

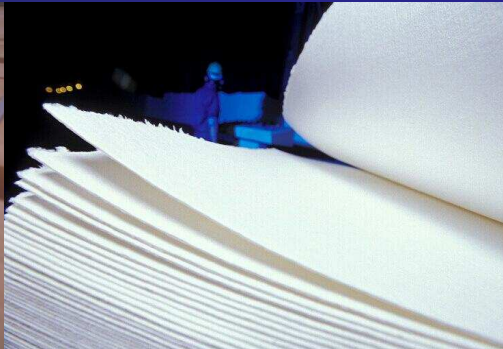


ARAUCO®

Q1 08 Financial Results

Conference Call Presentation

May 5th, 2008



Disclaimer

Forward-looking statements are based on the beliefs and assumptions of Arauco's management and on information currently available to the Company. They involve risks, uncertainties and assumptions because they relate to future events and therefore depend on circumstances that may or may not occur in the future. Investors should understand that general economic conditions, industry conditions and other operating factors could also affect the future results of Arauco and could cause results to differ materially from those expressed in such forward-looking statements.

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Arauco's main businesses



Forestry	Pulp	Sawn timber	Panels	Energy
721,799 hectares (1.8 million acres)	5 mills 2.7 million tons	12 sawmills 2.92 million m ³	4 facilities Plywood: 805 Th m ³ MDF: 520 Th m ³ Hardboard: 60 Th.m ³	9 plants 538 MW Surplus: 165 MW
119,632 hectares (295.6 Th acres)	1 mill 350 Th. tons	2 sawmills 470,000 m ³	2 facilities MDF: 305 Th m ³ PB : 260 Th m ³	
26,565 hectares (65.6 Th acres)				
63,724 hectares (157.5 Th acres)		1 sawmill (*) 250,000 m ³	2 facilities MDF: 305 Th. m ³ PB : 300 Th m ³	
931,721 hectares (2.3 million acres)	6 mills 3.0 million tons	14 sawmills 3.39 million m ³	8 facilities 2.56 million m ³	9 plants 538 MW Surplus: 165 MW

(*) Temporarily Closed



Highlights of Q1 08

- Net Income of MMUS\$ 187 (13.7% over Q1 2007 / 7.6% over Q4 2007)
- Revenues of MMUS\$ 956(+ 19.0% over Q1 2007 / -4.6% over Q4 2007)
- EBITDA of MMUS\$ 342 (+ 4.1% over Q1 2007 / -0.4% over Q4 2007)
- Licancel Mill resumed its operations
- Valdivia Mill started to increase its annual production
- Closure of the Arapotí Sawmill in Brazil

Financial Review - Consolidated Income Statement- (Quarterly)

Income Statement

(MMUS\$)	Q1 07	Q4 07	Q1 08	Chg (%) Q108/Q107	Chg (%) Q108/Q407
Net Sales	804	1.002	956	19%	-5%
Operating income	245	245	252	3%	3%
EBITDA	328	343	342	4%	0%
EBITDA Margin	40,9%	34,3%	35,8%		
Non-operating income	-41	-33	-15	-64%	-56%
Interest expense	-45	-47	-43	-4%	-9%
Foreign exchange gains (losses)	0	5	25	--	409%
Net Income	165	174	187	14%	8%

Financial Review - Consolidated Income Statement- (Quarterly)

Net Sales

	Q1 07	Q4 07	Q1 08	Chg (%) Q108/Q107	Chg (%) Q108/Q407
Pulp	386	475	443	15%	-7%
Sawn Timber	174	206	184	6%	-11%
Panels	195	242	236	21%	-3%
Forestry	17	26	31	88%	22%
Others	33	53	62	90%	17%
Total Sales	804	1.002	956	19%	-5%

Chg (%) Q108/Q107	Price	Sales Volume
Pulp	11%	3%
Sawn Timber	2%	4%
Panels	15%	5%

Chg (%) Q108/Q407	Price	Sales Volume
Pulp	3%	-9%
Sawn Timber	-7%	-4%
Panels	1%	-4%

Financial Review - Consolidated Income Statement- (Quarterly)

Operating Income

(MMUS\$)	Q1 07	Q4 07	Q1 08	Chg (%) Q108/Q107	Chg (%) Q108/Q407
Net Sales	804	1.002	956	19%	-5%
Cost of sales	-418	-579	-530	27%	-8%
Selling and administrative expenses	-140	-178	-174	24%	-2%
Operating income	245	245	252	3%	3%
Operating margin	30,4%	24,4%	26,3%		

Q108 vs. Q107

- Higher sales of pulp, panels and energy
- Increase chemical, wood, forestry work and sawing costs
- Appreciation of the Chilean peso.

Q108 vs. Q407

- Decrease in sales volume of pulp and panels
- Lower Costs of Sales and Selling and Administrative Expenses.

Financial Review - Consolidated Cash Flow - (Quarterly)

Cash Flow

(MMUS\$)	Q1 07	Q4 07	Q1 08	Chg (%) Q108/Q107	Chg (%) Q108/Q407
Cash flow from operating activities	252	274	147	-42%	-46%
Cash flow from financing activities	-73	95	49	-166%	-48%
Dividends Paid	0	-112	0		
Bonds Issued	0	0	0		
Bonds Paid	0	0	0		
Long Term Loans Issued	0	0	0		
Long Term Loans Paid	0	-130	0		
Short-Term Loans Issued (Paid)	-73	59	49		
Others	0	-2	0		
Cash flow from investment activities	-190	-351	-125	-34%	-64%
Capex					
Pulp	-52	-123	-53		
Sawn timber	-4	-19	-3		
Panels	-26	-16	-16		
Forestry	-107	-227	-52		
Others	0	34	0		
Net total positive (negative) cash flow	-12	17	71	-705%	313%

Financial Review - Consolidated Debt

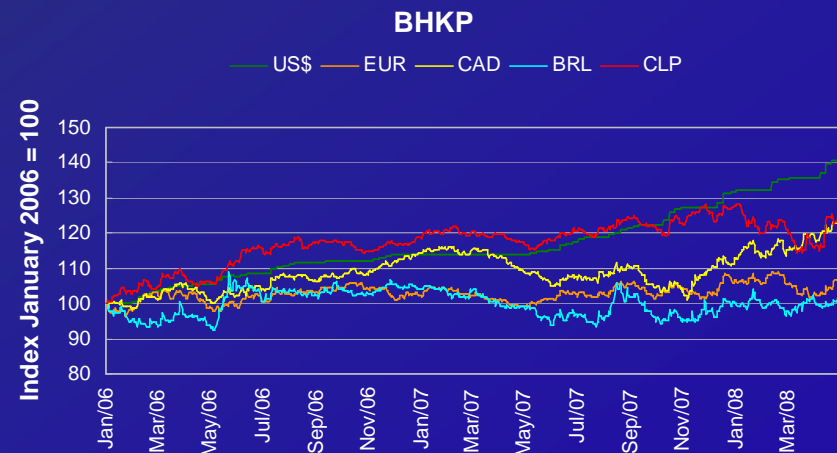
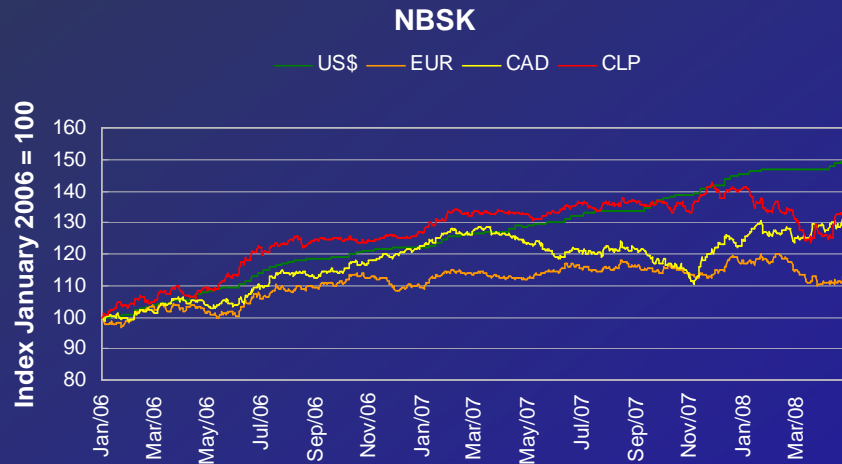
US\$ million	Q1 07	Q4 07	Q1 08	Chg (%) Q108/Q107	Chg (%) Q108/Q407
Short term Debt	127	168	216	70%	28%
Short-term portion of long-term debt	268	129	202	-24%	57%
Long term financial debt	1.945	2.233	2.152	11%	-4%
TOTAL FINANCIAL DEBT	2.340	2.531	2.570	10%	2%
Cash & equivalents	173	267	344	99%	29%
NET FINANCIAL DEBT	2.167	2.263	2.226	3%	-2%

Financial Review – Financial Ratios

Profitability	Q1 07	Q4 07	Q1 08
Gross margin	47,9%	42,2%	44,5%
Operating margin	30,4%	24,4%	26,3%
EBITDA margin	40,9%	34,3%	35,8%
ROA (EBIT / Average Total Assets)	12,4%	11,8%	11,5%
ROCE (EBIT (1 - tax rate) / Average Total Capitalization)	10,8%	10,6%	9,9%
ROE (Net Income / Average Equity)	13,5%	13,3%	13,6%
Leverage	Q1 07	Q4 07	Q1 08
Interest Coverage Ratio (EBITDA / Net Interest)	8,5x	8,6x	9,0x
Interest Coverage Ratio (EBITDA / Gross Interest)	7,4x	7,3x	8,0x
Average Net Financial Debt / EBITDA	1,7x	1,6x	1,6x
Total financial debt / Total Capitalization	32,2%	31,9%	31,6%
Net financial debt / Total Capitalization	29,8%	28,5%	27,6%
Total financial debt / Equity	47,4%	46,7%	46,1%
Net financial debt / Equity	43,9%	41,8%	40,3%

Outlook – Pulp Market

- **Favourable Market, but stronger in BHKP:**
 - Fiber availability for BHKP decreased.
 - Producers increased production of NBSK at the expense of BHKP production, generating a weaker market for softwood pulp.
- If the world economy doesn't change, the market should not experiment significant changes.
- Paper demand will be stimulated by the Olympic Games and by the President Elections in the U.S.



Outlook – Sawn Timber Market

- **The U.S Housing and Construction Market hasn't reach bottom yet.**
 - **The construction of houses is still decreasing , reaching levels of 1 million of houses per year, compared with 2 million of houses per year, two years ago.**
 - **There is a significant stock of houses.**
 - **It's expected that this situation will continue until the end of 2008.**
- **Higher wood availability (specially from Europe), decreasing the prices for Europe, Middle East and North of Africa.**
- **Prices in Asia are stable.**

Outlook – Panel Market

- Demand for Plywood has remained high. All the markets show good perspectives.
- In Fiberboard Panels oriented to the Furniture Market (MDF, HB), although there is a higher supply in the Latin America Markets, the price levels have increased 14% when compared to December, 2007.
- Pressure in production costs :
 - Energy
 - Resins
 - Exchange Rate

Q & A



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May 5th, 2008

A replay of this conference call will be available from May 5th at 2:00 PM to May 12th at 11:59 PM (EST)

Replay* telephone number: (1) (706) 645-9291

Conference ID: 45450627



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