



Celulosa Arauco y Constitución S.A.

First Quarter 2017 Results

May 19, 2017

HIGHLIGHTS

REVENUES U.S.\$ 1,233.7 MILLION

Arauco's revenues reached U.S.\$ 1,233.7 million during the first quarter of 2017, a 1.1% increase compared to the U.S.\$ 1,220.6 million obtained in the fourth quarter of 2016.

NET INCOME U.S.\$ -45.3 MILLION

Net income reached U.S.\$ -45.3 million, a decrease of 159.8% or U.S.\$ 121.0 million compared to the U.S.\$ 75.8 million obtained in the fourth quarter of 2016.

ADJUSTED EBITDA U.S.\$ 291.7 MILLION

Adjusted EBITDA reached U.S.\$ 291.7 million, an increase of 12.2% or U.S.\$ 31.8 million compared to the U.S.\$ 259.9 million obtained during the fourth quarter of 2016.

NET FINANCIAL DEBT/ LTM ADJUSTED EBITDA

Net Financial Debt / LTM⁽¹⁾ Adjusted EBITDA ratio reached 3.5x in this quarter, a decrease compared to the 3.7x obtained in the fourth quarter of 2016.

(1) LTM = Last Twelve Months

CAPEX

CAPEX reached U.S.\$ 119.8 million, a decrease of 26.7% or U.S.\$ 43.7 million compared to the U.S.\$ 163.5 million during the fourth quarter of 2016.

Conference Call

Tuesday, May 23rd, 2017

12:00 Santiago Time

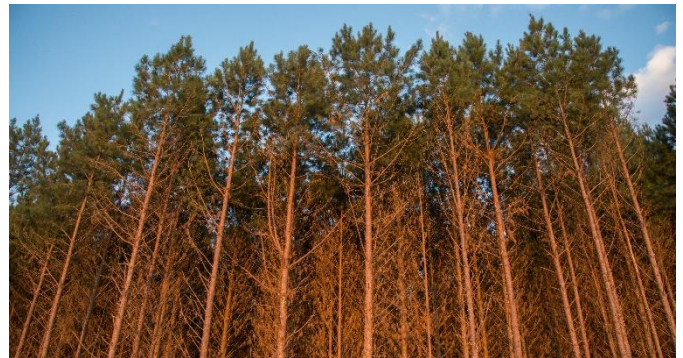
12:00 Eastern Time (New York)

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

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 that 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 does not assume any obligation to update such statements. References herein to "U.S.\$" are to United States dollars. Discrepancies in any table between totals and sums of the amounts listed are due to rounding. This report is unaudited.

OVERVIEW

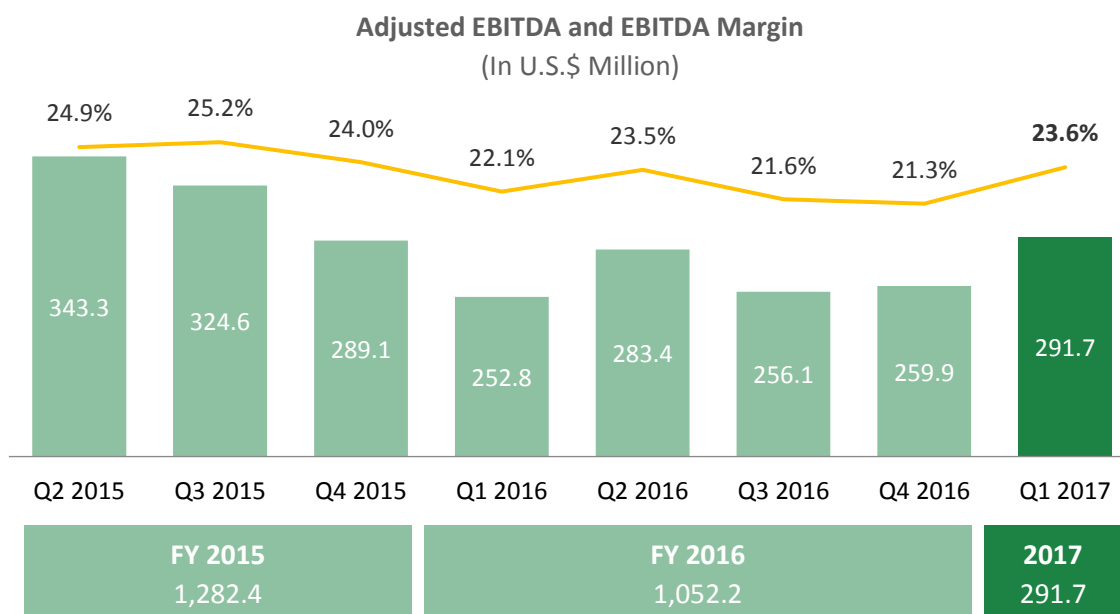
Arauco's first quarter results amounted to U.S.\$ -45.3 million, as a result of large forest fires during the summer months in Chile. Total loss due to the forestry fire was estimated at U.S.\$ 178.4 million. However, despite wood supply in Chile being less than under normal circumstances, our production volumes were not affected this quarter. Our Adjusted EBITDA increased compared to last quarter, with pulp prices leading a positive trend during the first part of 2017. Our Adjusted EBITDA margin also increased in comparison to last quarter's, ending at 23.6%.

Despite the additional pulp supply permeating the market, we were able to pass through price hikes throughout the quarter. Demand in China continues expanding as the Chinese government's policies promoting internal consumption start to progress. In Europe results are more subdued as the market's reaction to changes in prices remains lagged.

In our wood products business segments, roles were reversed in comparison to last quarter, as our panels products increased prices and sales volume, while sawn timber sales were muted. Wood supply in Chile has been less than in normal circumstances after the forest fires affected our plantations. However, this event has not affected production volumes throughout the first quarter of 2017. The downturn in production of our El Cruce Sawmill after it was damaged by the fires was more than compensated by production in our other sawmills located in Chile.

Higher cash from operations, as well as lower cash outflows in our investment and financing activities, enabled Arauco to reach a Free Cash Flow of U.S.\$ 62.9 million during this quarter.

In U.S. Million	Q1 2017	Q4 2016	Q1 2016	QoQ	YoY	YTD 2017	YTD 2016	YoY Acum
Revenue	1,233.7	1,220.6	1,146.0	1.1%	7.7%	1,233.7	1,146.0	7.7%
Net income	-45.3	75.8	52.9	-159.8%	-185.5%	-45.3	52.9	-185.5%
Adjusted EBITDA	291.7	259.9	252.8	12.2%	15.4%	291.7	252.8	15.4%
Adjusted EBITDA Margin	23.6%	21.3%	22.1%	11.5%	7.2%	23.6%	22.1%	7.2%
LTM Adj. EBITDA	1,090.0	1,051.2	1,209.8	3.7%	-9.9%	1,090.0	1,209.8	-9.9%
CAPEX	119.8	163.5	117.0	-26.7%	2.5%	119.8	117.0	2.5%
Net Financial Debt	3,821.0	3,888.8	3,745.2	-1.7%	2.0%	3,821.0	3,745.2	2.0%
Net Financial Debt / LTM Adj. EBITDA	3.5x	3.7x	3.1x	-5.2%	13.2%	3.4x	3.1x	9.6%



INCOME STATEMENT

Net income for the first quarter of 2017 was U.S.\$ -45.3 million, a decrease of 159.8% or U.S.\$ 121.0 million compared to the U.S.\$ 75.8 million obtained in the fourth quarter of last year. The negative effect is mainly due to the forestry fire losses which amounted to U.S.\$ 178.4 million during this quarter.

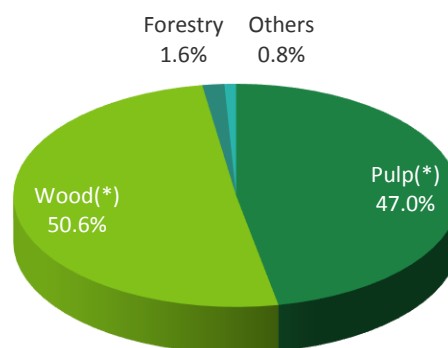
In U.S.\$ Million	Q1 2017	Q4 2016	QoQ
Revenues	1,233.7	1,220.6	1.1%
Cost of sales	(871.6)	(896.7)	-2.8%
Distribution costs	(124.0)	(136.0)	-8.8%
Administrative expenses	(120.4)	(110.6)	8.8%
Other income	48.3	68.2	-29.2%
Other expenses	(193.1)	(33.5)	475.8%
Financial income	6.4	3.9	62.7%
Financial costs	(59.9)	(58.0)	3.2%
Participation in (loss) profit in associates and joint ventures accounted through equity method	8.1	9.9	-18.2%
Exchange rate differences	1.5	(3.9)	-137.8%
Income before income tax	(70.9)	64.0	-210.7%
Income tax	25.6	11.7	118.1%
Net income	(45.3)	75.8	-159.8%

Revenues reached U.S.\$ 1,233.7 million during the first quarter of 2017 compared with the U.S.\$ 1,220.6 million in the previous quarter, as a result of an increase in our pulp segment as international prices recovered in both fibers. Forestry revenues decreased as there was less overall sales volume. Revenues from Others also increased by 75% or U.S.\$ 4.5 million, mainly driven by an increase in sales from our chemical plant located in Argentina. Revenue from our energy sales remained fairly stable, increasing slightly by 1.4% compared to last quarter. The following table shows a breakdown of our revenue sales distributed by business segment:

In U.S.\$ Million	Q1 2017	Q4 2016	QoQ
Pulp(*)	579.4	557.4	3.9%
Wood Products(*)	624.3	629.7	-0.9%
Forestry	19.6	27.5	-28.6%
Others	10.5	6.0	75.2%
Total	1,233.7	1,220.6	1.1%

(*) Pulp and Wood division sales include energy

Sales by Business Segment 1Q 2017



Cost of sales for the first quarter of the year reached U.S.\$ 871.6 million, U.S.\$ 25.1 million or 2.8% lower than the U.S.\$ 896.7 million obtained in the fourth quarter of 2016. Maintenance cost had the largest decline compared to last quarter, as there were various pulp mill maintenance stoppages during the fourth quarter of last year, including our Nueva Aldea Mill, our Valdivia Mill, both located in Chile, and our Alto Paraná Mill located in Argentina.

In U.S.\$ Million	Q1 2017	Q4 2016	QoQ
Timber	186.8	183.4	1.9%
Forestry costs	149.6	157.0	-4.7%
Depreciation and amortization	95.6	100.5	-4.8%
Maintenance costs	64.0	81.9	-21.8%
Chemical costs	125.3	122.0	2.7%
Sawmill services	28.7	33.3	-14.0%
Other raw materials and indirect costs	86.7	83.4	4.0%
Energy and fuel	44.6	37.7	18.4%
Cost of electricity	9.2	9.8	-6.2%
Wage, salaries and severance indemnities	81.1	87.9	-7.7%
Cost of Sales	871.6	896.7	-2.8%

Administrative expenses overall increased by 8.8% or U.S.\$ 9.8 million. Each item in terms of absolute change fluctuated at most U.S.\$ 3.0 million, except for other administration expenses, which increased U.S.\$ 13.2 million. This increase is due to the reversal of provision done during the fourth quarter of 2016, reclassified from Other income to Other administration expenses.

In U.S.\$ Million	Q1 2017	Q4 2016	QoQ
Wage, salaries and severance indemnities	50.1	50.9	-1.6%
Marketing, advertising, promotion and publications expenses	2.4	2.7	-10.7%
Insurance	4.6	4.8	-3.6%
Depreciation and amortization	8.1	7.6	7.3%
Computer services	6.7	9.6	-29.9%
Lease rentals (offices, warehouses and machinery)	4.0	3.8	6.3%
Donations, contributions, scholarships	2.4	3.2	-25.9%
Fees (legal and technical advisories)	9.2	9.7	-5.0%
Property taxes, patents and municipality rights	4.3	3.1	39.9%
Other administration expenses	28.5	15.3	86.5%
Administrative Expenses	120.4	110.6	8.8%

Distribution costs decreased 8.8% or U.S.\$ 12.0 million, due to lower sales volume in both our pulp and wood products segments. Freight and other shipping and freight costs had the largest decrease, as pulp sales volume decreased 3.3% compared to last quarter, while wood products sales volume decreased 0.9% overall.

In U.S.\$ Million	Q1 2017	Q4 2016	QoQ
Commissions	3.5	3.4	2.6%
Insurance	0.8	0.8	-3.4%
Other selling costs	4.9	4.1	20.0%
Port services	7.3	7.7	-5.0%
Freights	93.2	97.5	-4.5%
Other shipping and freight costs	14.4	22.5	-36.2%
Distribution Costs	124.0	136.0	-8.8%

As a percentage, administrative expenses and distribution costs combined were 19.8%, showing a downward trend compared to the 20.2% in the previous quarter and to 20.1% in the quarter before that.

Other income fell 29.2% or U.S.\$ 19.9 million this quarter. The reversal of a provision to administrative expenses in other operating results during the fourth quarter continues to affect the comparison during this quarter. Gain from changes in fair value of biological assets also returned to normal levels after last quarter's reversal.

In U.S.\$ Million	Q1 2017	Q4 2016	QoQ
Gain from changes in fair value of biological assets	43.3	68.8	-37.1%
Net income from insurance compensation	0.1	0.5	-
Leases received	1.0	0.9	9.3%
Gains on sales of assets	2.0	5.4	-63.5%
Access easement	0.0	0.2	-80.6%
Recovery of tax credits	-	1.1	-
Other operating results	2.0	(8.6)	-125.5%
Other Income	48.3	68.2	-29.2%

Other expenses rose overall 475.8% or U.S.\$ 159.6 million. After the wildfires that affected our forests located in southern Chile during the first quarter, the total loss was estimated to be approximately U.S.\$ 178.4 million. This provision includes the estimation of how much will be recovered from the affected areas, which amounts to approximately U.S.\$ 50.0 million. This effect does not include insurance payments, which we estimate will be up to U.S.\$ 35.0 million, net of corresponding deductibles.

In U.S.\$ Million	Q1 2017	Q4 2016	QoQ
Depreciation	0.9	(0.4)	-
Legal payments	0.3	0.2	1.6%
Impairment provision property, plant and equipment and others	1.0	11.5	-91.5%
Plants stoppage operating expenses	1.0	1.4	-26.0%
Project expenses	1.0	1.6	-40.2%
Gain (loss) from asset sales	0.6	1.0	-43.9%
Loss of assets	3.7	0.4	-
Provision for forestry fire losses	178.4	12.5	-
Other taxes	1.9	1.6	14.1%
Research and development expenses	0.4	0.8	-46.2%
Compensation and eviction	0.3	0.4	-23.4%
Fines, readjustments and interest	0.3	0.2	71.0%
Other expenses (donations, repayments insurance)	3.5	2.2	56.7%
Other expenses	193.1	33.5	475.8%

Foreign exchange differences showed a gain of U.S.\$ 1.5 million, a U.S.\$ 5.3 million difference when compared to the previous quarter that ended at U.S.\$ -3.9 million. The Chilean peso appreciated 0.8% against the U.S. dollar, while the Argentine peso appreciated by 2.7% against the U.S. dollar compared to last quarter. These appreciations increase our cash and cash equivalents when converted to U.S. dollar.

Income tax had a gain compared to last quarter of U.S.\$ 13.9 million or 118.1%, ending the first quarter at U.S.\$ 25.6 million. The effect of the forestry fire losses of U.S.\$ 178.4 million gave rise to a deferred tax asset of U.S.\$ 45.5 million.

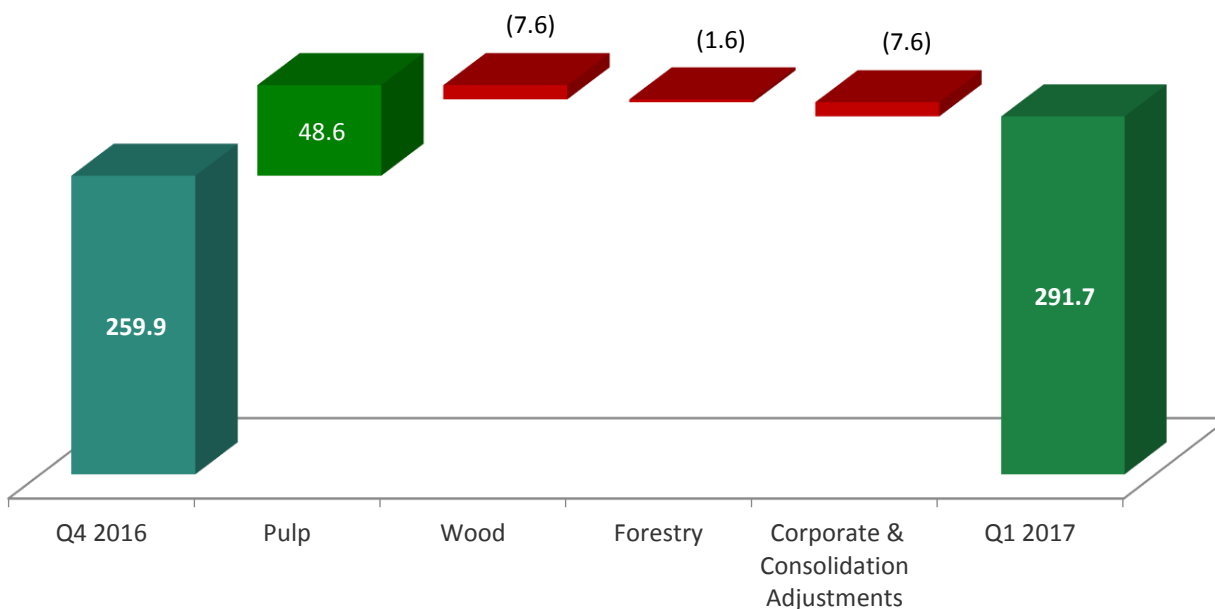
ADJUSTED EBITDA

Adjusted EBITDA for the first quarter of 2017 was U.S.\$ 291.7 million, 12.2% or U.S.\$ 31.8 million higher than the US\$ 259.9 million reached during the previous quarter. In terms of Adjusted EBITDA by business, during the first quarter of the year we had an increase in our pulp division of 37.8% or U.S.\$ 48.6 million, partially offset by a decrease of 8.9% in our wood division, and a 2.6% decrease in our forestry segment. The hikes in pulp prices continue their positive trend that began at the end of last year. Wood products lost traction as sawn timber sales volume decreased compared to last quarter. Our forestry EBITDA remained stable compared to last quarter.

In U.S.\$ Million	Q1 2017	Q4 2016	Q1 2016	QoQ	YoY
Net Income	(45.3)	75.8	52.9	-159.7%	-185.5%
Financial costs	59.9	58.0	70.3	3.2%	-14.8%
Financial income	(6.4)	(3.9)	(11.3)	62.7%	-43.3%
Income tax	(25.6)	(11.7)	27.4	118.1%	-193.6%
EBIT	(17.4)	118.1	139.3	-114.8%	-112.5%
Depreciation & amortization	105.0	107.6	94.6	-2.5%	11.0%
EBITDA	87.5	225.7	233.8	-61.2%	-62.6%
Fair value cost of timber harvested	70.5	86.5	70.6	-18.5%	-0.1%
Gain from changes in fair value of biological assets	(43.3)	(68.8)	(50.5)	-37.1%	-14.3%
Exchange rate differences	(1.5)	3.9	(1.1)	-137.8%	31.7%
Others (*)	178.4	12.5	-	-	-
Adjusted EBITDA	291.7	259.9	252.8	12.2%	15.4%

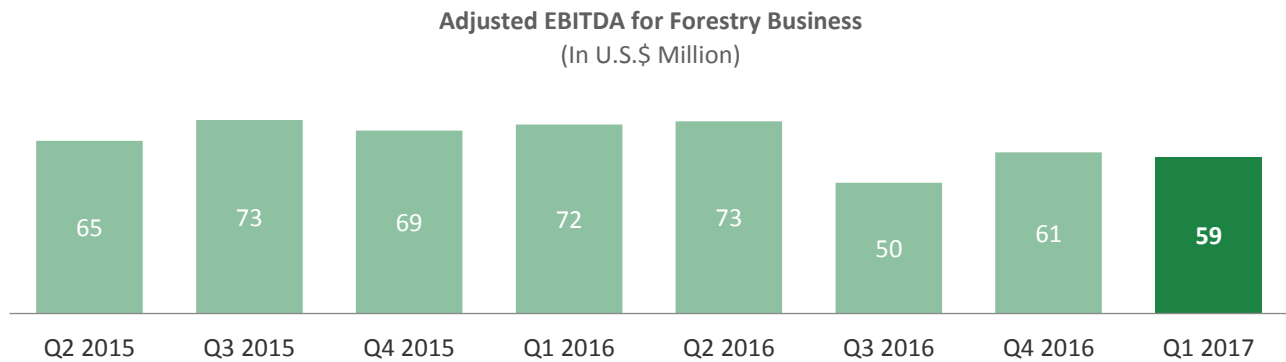
(*) Includes provision from forestry fire losses.

Adjusted EBITDA Variation by Business Segment Q4 2016 – Q1 2017
(In U.S.\$ Million)

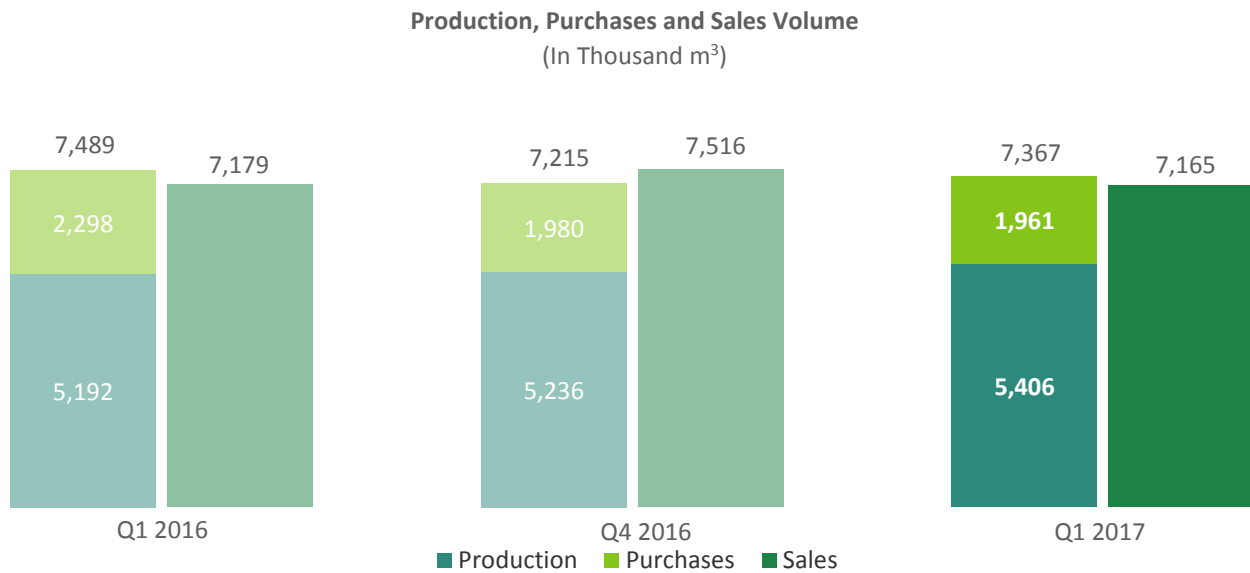


FORESTRY BUSINESS

The Adjusted EBITDA for our forestry business reached U.S.\$ 59.5 million during this quarter, which translates to a 2.6% or U.S.\$ 1.6 million decrease compared to the previous quarter.

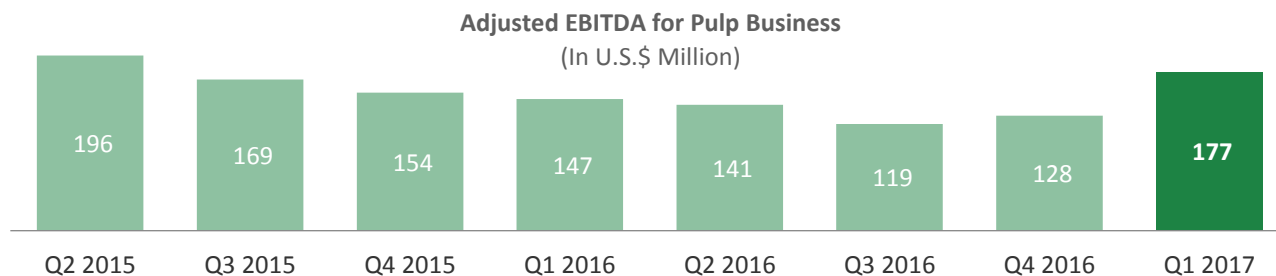


During the first quarter, our forestry production was 5.4 million m³, a 3.2% increase compared to the 5.2 million m³ produced in the previous quarter. Sales volume decreased by 4.9% from 7.5 million m³ to 7.2 million m³.



PULP BUSINESS

The Adjusted EBITDA for our pulp business reached U.S.\$ 177.0 million during this quarter, which translates to a 37.8% increase or U.S.\$ 48.6 million compared to the previous quarter.



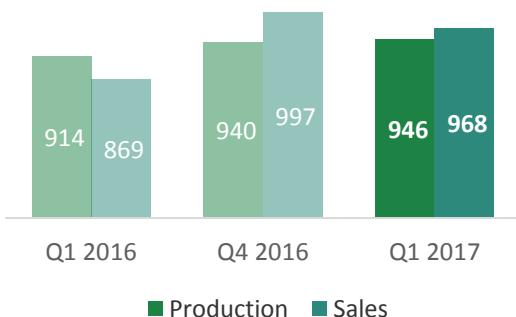
Global Pulp Demand Change Q4 2016 – Q1 2017

North America	▼	-4.9%
West Europe	▬	-0.4%
East Europe	▲	3.0%
Latin America	▬	1.3%
Japan	▲	4.5%
China	▼	-2.9%
Others	▬	0.0%

Source: Hawkins Wright

Pulp prices gained strength throughout the first quarter and surpassed our preliminary estimates. Demand remained active worldwide, evidenced by the increase in shipments of long fiber and short fiber by 5.6% and 7.3% respectively in March, compared to the same month of last year. The startup of OKI Mill's Line 1 did not have an impact on prices as demand efficiently absorbed the incoming supply. OKI Mill's Line 2 has recently started up but impact in prices is yet to be seen. In Asia, average prices in both fibers followed an upward trend. Europe, on the other hand, remained subdued throughout the first months of the year, reacting to changes in supply and demand at a much slower rate. This delay is mainly due to the fact that European prices are generally indexed to list prices which are already lagged in comparison to market prices. Discounts in this market are also negotiated once a year, which means that any increase in discounts shows a slight decrease in net price as prices continue to adjust to the market.

Production and Sales Volume (In Thousand AdT)



In Asia, prices showed a gain compared to last quarter as well as the same quarter of last year. Long fiber average prices increased U.S.\$ 70 per ton or approximately 12%, while short fiber prices increased approximately U.S.\$ 80 per ton or 15%. Despite a slight downturn in demand growth in China compared to last quarter, demand levels remain active. The policies put in place by the Chinese government to stimulate internal consumption are bearing results: because of this, paper producers are operating at close to 100% their plant capacity, compared to the 65% to 80% a few months ago. Many production facilities did not even stop during the Chinese New Year to meet demand, even though costs per worker can increase up to three times during this holiday. Prices for paper have also surged as producers have been able to transfer their higher costs to the final client. Growing demand for these final products has sparked new interest in investments for the paper industry, with many new projects shortening their ramp up timelines. Other Asian countries such as Korea have not had the same dynamic: paper producers' margins have been waning as they have not had the same luck in obtaining higher selling prices for their products.

Oversupply in the tissue and printing & writing paper markets located in Europe have hindered paper producers to push for higher prices. However, pulp prices did follow the positive international trend, with average prices in long fiber increasing U.S.\$ 25 per ton or 4%, and short fiber increasing U.S.\$ 90 per ton or 14%. Despite a larger increase in short fiber prices in Europe compared to Asia, Asian margins continue to surpass European margins. In general, pulp producers have preferred to continue selling within the European market, considering container shipping costs from Europe to Asia have surged, especially those with destination China. Local long fiber pulp producers such as those located in Scandinavia have therefore decided to sell within Europe rather than seek Asian markets, dampening the increase in prices in this fiber.

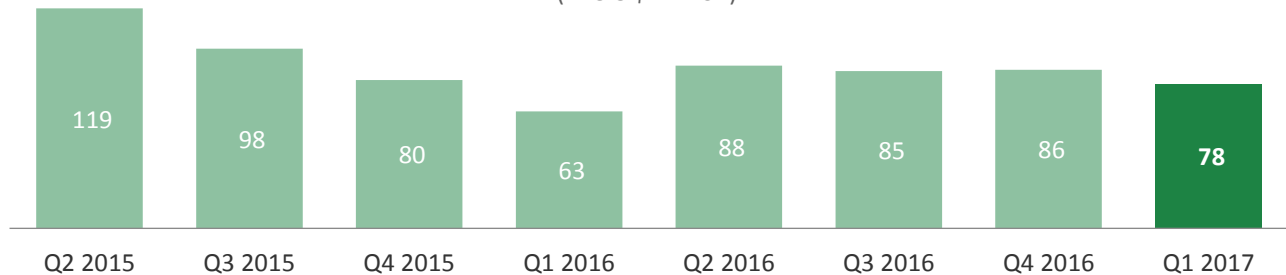
Latin American markets have not had any significant change compared to last quarter, chiefly following international price trends, with the exception of Brazil and Venezuela. The new Klabin pulp mill continues to place pressure on local long fiber prices in Brazil as its ramp up progresses. On the other hand, in Venezuela import licenses have not been approved, and many local paper producers are at risk of downtime for lack of raw material.

During the quarter, the maintenance stoppage of our Constitución Mill was moved up from the end of the second quarter to the first quarter, due to the forest fires that affected the nearby region where this mill is located. The mill was not affected with the forest fires, but a stoppage was mandated as a safety precaution. There were no other maintenance stoppages that affected this quarter.

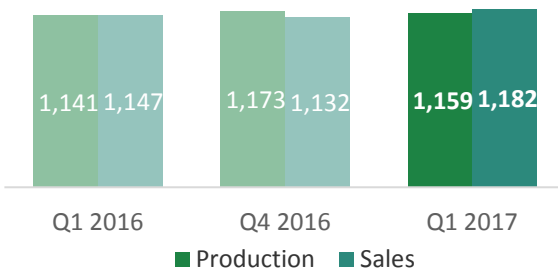
WOOD PRODUCTS BUSINESS

The Adjusted EBITDA for our wood products business reached U.S.\$ 78.5 million during this quarter, which translates to a 8.9% decrease or U.S.\$ 7.6 million compared to the previous quarter.

Adjusted EBITDA for Wood Product Business
(In U.S.\$ Million)



Production and Sales Volume: Panels⁽¹⁾
(In Thousand m³)



Composite panel markets showed improvement in sales volume and average prices compared to last quarter. Overall, MDF increased its sales volume by 3.7% and prices by 1.6%, while PB increased its sales volume by 4.3% and price by 1.3%.

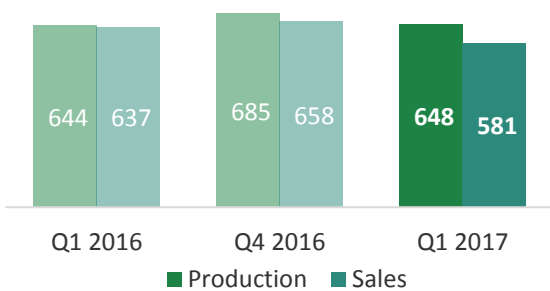
In North America, sales volume surged thanks to MDF and PB sales. Prices fluctuated around the same levels as last quarter, slightly declining when compared to the same quarter of last year. The MDF moldings market remained stable throughout the quarter.

In Brazil, volumes continued pressured, especially PB which declined 14% compared to the quarter before due to a more depressed industrial channel. Prices, however, rose steadily 4% in MDF and 5% for PB. Compared to the same quarter of last year, prices have risen for both MDF and PB approximately 30%, showing signs of recovery for the Brazilian market. In Argentina, despite increasing prices, sales volume declined. PB was the most affected, with prices increasing 2% but sales volume decreasing 14% Q-o-Q. Other Latin American markets lost dynamism during the quarter, evidenced by less overall sales in these markets.

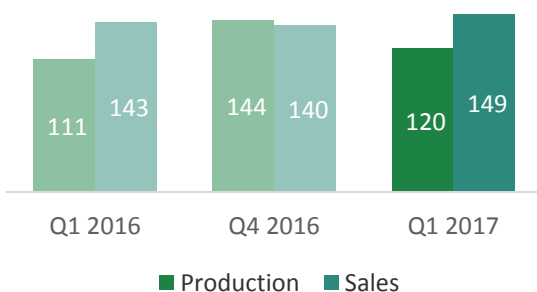
Sawn timber markets had a more depressed quarter when compared to the fourth quarter of 2016 and the first quarter of 2016. Despite the forest fires in Chile during this year, which damaged our El Cruce Sawmill, our other sawmills were able to pick up the pace and absorb the lack in production. Because of this, production remained within normal levels. Prices remained fairly stable in sawn timber and remanufactured sawn timber, increasing by 1.3% and 1.7% respectively Q-o-Q. Sawn timber sales volume on the other hand decreased by 15.3% compared to last quarter. Remanufactured products helped counteract this negative effect, increasing sales volume by 6.6%. Sawn timber sales to our Asian markets have remained buoyant, with sales to Taiwan and China leading the way. The Middle East has had better demand levels and lower freight costs, which has enabled us to negotiate better price levels and receive better margins.

Plywood production was solid throughout the quarter despite setbacks in wood supply after the forest fires. Sales were also steady, with plywood sales volume increasing 7.0%, partially offset by a decrease in prices of 0.8% compared to last quarter.

Production and Sales Volume: Sawn Timber⁽²⁾
(In Thousand m³)



Production and Sales Volume: Plywood
(In Thousand m³)



(1) Includes HB, MDF, OSB, PB

(2) Includes sawn timber, kilned sawn timber, remanufactured wood products, pallets

Note: Sales include trading

CAPITAL EXPENDITURES

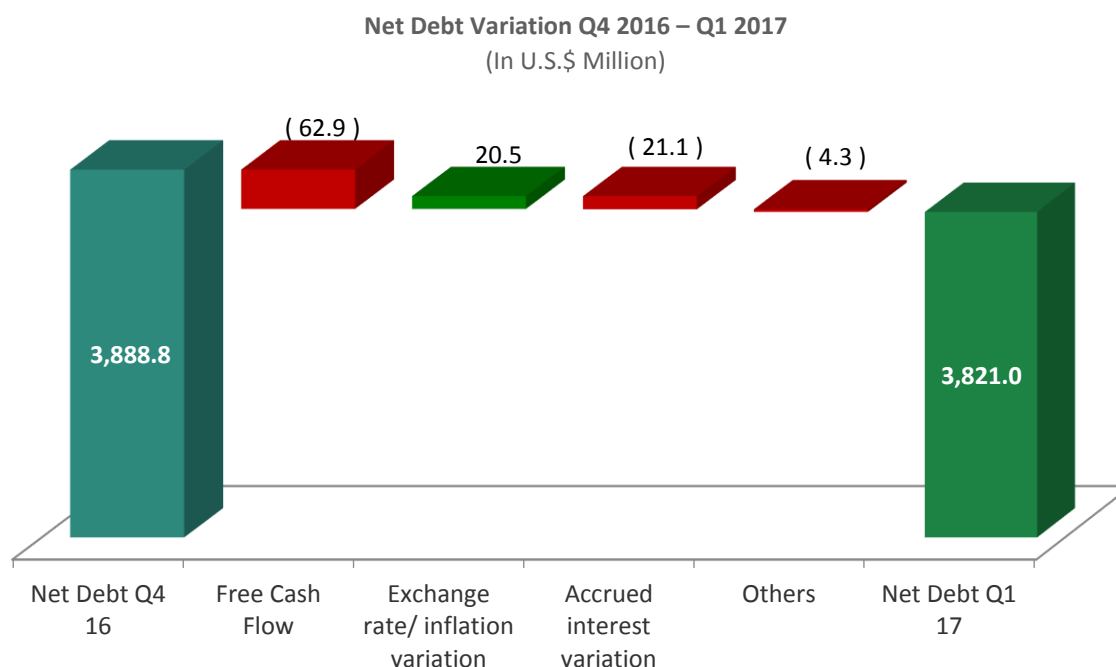
U.S.\$ Million	Q1 2017	Q4 2016	Q1 2016	YTD 2017	YTD 2016
Purchase and sales of property, plant and equipment	69.0	113.1	79.7	69.0	79.7
Purchase and sales of intangible assets	4.6	13.0	0.5	4.6	0.5
Purchase of other long-term assets	46.1	37.4	36.8	46.1	36.8
Total CAPEX	119.8	163.5	117.0	119.8	117.0

During this quarter, capital expenditures decreased by U.S.\$ 43.7 million or 26.7% compared to the fourth quarter of 2016. During the fourth quarter of 2016 there were three programmed maintenance stoppages that increased CAPEX. During this quarter, the Constitución Mill had a maintenance stoppage, which amounted to approximately U.S.\$ 2.1 million. The water treatment plant continues its construction phase, with U.S.\$ 8.8 million disbursed during the quarter, while the Grayling Project in Michigan disbursed a total of U.S.\$ 10.8 million during the quarter. Plantation CAPEX across all countries amounted to U.S.\$ 46.1 million, with U.S.\$ 31.0 million directed to Chile. The remaining CAPEX pertains to sustaining business investments.

FREE CASH FLOW

Overall we had a positive cash flow during this quarter, increasing U.S.\$ 70.1 million compared to last quarter. The increase in EBITDA from our pulp segment gave way to better cash flow from operations, increasing U.S.\$ 5.0 million compared to last quarter, although it still has not reached the same levels of the first quarter of 2016. Cash used in investment activities decrease as CAPEX expenditures decreased 26.7% compared to last quarter, while cash used in financing activities decreased as there were no dividend payments during the quarter.

U.S.\$ Million	Q1 2017	Q4 2016	Q1 2016
Adjusted EBITDA	291.7	259.8	252.8
Working Capital Variation	(20.6)	(34.6)	27.7
Interest paid and received	(70.4)	(22.6)	(68.4)
Income tax paid	(12.8)	(12.8)	(13.3)
Other cash inflows (outflows)	(7.2)	(13.6)	28.4
Cash from Operations	181.2	176.2	227.2
Capex	(119.8)	(163.5)	(117.0)
Proceeds from investment activities	0.7	15.1	2.3
Other inflows of cash, net	(0.0)	(9.4)	1.2
Cash from (used in) Investment Activities	(119.1)	(157.8)	(113.4)
Dividends paid	(0.8)	(30.1)	-
Other inflows of cash, net	0.0	(0.1)	(0.4)
Cash from (used in) Financing Activities - Net of Proceeds and Repayments	(0.8)	(30.1)	(0.4)
Effect of exchange rate changes on cash and cash equivalents	2.0	4.5	(6.6)
Free Cash Flow	62.9	(7.2)	106.8

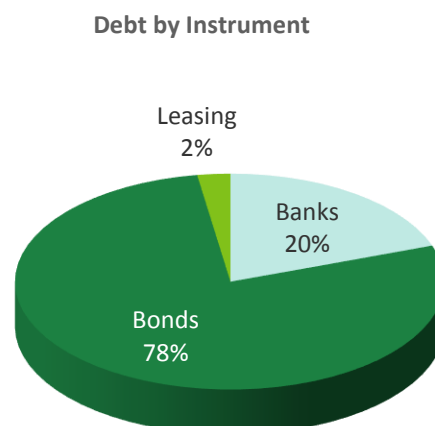
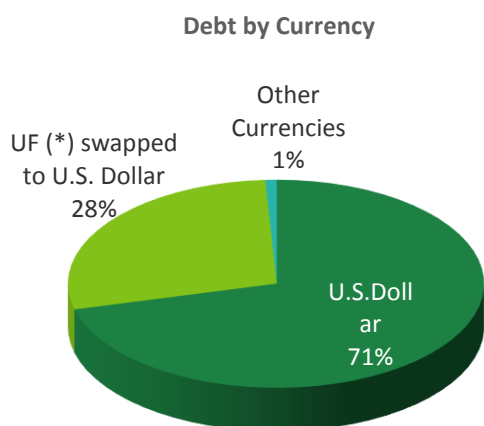
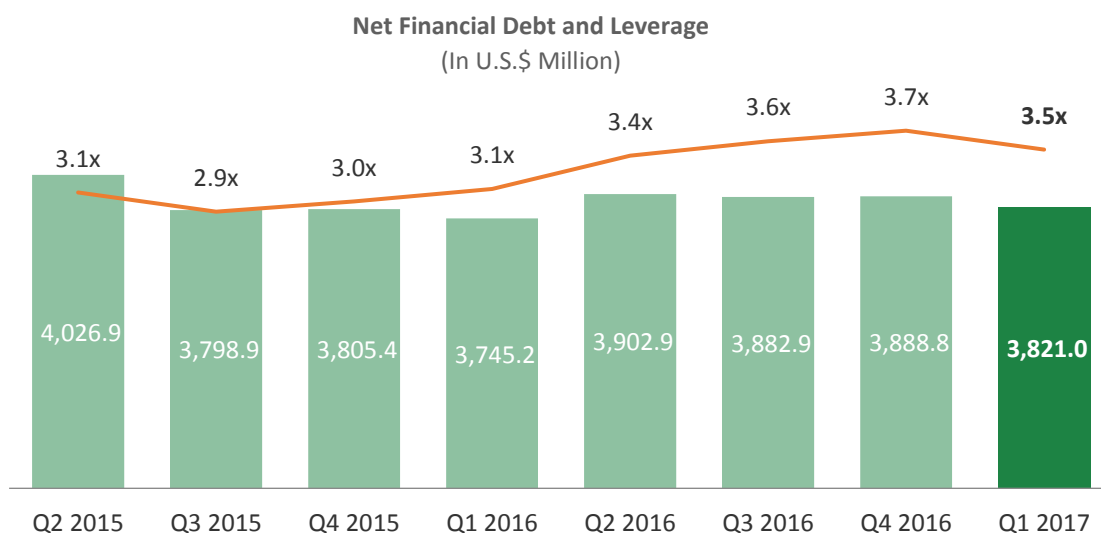


FINANCIAL DEBT AND CASH

Arauco's financial debt as of March 31, 2017 reached U.S.\$ 4,429.5 million, a decrease of 1.2% or U.S.\$ 51.5 million when compared to December 31, 2016. Our consolidated net financial debt decreased 1.7% or U.S.\$ 67.8 million when compared with December 2016, while cash and cash equivalents increased by U.S.\$ 16.3 million.

Our leverage, measured as Net Financial Debt/LTM Adjusted EBITDA, decreased compared to last quarter from 3.7 times to 3.5 times.

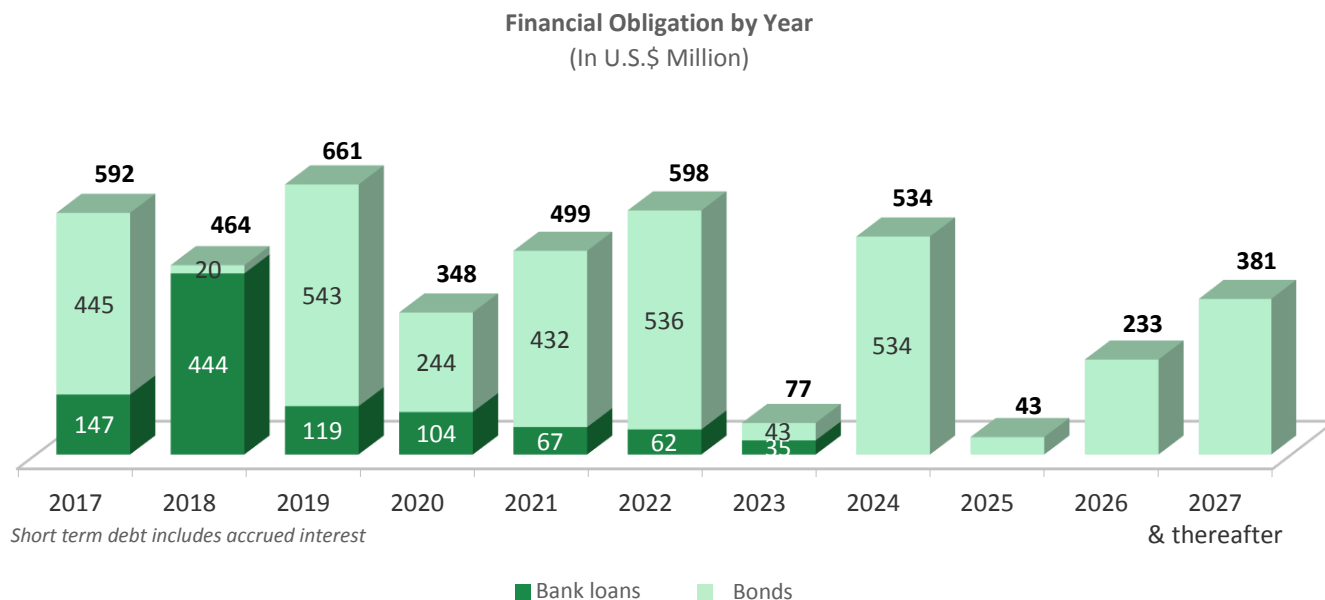
In U.S.\$ Million	March 2017	December 2016	March 2016
Short term financial debt	673.7	697.0	360.9
Long term financial debt	3,755.8	3,784.0	4,027.0
TOTAL FINANCIAL DEBT	4,429.5	4,481.0	4,387.9
Cash and cash equivalents	608.5	592.3	642.7
NET FINANCIAL DEBT	3,821.0	3,888.8	3,745.2
LTM Adjusted EBITDA	1,090.0	1,051.2	1,209.8



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

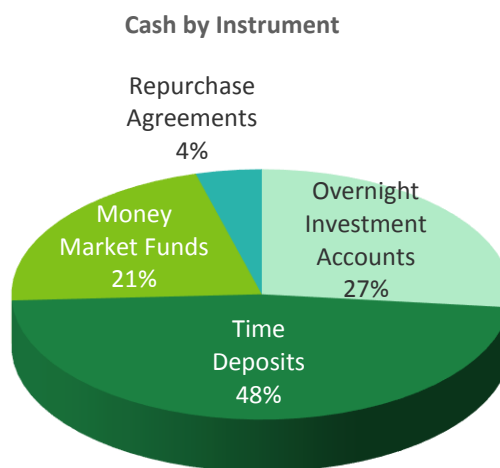
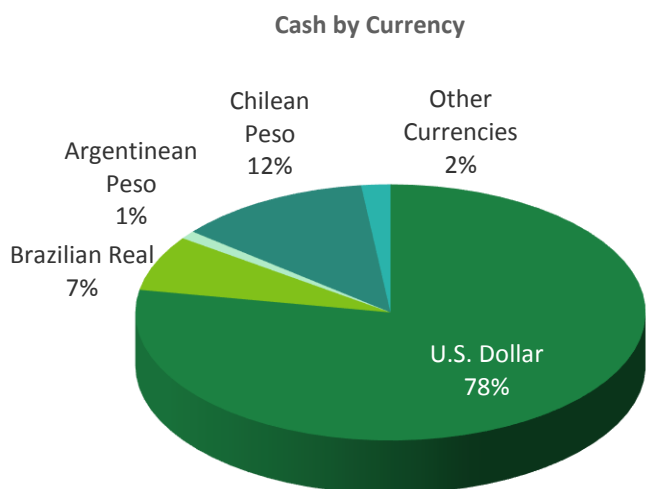
Financial Debt Profile

For the remainder of the year 2017, bank obligations (which include accrued interest) sum up a total of U.S.\$ 147.2 million, which include the following maturities: U.S.\$ 107.0 million of loans in Montes del Plata, U.S.\$ 32.0 million of leasing in Chile, U.S.\$ 3.2 million in our Brazilian subsidiaries, and U.S.\$ 5.0 million in our Argentine subsidiaries. The first amortization from our bonds this year is due in June, and corresponds to the U.S.\$ 270.0 million Alto Paraná bond from our Argentine subsidiary. The rest of the bond amortizations are a U.S.\$ 125.0 million in a Yankee bond due in September, and the first amortization of U.S.\$ 9.8 million for our local bond BARAU-Q in October. The remaining years have not undergone any major changes in financial obligations as compared to the previous quarter.



Cash

Our cash position was U.S.\$ 608.5 million at the end of the first quarter, which is a U.S.\$ 16.3 million or 2.7% increase compared to the end of the fourth quarter of 2017. Cash provided by operating activities increased by U.S.\$ 4.6 million during the quarter thanks to an increase of U.S.\$ 182.0 million in receipts from sales of goods and rendering of services. There were also less capital expenditures in comparison after several maintenance stoppages occurred during the fourth quarter of 2016. Proceeds from borrowings amounted to U.S.\$ 5.0 million, which compared to U.S.\$ 195.2 million from last quarter decreased by 97.4%.



Groundbreaking Ceremony for New Particleboard Mill in Michigan

On April 12, 2017, Arauco conducted groundbreaking ceremonies for its new U.S.\$ 400 million particleboard mill in Grayling, Michigan. The plant's structure will measure approximately 76,000 square meters, and have an annual capacity of 800,000 cubic meters of particleboard. Once finished, it will be the most modern particleboard plant in North America. In terms of location, it is placed in a strategic sector where it will improve our logistics and support client growth within that region.

Arauco obtains U.S.\$ 300 million committed facility to finance Grayling Project

In order to finance the construction of the particleboard mill in Grayling, Michigan, Arauco, through its subsidiary Flakeboard America, obtained a committed facility loan for a total of U.S.\$ 300 million. Scotiabank, Banco Estado, and EDC were the three banks that will finance this project. The tenor of this loan will be a total of seven years: disbursements can be made during the first two years, and will then be amortized semiannually for the next five years, with a final balloon payment of 70% of the total loan. The loan has a floating rate interest rate with a spread at competitive market prices. The Grayling Project is expected to cost approximately U.S.\$ 400 million; the remaining U.S.\$ 100 million will be financed with Flakeboard America's own resources.

New strategic plan "deRaiz" in place after recent forest fires

During the past summer, Arauco was impacted by one the largest forest fires in the history of Chile. In pursuance of adapting to climate changes that increase the likelihood of forest fires to propagate, Arauco has decided to create a new strategic plan with four fundamental pillars: prevention, protection, reforestation/ restoration and improving the quality of life. Through these four pillars, there are 14 initial projects which are already in course, including the recovery of our production chain, the restoration of native forests, the protection of water basins, and prevention awareness with local communities. The plan will have a committee including the CEO, the President & COO, the Senior Vice-President of Forestry, and the Senior Vice-President of Commercial & Corporate Affairs.

FINANCIAL STATEMENTS

Income Statement

In U.S.\$ Million	Q1 2017	Q4 2016	Q1 2016	YTD 2017	YTD 2016
Revenues	1,233.7	1,220.6	1,146.0	1,233.7	1,146.0
Cost of sales	(871.6)	(896.7)	(831.8)	(871.6)	(831.8)
Gross profit	362.1	323.9	314.2	362.1	314.2
Other income	48.3	68.2	58.0	48.3	58.0
Distribution costs	(124.0)	(136.0)	(112.5)	(124.0)	(112.5)
Administrative expenses	(120.4)	(110.6)	(105.1)	(120.4)	(105.1)
Other expenses	(193.1)	(33.5)	(20.5)	(193.1)	(20.5)
Financial income	6.4	3.9	11.3	6.4	11.3
Financial costs	(59.9)	(58.0)	(70.3)	(59.9)	(70.3)
Participation in (loss) profit in associates and joint ventures accounted through equity method	8.1	9.9	4.0	8.1	4.0
Exchange rate differences	1.5	(3.9)	1.1	1.5	1.1
Income before income tax	(70.9)	64.0	80.3	(70.9)	80.3
Income tax	25.6	11.7	(27.4)	25.6	(27.4)
Net income	(45.3)	75.8	52.9	(45.3)	52.9
Profit attributable to parent company	(45.6)	73.6	52.2	(45.6)	52.2
Profit attributable to non-parent company	0.3	2.2	0.7	0.3	0.7

Balance Sheet

In U.S.\$ Million	Q1 2017	Q4 2016	Q1 2016
Cash and cash equivalents	608.5	592.3	642.7
Other financial current assets	4.2	5.2	21.8
Other current non-financial assets	170.6	144.9	152.8
Trade and other receivables-net	724.0	701.6	684.4
Related party receivables	10.0	12.5	8.7
Inventories	825.6	852.6	914.0
Biological assets, current	299.9	306.1	308.9
Tax assets	103.3	104.1	75.2
Non-Current Assets classified as held for sale	2.9	3.1	3.4
Total Current Assets	2,749.0	2,722.4	2,811.8
Other non-current financial assets	15.9	8.9	0.8
Other non-current and non-financial assets	109.1	130.3	126.8
Non-current receivables	17.3	15.2	14.5
Investments accounted through equity method	461.2	446.5	264.4
Intangible assets	90.8	89.5	86.8
Goodwill	75.8	74.9	72.2
Property, plant and equipment	6,898.1	6,919.5	6,912.0
Biological assets, non-current	3,446.6	3,592.9	3,569.5
Deferred tax assets	6.7	6.1	3.9
Total Non-Current Assets	11,121.4	11,283.8	11,050.9
TOTAL ASSETS	13,870.4	14,006.2	13,862.7
Other financial liabilities, current	674.3	697.5	365.5
Trade and other payables	506.5	537.9	572.6
Related party payables	7.4	3.8	5.9
Other provisions, current	0.4	0.8	0.8
Tax liabilities	2.7	1.6	6.4
Current provision for employee benefits	5.3	5.2	5.0
Other non-financial liabilities, current	109.4	99.2	160.8
Total Current Liabilities	1,306.1	1,346.1	1,116.9
Other non-current financial liabilities	3,821.4	3,870.9	4,190.1
Other provisions, non-current	38.8	38.1	35.3
Deferred tax liabilities	1,591.0	1,631.1	1,637.7
Non-current provision for employee benefits	61.1	60.1	57.7
Other non-financial liabilities, non-current	62.8	60.6	54.8
Total Non-Current Liabilities	5,575.1	5,660.8	5,975.7
Non-parent participation	45.2	44.0	40.7
Net equity attributable to parent company	6,944.0	6,955.3	6,729.4
TOTAL LIABILITIES AND EQUITY	13,870.4	14,006.2	13,862.7

Cash Flow Statement

U.S.\$ Million	Q1 2017	Q4 2016	Q1 2016	YTD 2017	YTD 2016
Receipts from sales of goods and rendering of services	1,321.7	1,139.6	1,308.4	1,321.7	1,308.4
Other cash receipts (payments)	63.9	55.0	64.4	63.9	64.4
Payments of suppliers and personnel (less)	(1,119.8)	(983.0)	(1,060.9)	(1,119.8)	(1,060.9)
Interest paid and received	(70.4)	(22.6)	(68.4)	(70.4)	(68.4)
Income tax paid	(12.8)	(12.8)	(13.3)	(12.8)	(13.3)
Other (outflows) inflows of cash, net	(1.8)	(0.1)	(2.9)	(1.8)	(2.9)
Net Cash Provided by (Used in) Operating Activities	180.8	176.2	227.2	180.8	227.2
Capital Expenditures	(119.8)	(163.5)	(117.0)	(119.8)	(117.0)
Other investment cash flows	0.7	5.7	3.6	0.7	3.6
Net Cash Provided by (Used in) Investing Activities	(119.1)	(157.8)	(113.4)	(119.1)	(113.4)
Proceeds from borrowings	5.0	195.2	208.5	5.0	208.5
Repayments of borrowings	(51.6)	(55.4)	(172.6)	(51.6)	(172.6)
Dividends paid	(0.8)	(30.1)	0.0	(0.8)	0.0
Other inflows of cash, net	0.0	(0.1)	(0.4)	0.0	(0.4)
Net Cash Provided by (Used in) Financing Activities	(47.4)	109.7	35.5	(47.4)	35.5
Total Cash Inflow (Outflow) of the Period	14.3	128.1	149.3	14.3	149.3
Effect of exchange rate changes on cash and cash equivalents	2.0	4.5	(6.6)	2.0	(6.6)
Cash and Cash equivalents at beginning of the period	592.3	459.7	500.0	592.3	500.0
Cash and Cash Equivalents at end of the Period	608.5	592.3	642.7	608.5	642.7