.0)	(284.8)	(254.2)	(669.4)	(589.8)
Dividends paid	(0.6)	(59.7)	(0.3)	(61.1)	(100.6)
Other inflows of cash, net	1.2	0.1	(0.3)	1.3	(0.2)
Net Cash Provided by (Used in) Financing Activities	**(113.5)**	**(271.8)**	**(79.3)**	**(432.6)**	**(148.2)**
Total Cash Inflow (Outflow) of the Period	**(28.5)**	**(91.6)**	**(60.5)**	**(105.8)**	**(33.2)**
Effect of exchange rate changes on cash and cash equivalents	1.3	(4.2)	(7.2)	(0.8)	(7.2)
Cash and Cash equivalents at beginning of the period	512.7	608.5	527.4	592.3	500.0
Cash and Cash Equivalents at end of the Period	**485.6**	**512.7**	**459.7**	**485.6**	**459.7**