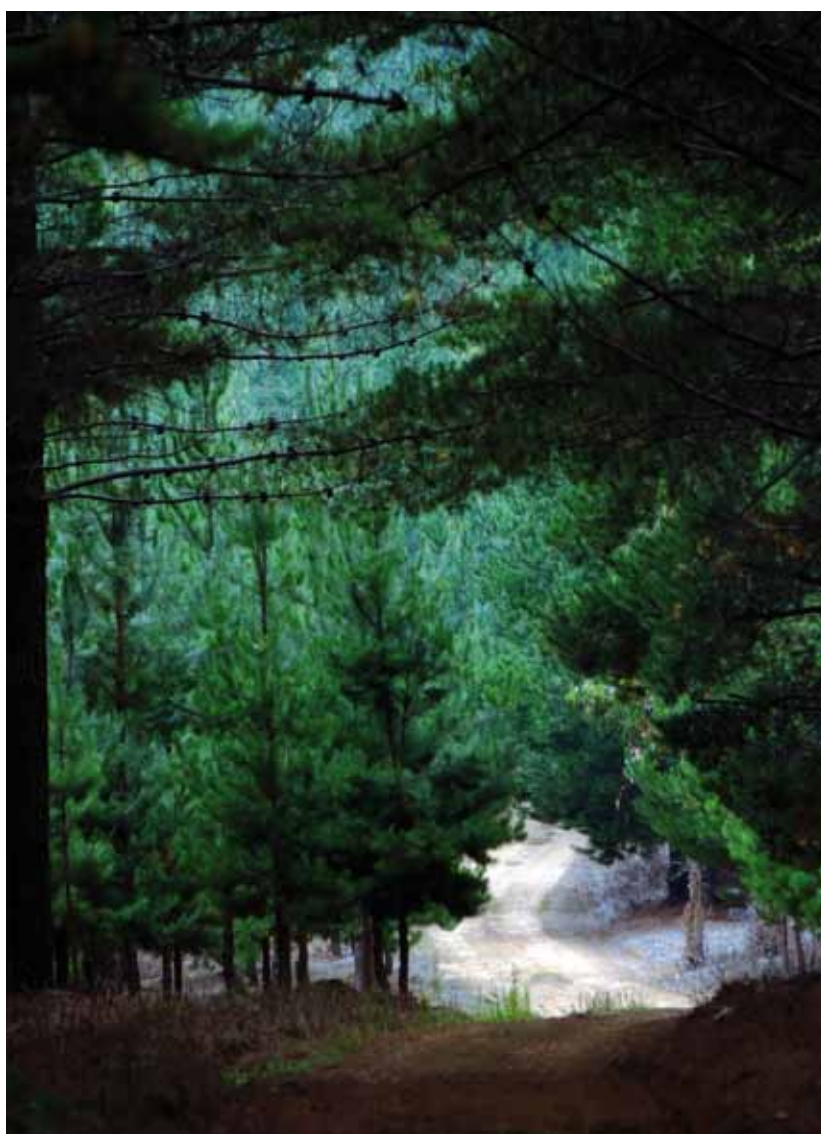




ANNUAL REPORT 2010

90 years going forward





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ELIODORO MATTE LARRAÍN

Chairman

“Over CMPC’s 90 year history, the company has shown its strength to face difficulties and move forward”

A message from the chairman to the shareholders:

In 2010 the Company celebrated its 90th anniversary. This year Chile suffered the consequences of a devastating earthquake that brought about painful losses of human lives, as well as damages to the infrastructure and destruction of material goods throughout our country's central and southern regions.

As a result, all of CMPC's industrial plants were forced to shut down. Nevertheless, thanks to the prompt, professional and efficient response of our personnel, who, despite adversity, the following series of aftershocks and the badly damaged basic services, made it possible to resume all our operations by the end of 2010's first half. In this message, I would like to express my gratitude once again to our workers, trade union leaders and executives, for their effort, devotion, and commitment to move the company forward, without suffering any casualties in our collaborators.

Also, we maintained a presence in the community, not only right after the emergency, but also afterwards through the repairing and building of houses, schools, churches and other urban infrastructure. This work was carried out in close partnership with the local authorities; developing a sense of urgency that made possible to bring back normality soon.

In 2010, consolidated sales of CMPC reached US\$ 4,219 million; 35% increase over the previous year. Income amounted to US\$ 640 million; presenting a 139% increase compared to 2009. These figures result both from good pulp prices, as well as the permanent effort across all business areas to achieve return on investments made, during the last years.

Market conditions in most were mostly favourable. Nevertheless, we faced rises in costs that not always resulted in higher prices. Particularly, in the international pulp market, prices kept an upward trend.

In the forestry business, an outstanding performance was achieved by plywood; product that is manufactured and commercialised by CMPC in different markets such as Europe, USA, and Mexico. This product line has gained good market acceptance due to its quality and versatility which make it suitable for a variety of uses beyond building. Business prospects for this business area look promising; consequently we estimate its growth in the medium term due to the increasing availability of pruned logs from our plantations.

In 2010, 11 million m³ of wood were harvested; 37,000 hectares of plantations were established on land owned by CMPC, and 2,000 hectares were planted through forest development agreements. As a result, the Company's net overall plantations rose at 13,000 hectares, thus reaching a total of 671,000 hectares..

CMPC's yearly pulp production rose at 2,045,000 tons compared to the 1,850,000 tons produced in the previous year. This increase in volumes responds to the Brazilian subsidiary Celulose Riograndese's (Guaiba Plant) acquisition by the end of 2009. This helped to mitigate the effects of the Chilean pulp mills that shut down after the earthquake.

The modernisation of the Laja pulp Mill, currently under way, is one of CMPC's leading projects. In its first stage, comprises a US\$ 300 million investment, that will allow the mill to produce 370,000 tons of pulp a year. This project includes systems and equipment intended to reduce both the mill's reliance on external power, as well as to improve its environmental performance. The start up is scheduled for early 2012.



The Company

Message from the chairman

At Santa Fe II Mill, construction work is already in execution to increase its capacity from 940,000 tons to 1,140,000 tons a year. This project involves a US\$ 156 million investment, and it is scheduled to start up towards the end of 2011.

CMPC's paper business area performed well. The overall production reached 885,000 tons. In November 2010, a project for increasing the capacity of the Maule boxboard mill was approved by the board. This project means a 65,000 tons of additional production per year, with a US\$ 63 million investment.

The Tissue business unit grew considerably due to the acquisition of the Brazilian Company Melhoramentos Papeis Ltd. (consolidated as from June 2009), as well as from the regional expansion process undertaken by this business area. In fact, over the year, two new tissue machines started up their operations in Mexico and Colombia. Meanwhile, projects to increase production capacity in relevant markets are under way; such as the new paper machines in Brazil and Chile.

The Paper Products business area showed an increase in both sales volumes and in market share throughout several of its business lines, such as corrugated boxes. Envases Roble Alto started building a new mill in Osorno which will produce 33,000 tons of corrugated boxes to serve clients from different industries, such as dairy products, salmon and others in the south of Chile. This new plant is expected to be fully operational in early 2011, and will require a US\$ 24 million investment. Additionally, a US\$ 20 million project to build a new mill for manufacturing multiwall sacks in Guadalajara, Mexico, was approved.

Throughout 90 years, CMPC has continually been moving forward, incorporating technology to both its forestry and industrial processes, bearing the future in mind. Contributing to sustainable development is of fundamental importance in managing its businesses. Such an approach has been a key factor in keeping good and long term relationship with our workers, suppliers, service providers, customers and local communities. Day after day, we work hard to provide our customers with the best service possible, to look after the environment and to establish meaningful relationships with neighbouring communities.

In 2010, we finished the carbon footprint emission measurement for the boxboard and pulp production processes. We are currently doing research to measure Tissue's. This information allows us to measure the amount of net greenhouse gases released into the atmosphere by our products, processes and companies, so as to let our clients know about CMPC's products environmental performance.

The CMPC Fundacion turned over 10 years working for the education in nine districts where the company carries out production processes. Over 50 schools and 9,000 children have directly benefited from the work carried out by this foundation. This support has been of fundamental importance to include concepts that will provide poor family's children with a high quality education. Also, the improvements activities in terms of infrastructure and landscaping carried out at the Jorge Alessandri Educational Park continued over this year. These are mainly intended to turn it into the best and most beautiful park in the Concepcion area. In spite of being closed for three weeks due to the damage caused by the earthquake, the park welcomed more than 115,000 visitors in 2010.

The Good Neighbourhood Plan, operating for over 10 years, has brought the company and its neighbouring rural communities closer together,

and has created opportunities of social and economic growth for all of them. Particularly successful were the raspberry orchards projects for smallholders and the work carried out to identify Mapuche sites showing cultural heritage, which we included in our cartography as an essential step for both their preservation and knowledge.

CMPC's historical account shows that throughout its 90 years, the company's strength of overcoming difficulties, capacity to succeed, and achieve ambitious goals. This has been possible by following the path set by its founders, which has contributed not only to consolidate its leadership in business but also to earn an outstanding position within society.

Today, we are facing once again the challenges imposed by changes. Soon, some of the company's higher management executives, who have been my closest collaborators over the last 30 years, will be stepping aside in favour of a new generation. From different positions, they will be available for collaborating with the new executives to succeed.

I have complete confidence that this important fact will strengthen even more the spirit of our organisation characterised by professionalism, zeal for excellence, austerity, innovating long-term view and commitment, which have been key factors in the success we have achieved so far.

I conclude by thanking our shareholders for their trust placed in our company.



ELIODORO MATTE LARRAÍN
CHAIRMAN CMPC S.A.





The Company

Board of Directors

Chairman: The company is led by a seven member Board of Directors elected at the Annual General Shareholders' Meeting. After their designation, they maintain their position for three consecutive years.

Eliodoro Matte L.
Industrial Civil Engineer

Directors:

Juan Claro G.
Businessman

Martín Costabal Ll.
Economist

Patricio Grez M.
Civil Engineer

Jorge Gabriel Larraín B.
Economist

Jorge Marín C.
Business Administrator

Bernardo Matte L.
Economist

Directors Committee:

Martín Costabal Ll.

Patricio Grez M.

Jorge Marín C.

External Auditing:

PricewaterhouseCoopers

The role of the board of directors, regulated by the Chilean law N° 18,046 for Corporations ("Sociedades Anónimas"), is to manage the company. The aforementioned law, establishes -amongst other issues- the administrative functions of the board of directors setting out their duties, members' powers, and responsibilities. The Board of Directors also represents the company in a judicially and extra judicially manner, ensuring its social objectives compliance. To fulfil these criteria, it has all the administrative and regulatory powers that are not deemed exclusive, by law or statute, to the Annual General Meeting of Shareholders.

The board of directors meets on a monthly basis to evaluate and guide the development of the company in economic, social and environmental matters.

The shareholders can manifest their views on either the progress or performance of the company, at the ordinary and extraordinary meetings legally summoned by the board of directors.

The remuneration of the board of directors varies according to the dividends awarded to shareholders. The directors' remuneration does not vary in accordance with the attainment of economic, environmental or social targets.



1. *Jorge Gabriel Larraín B.*
2. *Martín Costabal Ll.*
3. *Patricio Grez M.*
4. *Juan Claro G.*
5. *Gonzalo García B.*



6. *Eliodoro Matte L.*
7. *Arturo Mackenna I.*
8. *Jorge Marín C.*
9. *Bernardo Matte L.*



Management:



Chief Executive Officer:

Arturo Mackenna I.
Industrial Civil Engineer



General Secretary:

Gonzalo García B.
Lawyer



Chief Financial Officer:

Luis Llanos C.
Industrial Civil Engineer

The Company

Subsidiaries



Forestry

Forestal Mininco S.A.:

Plantations in Chile, Brazil and Argentina

CMPC Maderas S.A.:

4 Sawmills

2 Remanufacturing plants

1 Plywood mill



Pulp

CMPC Celulosa S.A.

Pacifico Pulp Mill

Santa Fe I Pulp Mill

Santa Fe II Pulp Mill

Laja Pulp Mill

Guaiba Pulp Mill



Paper

CMPC Papeles S.A.

Papeles Cordillera S.A.

Cartulinas CMPC S.A.

Industrias Forestales S.A. (INFORSA)

EDIPAC S.A.

SOREPA S.A.



Tissue

CMPC Tissue S.A.

Mills in:

Chile, Brazil, Argentina, Peru,

Colombia, Uruguay, Mexico

and Ecuador



Paper Products

CMPC Productos de Papel S.A.

Envases Impresos S.A.

Envases Roble Alto S.A.

FORSAC S.A. (Mills in Chile, Argentina, Peru and Mexico)

Chimolsa S.A.

The Company

Founded in 1920, Empresas
CMPC is a Public Corporation
(Sociedad Anonima Abierta) of
private capitals, distributed as of
December 31st, 2010 in

- 220,000,000 common shares and
- 6,925 shareholders



OSCAR PINCHEIRA

*Fibre sorting operator,
Planta Laja (Laja pulp Mill)*

“I am very grateful to be part of prestigious company that is well-known and respected in Chile and abroad. I am proud to be part of the Laja pulp mill team, where I have grown professionally, feeling always respected by my bosses and peers”.



PURE
FOREST

90
YEARS

*Keeping
our promises
to people*

Pure
Fortress

Throughout these 90 years, CMPC has overcome several crises, moved forward with strength, providing its collaborators, shareholders, and customers with a timely response, as well as confidence for continuous growth.



The Company

Subsidiaries

Forestal Mininco S.A. - 2010

Managing Director:
Hernán Rodríguez W.

Forestal Mininco S.A manages CMPC'S forestry assets in Chile, Argentina and Brazil. Its subsidiary, CMPC Maderas, develops and sell solid wood products, sawn wood, remanufactured wood and plywood panels.

Chairman:
Eliodoro Matte L.

Vice Chairman:
Arturo Mackenna I.

In Chile, the company owns 502,083 hectares of pine and eucalyptus plantations as well as other species; 30,771 hectares to be planted and 185,037 of hectares for other uses.

Directors:

Jorge Gabriel Larraín B.

José Ignacio Letamendi A.

Pedro Shlack H.

In Argentina, the subsidiary Bosques del Plata owns 65,164 hectares mainly planted with taeda and ellioti pine, 2,724 to be planted hectares and 26,395 hectares for other uses.

In Brazil, the company owns 104,489 planted hectares, 14,806 hectares to be planted and 76,120 hectares for other uses.

CMPC's Forestry management is certified by the ISO 14,001 and OHSAS standards, as well as with the Forestry Sustainable Management Standard (CERTFOR-PEFC) for all the timberlands that CMPC owns in Chile. Additionally, the process to certify CMPC's plantations in Chile under FSC standards has been initiated.

CMPC Maderas has three sawmills in operational creditive in Chile; Bucalemu, Mulchen and Nacimiento, whereas the las Cañas sawmill production has been temporarily shut down. The operative sawmills reach an annual production capacity of 1.4 million m³.

Additionally, the company owns two remanufacturing plants; Coronel and Los Angeles, both located in the Bio-Bio region, producing 180,000 m³ of products derived from dry sawn wood (moulds, boards and laminates). Finally, the company's Plywood mill produces 240,000 m³ a year.

Business Development

During 2010, the U.S.A. building market showed signs of stagnation. The housing starts construction index reached 600,000 new houses a year; a third of the historical average.

In the first semester, the decline in Chile's production level as a result of the earthquake caused a shortage of supply to the American market, causing an increase in the prices of mouldings and panels. This situation reversed in the second half of the year.

Both the building and packaging markets in the Middle East and Japan were affected by the lower supply of wood from Chile as a consequence of the Chilean earthquake. A decline in inventories and better prices during the first half of the year were observed in those markets. Prices have remained steady in the markets mentioned above, as well as in Mexico due to the weakness in product supply.

CMPC's Plywood demand in the different markets over Europe, the USA and Mexico has shown a steady increase in its niche markets.

During this period, log production in Chile reached 8.5 million m³, out of which 5.2 million were from Pine and 3.3 million were from Eucalyptus. A total of 18,301 hectares were established, of which 8,867 hectares corresponded to radiata pine, 6,522 hectares to Nitens Eucalyptus and 2,912 hectares to Globulus Eucalyptus.

In Brazil, 2 million m³ of eucalyptus were harvested, most of which was used to supply the Guaiba pulp mill. In Argentina, the harvested volume reached 831,000 m³.

An efficient execution of the risk management plan allowed this business division to minimise the damage caused by forest fires to our plantations. During the fire risk season, the total affected area was only 625.

Regarding investments, the land and facilities owned by the former Planta Fourcade in Loncoche, were acquired, and a project to build a sawmill in this place to produce 140,000 m³ a year was initiated. Moreover, the programme to acquire land and forests, as well as plantation agreements continued, through the addition of 6,888 hectares.

The programmes to support the indigenous communities have continued through the Good Neighbourhood Plan. (For further information, see details on the Sustainability, Community and Environment chapter of this report.)

Consolidated EBITDA: USD 100 million.



The
Company



The Company

Subsidiaries

CMPC Celulosa S.A. - 2010

Managing Director:

Sergio Colvin T.

Chairman:

Eliodoro Matte L.

Vice Chairman:

Arturo Mackenna I.

Directors:

Gonzalo García B.

Luis Llanos C.

Bernardo Larraín M.

Jorge Matte C.

Bernardo Matte L.

CMPC Celulosa S.A. is a business unit responsible for producing and commercializing pulp. It is positioned as the world's fourth largest market pulp supplier. Its mills overall production capacity (3 in the south of Chile and one in the Estado de Rio Grande do Sul, Brazil) totals 2.5 million tons a year.

Its mills are mainly supplied by the company's own plantations, free of controversies and traceable from the forests until they reach their end use, according to supply chain certification; CERTFOR-PERF and FSC standards in Chile, and CERFLOR in Brazil. The 3 mills in Chile have updated and fully validated their Integrated management Systems comprising ISO 14001, ISO 9001 and OHSAS 18,001 certification standards.

In 2010, CMPC Celulosa achieved sales for US\$ 1,486 million. This includes the operation in Brazil incorporated in December 2009. 80% of the company's production in Chile was exported, mainly to Asia, America and Europe.

CMPC produced 2.166 million tons of pulp in 2010. This represent the sum of pulp and paper production at the 3 mills in Chile (Santa Fel and II, Laja and Pacífico in the Bio-Bio and Araucaria regions) and its Guaiba mill in Brazil (Rio Grande do Sul State).

Business Development

The year begun with a devastating earthquake that forced the temporarily shut down of all three pulp mills in Chile. This resulted in 258 thousand tons of lost production, equivalent to 11% of the year's production plan.

On the other hand, international pulp prices kept an upward trend during the first half of the year. During this period, the sustained recovery on the demand for pulp from the traditional consumers markets, such as America, Europe and Japan, allowed to compensate a sharp decrease in the demand from China. The second half was marked by a shock in supply since Chilean pulp companies were forced to shut down its pulp mills in Chile, due to the February 27th earthquake. The sudden withdrawal from the market of nearly 8% of the world's pulp supply affected clients that were in the midst of readjusting their inventory levels.

Also, during the second term, the developed countries' economies showed clear signs of a reduction in their economic recovery, showing high unemployment indexes, inhibiting consumption levels. In this macroeconomic context, together with a more demanding comparative statistics base, demand for pulp in traditional markets slowed its growth. Additionally, China's demand for pulp was substantially less than that

achieved in 2009. As a result, growth of global demand for pulp in 2010 was virtually nil.

Regarding Pulp projects, work is currently under way in order to modernise the Laja mill. The building of a new recovery boiler and a new evaporator plant, together with significant improvements in the processes of boiling and washing of crude paste, will allow this mill to recover the production level it had before its line 1 was closed, reaching 370 thousand tons of production per year. Additionally, the approval of a project to convert one of its paper machines into sack Kraft paper grades was achieved.



At the Pacifico mill, a series of improvements were carried out to substantially reduce air emissions. Moreover, in June the new waste water secondary treatment plant started up.

At the Santa Fe II mill, the work to increase its production capacity from 780 thousand tons to 940 thousand tons a year was completed. The second phase of the Operational optimisation project for this plant is also being executed. This will expand the mill's operational capacity up to 1.14 million tons a year. Additionally, the Santa Fe Energy Project, whose main purpose is to increase the

generation of biomass-based electricity at this mill, is being carried out according to schedule.

In Brazil, Celulose Riograndese planted 18 thousand hectares of high-productivity eucalyptus, which will be part of the forestry supply base for the already projected second pulp production line. In addition, the team in charge of the second Line project is already working intensively towards the goal of reaching operational status by the second half of 2014.

Consolidated EBITDA: US\$ 696 million





The Company

Subsidiaries

CMPC Papeles S.A. - 2010

Managing Director:

Washington
Williamson B.

CMPC Papeles S.A. is the subsidiary responsible for producing and commercializing boxboard, corrugated and newsprint papers. It also has a paper distribution business, and one área in charge of used paper and cardboard recovery and recycling throughout Chile.

Chairman:

Eliodoro Matte L.

Vice Chairman:

Arturo Mackenna I.

Directors:

Jorge Araya D.

Andrés Echeverría S.

Luis Llanos C.

Bernardo Matte L.

Cartulinas CMPC throughout its two mills in Chile (located in the Maule and Los Rios regions), commercialised over 377 thousand tons of boxboard, out of which 83% of the production was exported to Latin America, Europe, Asia and the United States.

Papeles Cordillera whose mill is located in Puente Alto, in the Metropolitana region, commercialised over 330 thousand tons of packaging, gypsum board, and laminated papers, as well as papers for industrial use.

Inforsa, at its mill in Nacimiento (in the Bio-Bio region), produces newsprint that is commercialized both in Chile and abroad. It has a production capacity of 200 thousand tons a year. Latin America, the Caribbean and Asia are its main markets.

Edipac is the subsidiary that distributes several grades of paper and board in the Chilean market; most of which are produced by CMPC. This subsidiary sold over 117 thousand tons of products.

Sorepa is the subsidiary responsible for collecting both used paper and cardboard boxes, in order to be recycled and used as raw materials in the production processes of the Company's different paper mills. This subsidiary purchases nearly 330 thousand of recycled paper per year.

Business Development

In 2010, CMPC PAPELES amounted sales of US\$ 850 million; 14% higher than the previous year.

Cartulinas CMPC had sales for over 377 thousand tons in 2010; showing a 9% increase compared to 2009, being the highest historic sales volume since its operations started. Domestic sales in Chile reached approximately 63 thousand tons, while exports totalled 314 thousand tons.

Total sales in 2010 reached US\$ 380 million, 15% higher than the previous year.

During 2010, over US\$ 68 million were approved for new projects. It is important to highlight the approval of an expansion in the Maule mill, which will be adding 65,000 tons of boxboard capacity per year.

As a consequence of the earthquake on February 27th 2010, production at Inforsa reached 179 thousand tons; about 25 thousand tons less,

when compared to the previous year. Domestic sales in Chile reached over 35 thousand tons, whereas exports totalled over 149 thousand tons of newsprint.

Between January and December, newsprint prices in the North American market -the main price reference index for Inforsa-, increased by US\$ 110 per ton. This increase was caused by an adjustment in the supply side, rather than a demand effect in that market.

Papeles Cordillera overall sales reached over 331 thousand tons, registering a 3% growth compared to the 322 thousand tons sold in 2009. In the Chilean domestic market, sales reached approximately 290 thousand tons, whereas exports totalled over 41 tons.

In August 2010, the SGS Audit Company certified Papeles Cordillera's Integrated Management System (ISO 9001 and ISO 14,001). The company is now working towards achieving the OSHAS 18,001 certification on Occupational Health and Safety. We expect the process to be completed in the first half of 2011.

Edipac benefited with the positive effects of the Chilean economic recovery, which was partially offset by the consequences of the earthquake. Despite all the damages to its infrastructure and inventory (over 3.6 thousand tons were loss), the company achieved a 117 thousand tons sales record.

Sorepa purchased over 327 thousand tons of recycled paper, which means a 5% increase compared to the last year figure. This allowed the company to maintain its market share despite new participants entering the market. In November, a new subsidiary in the city of Chillan started its operations, which is expected to purchase 7.2 thousand tons of recycled paper per year.

Consolidated EBITDA US\$ 156 million.





The Company

Subsidiaries

CMPC Tissue S.A. - 2010

Managing Director:

Jorge Morel B.

CMPC Tissue is the subsidiary responsible for producing and commercializing tissue paper, sanitary products and away from home products; such as toilet paper, paper towels, napkins, facial tissues, children and adults' diapers and sanitary towels.

Chairman:

Eliodoro Matte L.

Vice chairman:

Arturo Mackenna I.

This business area, oriented to mass consumption products, is one of Latin America's leading producers of Tissue products. CMPC Tissue has industrial operations in Chile, Argentina, Uruguay, Peru, Brazil, Colombia, Ecuador and Mexico.

Directors:

Gonzalo García B.

Jorge Gabriel Larraín B.

Jorge Hurtado G.

Luis Llanos C.

Bernardo Matte L.

The products sold by the Company are mainly under their own brands, which have gained high levels of acceptance by customers. Elite is the company's regional brand name. Similarly, Confort and Nova in Chile, Higienol and Sussex in Argentina, are leading brands in the toilet paper and paper towel market, respectively. Children and adults' diapers and sanitary towels are sold regionally under the brands of Babysec, Cotidian and Ladysoft respectively.

Business Development

During 2010, signs of recovery were observed in the economies where CMPC Tissue has industrial operations. This allowed this subsidiary to reach annual sales over US\$ 1.4 billion. However, the company had also to manage a significant increase in some key raw materials costs; such as pulp, recycled paper and derivatives from oil, among others.

In Chile, the earthquake caused damages to some of the buildings and facilities of the Talagante mill. Nevertheless, repairing works to infrastructure were carried out and finished within two weeks. During 2010, an expansion project for the Talagante mill was approved. This project consist on a 54 thousand tons new tissue paper machine, as well as additional new conversion lines. Similarly, and due to the increase in the sanitary market demand, a project for adding a new children diapers machine was approved at the Puente Alto mill.

In Argentina, there was a growth in sales during 2010 when compared to the previous year, however margins were reduced due to internal conditions; such as a 25 % domestic inflation and price regulation on our products and pressure on higher labour costs.

In Brazil, sales grew mainly due to an increase in customer coverage. This made possible to enter all the large supermarket chains, increasing the Company's presence in the interior and northern regions throughout the country. In addition, work has been carried out to implement a new double-width tissue paper machine. This project is expected to be fully operational by the end of April 2011.

Through the year, CMPC Tissue started its participation in the baby diapers, wet wipes and women's care products markets, with imported products under the "Babysec" and "Ladysoft" brand respectively. Market share in the diapers for adults increased significantly.

To support growth, a sanitary products facility is being built in the Caerías mill, which will have a machine for the manufacturing of children and adults diapers, as well as for producing sanitary towels.

Regarding administrative tasks, the company kept on reducing and minimising both the contingency and risk levels by implementing a systematic control plan. The launching of SAP system will contribute to further improve the management of the company's internal processes.

In Mexico, a rise in sales was achieved through an increase in the number of stores where CMPC has presence, totalling over 2 thousand across the country.

In August, a double-width tissue paper machine started operations in the Altamira mill, Mexico. In addition, the SAP system was implemented, helping the company to operate more efficiently, according to the standards required by its growth.

In Uruguay, considerable progresses were made towards making the plant self-sustainable. As a consequence, most of what is sold to the Uruguayan market is manufactured domestically, reducing significantly imports from other countries.

In Peru, thanks to the steady economic growth that the country has showed over the last ten years, an important part of the population have become consumers of our products. In January, the second diapers manufacturing machine started up.

In Colombia, a new tissue mill at Gachancipa started up. This 26 thousand tons per year mill started its production by the end of August, and has a paper tissue machine, conversion lines, a distribution centre and all the services it requires to be fully operational. Setting up this plant was a very important step to properly develop the business in Colombia.

In Ecuador, growth was steady in 2010. This made the company get positioned in a promising position of market share. Additionally, during April diapers for children started to be sold.

Consolidated sales in this business unit totalled over 465 thousand tons of tissue paper; 1,960 million units of diapers for children and 730 million units the total for women's sanitary towels reached.

Consolidated EBITDA US\$ 165 million.





The Company

Subsidiaries

CMPC Productos de Papel S.A. - 2010

Managing Director:

Francisco
Ruiz-Tagle E.

Chairman:

Eliodoro Matte L.

Vice Chairman:

Arturo Mackenna I.

Directors:

Juan Carlos
Eyzaguirre E.

Gonzalo García B.

Patricio Grez M.

Andrés Infante T.

Bernardo Matte L.

CMPC Paper Products is the business area in charge of producing and selling paper products, such as corrugated boxes for a variety of uses, multiwall sacks and moulded pulp trays. It has subsidiaries in Chile, Argentina, Peru and Mexico. This subsidiary exports its products mainly to Latin America and the United States.

The corrugated boxes business operates under two companies located in Chile: Envases Impresos, which manufactures boxes for the fruit market and Envases Roble Alto which is mainly focused in the industrial segment, as well as in the, salmon and wine industries.

CMPC Paper Products has also four business units that produce multiwall paper bags, which are located in Chile, Peru, Argentina and Mexico. At the beginning of 2010, this business was reorganised in order to strengthen the internationalisation experienced during the last years. As a result, FORSAC S.A was established to oversee the regional business operations all over the region. Four subsidiaries: FORSAC Chile, (formerly known as PROPA) FORSAC Argentina (previously FABI), FORSAC Peru and FORSAC Mexico were established under FORSAC S.A., which is in charge of the engineering and project operations, management control,

exports, product development and logistics operations, among other functions.

The aforementioned is a major step in growth, since by the four subsidiaries and the unique FORSAC brand the company is positioned as an important supplier throughout the Americas. Currently, exports to the United States, Central America and the Caribbean, Colombia, Ecuador, Bolivia and Uruguay are carried out.

Finally, Chimolsa is the subsidiary that participates in the moulded pulp trays business. It produces egg cases and trays for exporting apples and avocados. In 2010, exports to Argentina, United States and Mexico were also carried out.

Business Development

This business area reached annual sales of US\$ 366 million; a 15% higher than that reached on 2009.

Envases Impresos and Roble Alto sales reached over 200 thousand tons, an 8% higher than last year volumes. Such an increase can be accounted for the rise in sales in the fruit and vegetables market.

Roble Alto's new corrugated boxes plant will start operations in Osorno, Chile. Its yearly production will be over 33 thousand tons. The investment

is in the order of US\$ 24 million. This new plant will mainly supply the needs of the salmon, meat, milk and fruit and vegetables markets.

FORSAC S.A. sales of multiwall paper bags in Chile reached over 469 million units; a 12% higher than 2009. In Argentina, sales of multiwall paper bags went up by 4%, whereas in Peru, sales increased by 16%. In addition, a project to increase the peruvian plant's production capacity by 40% was also approved.

In Mexico, sales reached 65 million units, 19% higher than those registered in 2009. This resulted on an estimated market share of 12%.

Chimolsa and its main product; apples trays, increased its sales by 34% over last year. This responds to the rise in apples exports registered during the year. Similarly, exports increased significantly over 2010, which was led by the avocado tray exports to the United States and Mexico.

Consolidated EBITDA: US\$ 40, 5 million.



The Company



The Company

Service Subsidiaries

CMPC Shared Services 2010

Chairman:
Luis Llanos C.

This subsidiary is responsible for providing high quality and cost effective accounting and administrative services, IT and

Directors:
Hernán Rodríguez W.

communications services, purchasing, as well as to carry out payroll tasks required by CMPC business areas.

Sergio Colvin T.

These services require permanent improvements and standardization of sound administrative processes.

Washington Williamson B.

Jorge Morel B.

Francisco Ruiz-Tagle E.

In 2010, in the area of Accounting and Administrative Services, important adjustments were made to the SAP system, in order to benefit customers' operations. Also, throughout the year, support was provided to the accounting and administrative teams working at CMPC's foreign subsidiaries.

Managing Director:
Jorge Araya D.

In addition, the Exports VAT on-line recovery was also implemented, which allowed the Company to advance the date for tax returns by eight days as an average, with a relevant economic impact.

The purchasing Service continued to develop its operations by providing procurement and logistic services for both domestic and foreign subsidiaries. It is important to note the effort done by this subsidiary in order to acquire the equipments for the repair of all the mills that suffered damages due to the earthquake.

The Information Technology and Communications Service implemented successfully the SAP system at the FORSAC Mexico and ABSORMEX subsidiaries.

A series of projects have been developed for the Pulp and Paper business areas, in the field called BI or Business Intelligence, intended to better management of information, as well as to achieve a better integration with the Brazilian subsidiary Celulose Riograndense.

Regarding the Payroll Service area, CMPC Tissue implemented a Payroll Self-Service system, providing the personnel with a very useful self-consultation system, and the management with better tools for taking decisions. As a consequence, this system will play an important role in reducing both administrative and operational risks associated to the remunerations cycle.



Portuaria CMPC - 2010 / CMPC Port Services 2010



Portuaria CMPC S.A. is a port and logistics services company whose main role is the coordination and port integration for Empresas CMPC and its subsidiaries, by managing the designation of ports, as well as by loading and dispatching loads from mills, plants, sawmills and other facilities. In addition, it is responsible for contracting shipping freights.

Among its main functions are: controlling stock at ports, planning logistics, supervising the cargo to be exported, the administration of export documentation and to carry out port contracts.

Chairman:

Guillermo Mullins P.

Directors:

Andrés Larraín M.

Hernan Fourniess L.

Managing Director:

Gabriel Spoerer O'R.

The
Company



ARNOLDO ÑANCULEF

*President of Rewe Cholchol,
a Mapuche Association
Community.*

“We feel very happy with the achievements we have reached through this partnership with CMPC; not only for establishing a true relationship, but also because we feel proud of the production projects we have developed all together.”

90
YEARS

*Keeping
our promises
to people*

**Respect
for our
Culture**

CMPC is a company with an important social concern, and environmental respect. The Company owns 147 thousand hectares of non exploited protected forests, which are destined to preserve the biodiversity of the flora and fauna. In addition, the company has various programmes of ethnic integration in rural zones of Chile.



Sustainability, Community and Environment

CMPC's business model has been built taking into consideration a balanced and long term relationship with its shareholders, workers, suppliers, service providers and clients, as well as with neighbouring communities and the environment. All of them are essential in the company's social responsibility policy, whose aim is to develop a diverse range of social investment initiatives.

Fundación CMPC

Established in the year 2000, the Fundación CMPC develops educational and cultural support projects.

In 2010, the Fundación CMPC celebrated its 10th anniversary working in the improvement of educational standards, reaching rewarding achievements that consolidate its mission, objectives and values which have led it to support education in the communities where the company has industrial operations. This contribution has become of a highly strategic value to the company.

The objectives set have been met, achieving better academic results of primary school children, facilitating CMPC's relationship with the community, using resources more efficiently, leaving an important contribution in the region.

In 2010, the Fundación CMPC carried out a valuable work in nine areas of Chile: Til-Til and Talagante in the

Metropolitana Region, San Javier and Yerbos Buenas in the Maule Region and Laja, Mulchen, San Rosendo, Nacimiento and Negrete in the Bio-Bio Region. All the above resulted in the benefit of 54 schools and approximately 9,400 children.

Through its history, diverse initiatives have been developed in order to increase the coverage of the education program. Some of them are related to teaching training, early stimulation and cultural projects. Over 4,500 people took part in cultural projects last year.

The Good Neighbourhood Plan

The "Good Neighbourhood Plan" was implemented twelve years ago by the company's forestry business area. Its intention is to bring the community and the company together, by creating social and economic development opportunities for its neighbours.

Forestal Mininco decided to focus on developing a help and support system for people who live nearby the company's forest state. This is achieved through the creation of job opportunities for household heads, the development of training programmes, the distribution of school grants for their children, and other benefits in different areas that contribute not only to the community's economic growth, but also helps to improve their standards of living, encouraging them to fulfil their potential, follow their dreams and face challenges.







Sustainability, Community and Environment





The plan covers four main areas: employability, entrepreneurship, education and ethnicity.

The programme currently operates in the VII, VIII, IX and XIV Regions of Chile. In 2010, one of the most successful activities supported by the company was carried out by the Chol-Chol Association of Rewe Communities, and dealt with growing raspberries. The initiative considered installing a cutting-edge irrigation system. Besides, the participants in this project also received training tools in order to achieve the technical and administrative competences required to run their own business. Such a support has enabled them to sell their products in Temuco, being an important source of income.

Los Angeles Museum

CMPC in partnership with Los Angeles's Local Authorities are working on the implementation of an Artequin Museum in the town, this will suit both the community's cultural and artistic needs, through the proposals of play, workshops and other related activities.

The earthquake that affected this town in February 2010 caused substantial damages to the facilities that were supposed to house the Artequin Museum. CMPC is currently working on finding a new location for this important project.

Nevertheless, the company has made progress in other aspects regarding

this project, such as the curatorship, the design of the educational proposal, the industrial and graphic design as well as the audio-visual production.

Jorge Alessandri Educational Park

The Jorge Alessandri Educational Park, situated on the road that links Concepcion and Coronel, aims to diffuse CMPC's forestry, productive and environmental work to the community, through free cultural and educational activities. The park has various educational spaces which include park trails, a Cultural Centre, native forests, an Amphitheatre, the "Tree hall" and the Arquetin Museum. Ever since its start up in 1993, the park has hosted over 1.4 million visitors. Besides that, it is also home of one of the seven High Environmental Value Areas that CMPC has established within its lands, which totals 6,200 hectares.

In 2010 the park welcomed 117,294 visitors. For next term it has several projects to be developed so as to become the family's meeting point and a green area for this region and the Country.



Sustainability, Community and Environment

Environment

Regarding environmental matters, our responsibility towards future generations compels us to be extremely vigilant and strict in the protection of the environment and the biodiversity. Our aim is to always have clean production processes in line with the current legislation. That is why we are promoting the use of renewable energy generated by biomass boilers in several of our facilities. We are also supporting the efficient use of water, the use of recycled fibres in the paper-making production process and the certification for all our clean production processes as well as for the management of renewable forest plantations. Our environmental commitment statement can be found in the Sustainable Development Report which also includes guidelines from our Chairman on how we should approach and deal with such an important matter.

In 2010, special and careful attention has been paid to the carbon footprint measurement of our production processes. This is intended to establish the amount of greenhouse effect gases released into the atmosphere by a particular product, a process or a company in order to determine its effect on the global climate change.

In 2010, the carbon footprint was measured for the production processes of softwood and hardwood pulp, as well as for boxboard. Measurement also was started for the production of

Tissue products. The measurements for CMPC solid wood products and CMPC Paper Products are expected to be finished by the end of 2011.

The University of Concepcion has worked in close partnership with CMPC in the carbon footprint measurement process, strictly adhering to the calculation methodology established in the Greenhouse Gas Protocol and the British PAS 2050 norm. The European Paper-making industry regulations have also been observed.

Earthquake on 27th February

Hours after the earthquake in Chile, CMPC went out to assist the communities that had been affected by such a devastating event. Consequently, the Company began the distribution of essentials, such as food, personal hygiene products and water.


In parallel, clearing debris works from towns and cities began. CMPC professionals devoted more than 1,300 man-hours to the task of assessing the damage in houses, schools, nurseries and public areas, to have a clear account of all the effects caused by the earthquake, in the way to contribute with the Local Authorities. Working in partnership with Gearbuk Shipping Company and other organisations which anonymously volunteered to get the help to the communities, CMPC

built 98 houses which were allocated to families in Laja, San Rosendo and Nacimiento. Besides the building work mentioned above, the Company also participated in repairing churches such as the Iglesia de la Merced in Linares, whose nave, roof and dome are currently being rebuilt. Moreover, 20 schools and boarding schools also benefited from the work carried out by the Company, in an attempt to resume educational activities for thousands of children as soon as possible.



Sustainability,
Community and
Environment



A man wearing a white hard hat and safety glasses is looking intently at a computer monitor in a control room. He is wearing a light-colored short-sleeved shirt. The background shows a large window with a view of an industrial facility. The overall tone is professional and focused.

JUAN PABLO SUAZO

Supervisor of the N°1 Tissue Paper Machine, Puente Alto Mill

“I feel privileged to have witnessed and been part of CMPC’s Tissue progress over these years. This has also meant a personal growth, since throughout these years I have taken on new responsibilities.”

90
YEARS

*Keeping
our promises
to people*

Trust

“The philosophy of constant growth, without leaving our identity and values, has always encouraged CMPC’s development”



Financial Information

Financial Analysis

Detailed Analysis of CMPC's Consolidated and Individual Financial Statements as of December 31st 2010

Summary of Financial Year

CMPC's consolidated sales for 2010 totalled US\$4,219 million, 35% over the ones registered during the previous year. At an operational level, the EBITDA (1) reached US\$1,138 million, 77% higher when compared to that of 2009.

CMPC's net profit for 2010 totalled US\$640 million; showing a 139% increase over the previous year.

The Forestry business achieved a better performance in 2010, as a result of the favourable conditions in both sales and prices for exports and the domestic market, as well as a more efficient operational performance. All the conditions aforementioned made it possible to reach a significantly better result in this area, when compared to the previous year.

The Pulp business increased its revenues when compared to those of 2009. This was mainly due to higher volumes and better prices. The increase in sale volumes is explained by the acquisition in Brazil of CMPC's subsidiary Celulose Riograndense Ltd. (Guaiba mill) at the end of 2009, which also helped to mitigate the effects of the earthquake in Chile.

The Paper business also increased its sales when compared to last year. However, a rise in the costs of its main raw materials, especially in those of pulp and recycled paper, reduced its EBITDA generation.

The Tissue business area reached an improvement in results, accounted for the acquisition of Melhoramientos Papeis Ltd in Brazil (consolidated as of June 2009), as well as for the regional expansion plan undertaken by the Company. In fact, during 2010, two new tissue paper machines started operating in plants located in Mexico and Colombia. In addition, the Company is carrying out other expansion projects to increase its production capacity in several target markets.

The Paper Products business area showed an increase in revenues mainly due to the rise in sales volumes. However, the operational result of the business was slightly lower to the previous year, which is mainly because sale prices during the year did not reflect the rise in both paper costs and other raw materials.

The Company's financial debt (2) as of December 31st, 2010 was US\$2,834 million, a figure similar to the one showed as of the end of the 2009's financial year. On the other hand, Cash and cash equivalents (3) as of December 31st, 2010 reached US\$650 million. As a result, CMPC's net financial debt (financial debt minus Cash and cash equivalents) as of December 31st, 2010 increased US\$80 million when compared to that registered as of December 31st, 2009. Taking these figures into account, the Net debt/EBITDA ratio (4) fell from 3.27 times in 2009, to 1.92 times as of the end of 2010.

1. See details on Chart 1.

2. Financial Debt: total of interesting-bearing loans, other financial obligations - liabilities resulting from swaps and cross currency swaps operations - liability coverage- assets resulting from swaps and cross currency swaps operations - assets liability (see notes in Consolidated Financial Statements Ns 18 and 22).

3. Cash Flow: cash-cash equivalents plus term deposits payable between 90 days and a year (see notes in Consolidated Financial Statement N 8).

4. Considering an EBITDA accumulated over a 12 rolling month period.

The earthquake in February 2010 caused several damages, forcing several shutdowns on CMPC's mills across the country, affecting mainly the production of pulp and newsprint. All the facilities damaged by the earthquake were repaired, reassuming their production processes during the second quarter of 2010.

The damage to fixed assets and inventories was recognized under the "Other profit (losses)" account, totalling US\$ 49.7 million. This amount takes into consideration all the damages and repair costs, after a deduction of an estimated indemnity to be received from insurance companies. The insurance adjustment process leading to indemnity payment is on its final stage and is expected to be due during the first half of 2011.

Regarding business interruption losses, the effects were recognized right after the quake in the Company's financial statements through the recognition of lower margins as a result of the lower sales, costs and expenses. As of December 31st, 2010 the adjustment process was concluded. Total compensation amounted US\$111 million. This item was recognized under the Other gains and losses account.





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Financial Analysis

2. Results Analysis

Table 1 below shows CMPC's Consolidated Results Statement main components.

Table 1: Consolidated Results Statement
(figures in thousands of US dollars)

	2010	2009
Revenues	4.219.172	3.123.609
Operating Cost (1)	(2.572.041)	(2.065.865)
Operating Margin	1.647.131	1.057.744
Other costs and operating Expenses (2)	(509.353)	(414.189)
EBITDA	1.137.672	643.555
% EBITDA/Revenues	27%	21%
Depreciation and stumpage (3)	(386.726)	(326.830)
Net Income on Biological Assets Growth (4)	59.374	51.825
Operating Result	810.426	368.550
Financial Income	14.080	10.677
Financial Costs	(134.672)	(97.252)
Share Results in Associated Companies	17.480	17.250
Exchange Rate Difference	(24.327)	(64.010)
Price Level Restatement	(20.583)	10.953
Other Profits (Losses)	52.992	(59.502)
Income Tax	(75.374)	81.552
Net Profit	640.022	268.218
Net Margin (5)	15%	9%

(1) Sales Costs minus depreciation, minus the cost of plantation implementation, minus higher cost of the exploited and sold part of the plantations resulting from the revaluation due to their natural growth (See note 12: Biological Assets)

(2) Distribution Costs, Administrative Costs and Other Costs associated to the operation.

(3) Exploited Plantation Implementation Cost (See note to the Consolidated Financial Statement N12: Biological Assets)

(4) Profit resulting from the natural growth of the plantations, minus a higher cost of the exploited and sold part (See note to the Consolidated Financial Statement N12: Biological Assets.)

(5) Net profit/ Total Regular/ Ordinary Income.

CMPC is one of Latin America's main forest product manufacturers. Its most relevant products are: sawn and remanufactured wood, plywood, long and short fibre pulp, boxboard, corrugated paper, newsprint paper, tissue paper products, diapers, sanitary towels, corrugated boxes, multiwall paper bags and moulded pulp trays. CMPC is divided into five subsidiaries: Forestry, Pulp, Papers, Tissue and Paper Products, which by being coordinated at a strategic level, and sharing administrative support functions, work independently to serve several markets with different products and dynamics.

CMPC's sales grew 35% over 2009, whereas total costs increased by 25%. As a result, the exploitation margin according to the IFRS norm increased 56%, reaching US\$1,647 million. Exploitation margin over sales rose to 39%; from the 34% registered in 2009.

The Consolidated EBITDA for Empresas CMPC totalled US\$1,138 million in 2010; a 77% higher when compared to that of 2009. This is mainly explained by higher sales, due to superior sale volumes across all the subsidiaries, as well as from better pulp prices.

This rise in income was partly offset by higher costs. The EBITDA margin (EBIDTA over income) reached 27%; compared to the 21% registered in 2009.

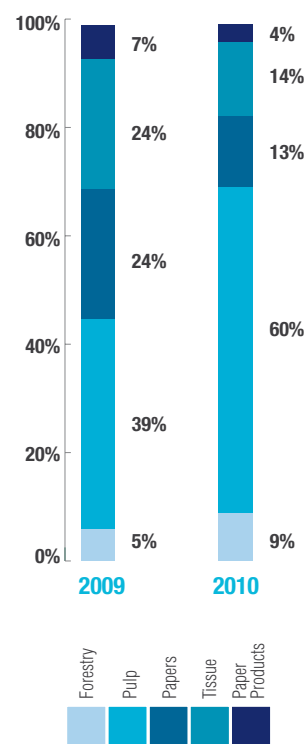
As to non-operational results, Financial costs increased by 32%, totalling US\$134 million. The Other profits (losses) account showed a US\$ 53 million income, due mainly to indemnity payments for the losses caused by the earthquake. Similarly, the Other profit (losses) account over the 2009 financial year amounted US\$60 million.

The inflation registered in Chile during 2010 caused an increase in the value of Unidad de Fomento (UF), generating a US\$21 million negative impact on the non-operational result, compared to the US\$11 million profit registered during 2009.

These figures resulted in a 15% net profit margin for the Company, representing a significant improvement when compared to the 9% reached in 2009.

The relative contribution of each of the business areas to the consolidated EBITDA is shown in fig. 1

FIGURE N° 1:
EBITDA breakdown by business area
Dollar based; accrued to December 2010





Financial Information

Financial Analysis

2.1. Sales' Analysis

CMPC is characterized by diversified products and markets. In 2010, ordinary accumulated income amounted US\$ 4,219 million; 35% higher than that achieved in 2009. This increase is mainly due to 42% growth in exports sales, 42% in local sales from foreign subsidiaries and 19% in local sales in Chile.

Figure N°2 shows that, when comparing the relative contribution of local sales by foreign subsidiaries increased from 25% in 2009 to 27% in 2010, mainly due to the tissue business growth in Latin America. Exports sales share went up from 47% to 49%, mainly due to the increase of Pulp prices, and the additional volumes supplied by the Guaiba mill in Brazil. The relative contribution of local sales in Chile, although increasing in absolute value, decreased from 28% to 24%.

Figure N° 3 shows each of CMPC's business areas relative contribution to consolidated sales

FIGURE N° 2:
ACCUMULATED SALES
BREAKDOWN

Based on values in US dollars, accrued to December

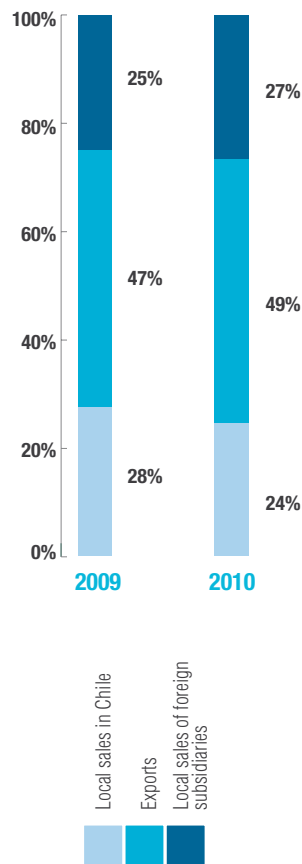


FIGURE N° 3:
CONSOLIDATED SALES
TO THIRD PARTIES
BREAKDOWN BY
BUSINESS AREA

Based on values in US dollars, accrued to December

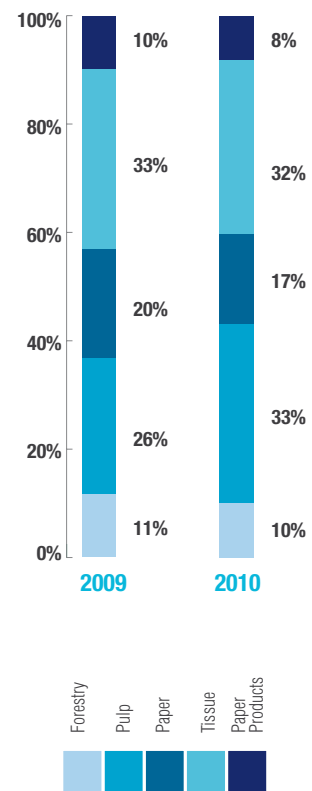
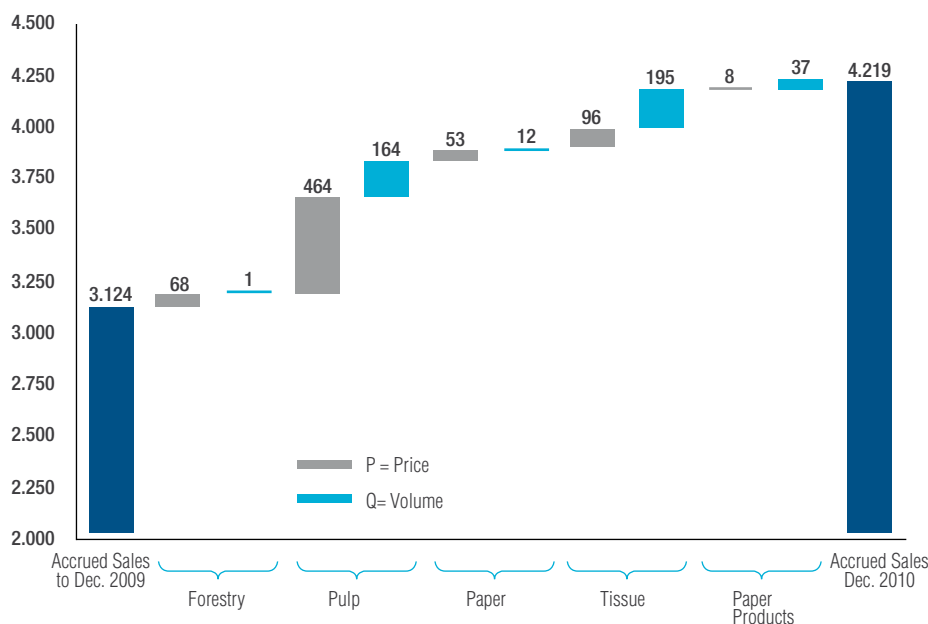


FIGURE N° 4: CONSOLIDATED SALES ANALYSIS (Price and volume effects)
Figures in millions US dollars

During 2010, sales to third parties by both the pulp and tissue businesses contributed 65% to the total income. The pulp business relative contribution to consolidated sales increased from 26% in 2009 to 33% in 2010. This accounts for the lower relative contribution of other businesses to sales, that likewise significantly increased their income compared to the previous year.

A detailed analysis of prices and volumes by business area, accounting for this higher income in sales is shown in figure n°4



2.2. Business Segment Analysis

In the forestry business, sales rose 20% as compared to 2009, mainly because of better prices in both exports and local markets for sawnwood, remanufactured products and plywood panels. In addition, higher volumes of plywood were exported, showing the maturity of this line of products. All of this meant a better demand scenario for the products of this segment.

CMPC's forestry business EBITDA increased 188%. This was due to an increase in products margins, mainly in the sawnwood and plywood panel lines, caused by better prices and greater efficiencies in part due to focalization strategy results in specific product segments and markets.



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Financial Analysis

In the pulp business, sales increased 75% as compared with the previous year, due to better prices and the incorporation of the Guaiba mill in Brazil belonging to CMPC Cellulose Riograndense Ltd. The average CIF prices of both pulp grades rose in comparison with previous year. Hardwood had an average price of US\$ 739 per ton, compared to US\$ 479 per ton the previous year. The average price of Softwood rose to US\$ 800 per ton, compared to the US\$ 540 per ton reached in 2009. As far as sales volume is concerned, there was an 18% increase for hardwood, while that of softwood decreased 0.4%. The latter is explained by both the incorporation of the Guaiba mill and the decrease in production caused by the shutdown of Chilean pulp mills caused by the earthquake. On the other hand, costs of the main raw materials in this business area went up moderately during the year, meaning the pulp business EBITDA increased 173%.

The paper business showed a 10% increase in its sales compared to the same period in the previous year. This increase is due to a 10% rise in the business average prices, highlighting a 29% increase in the prices for corrugated paper and an 8% rise in boxboard export prices. In addition, the total sales volume went up by 2%, highlighting a 9% increase in boxboard sales.

This was partially offset by a 14% drop in newsprint sales volume due to the shutdown caused by the earthquake and consequent lower production volumes. Nevertheless, this business area showed a 1% drop in its EBITDA. This is fundamentally due to an increase in the costs of raw materials, mainly in the boxboard and corrugated paper business areas, that was not offset by higher sales. Additionally, this area was negatively affected by shutdowns caused by the earthquake in Chile, particularly in newsprint.

The tissue business increased its sales by 30% in 2010 compared to 2009. This is explained by an 18% increase in the total sales volume, as a result of the expansion plan being carried out by this business area in Latin America, especially the contribution made to these results by Melhoramentos Papeis Ltd. in Brazil, whose effects began being stated as from June

2009, besides the start up of the new tissue paper machines in Mexico and Colombia during the last quarter of 2010.

On the other hand, sales costs were affected by raw material price increases, particularly pulp and recycled paper. Thus, EBITDA increased by 3%.



The paper products business recorded 15% higher sales during 2010 as compared to that of the previous year. This increase is explained by 12% higher sales volumes and by a 3% increase in average prices. Higher sales volume of 9% in corrugated box business area stands out, driven by demand in Chilean market, as well as a 12% increase in sales of multiwall paper sacks as from January 2010, due to the incorporation of a new sack plant in Mexico.

The EBITDA of the paper products business dropped 10%, mainly because of higher sales costs and increases in raw materials costs, mainly paper and recycled paper.





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Financial Analysis

3. Analysis of the Consolidated Balance Sheets

The performance of assets and liabilities as of December 31, 2010 compared to December 31, 2009 is as follows:

Current assets show a net increase of US\$ 426 million, mainly because of an increase in working capital due to larger accounts receivable for US\$ 227 million and higher inventories of US\$ 216 million (including forests to be harvested in less than a year time). On top of this, an increase of US\$ 290 million in other financial assets must be added (as a result of investments in term deposits between 90 days and a year). The latter is compensated by a decrease in the Cash and cash equivalent amounting US\$ 371 million, mainly as a result of higher investments in term deposits between 90 days and a year.

Non-current assets show a net increase of US\$ 353 million, mainly due to an increase of US\$ 253 million in properties, plants and equipment, US\$ 152 million in biological assets (forests to be harvested in more than a year), Assets derived from deferred taxes for US\$ 26 million, and US\$ 18 million in investments in affiliated companies. The latter is mainly compensated by a decrease in intangible assets of US\$ 102 million.

TABLE N° 2: FINANCIAL INDICATORS OF CONSOLIDATED BALANCE SHEET

	Dec. 10	Dec. 09
<i>Liquidity (times)</i>		
Current liquidity: Current assets/current liabilities	2,29	2,30
Quick (or Acid test) ratio: Available assets (current – inventories – advance payments)/ current liabilities	1,55	1,62
<i>Debt</i>		
Debt ratio: (Debt to Equity Ratio) Total liabilities/shareholdings equity	0,66	0,68
Proportion of short-term debt: Current liabilities/total liabilities	26,1%	23,4%
Proportion of long-term debt: Non-current liabilities (Long term)/total liabilities	73,9%	76,6%
Financial Expense Coverage profit before taxes and interest/financial expenses	6,31	2,92
Book value per share (US\$) shareholders Equity /nº of shares (US\$)	34,8	32,3
<i>Activity</i>		
Total Assets Turnover Ordinary (annualized) sales/Average Total Assets	0,34	0,29
Inventory turnover (Annualized) sales cost/Average Inventory	3,66	3,31
Stock holding period Average stock * 360/(annualized) Cost of Sales	98,5 days	108,7 days

Net Equity (which, as per IFRS standards, includes minority interest participation) shows an increase of US\$ 564 million, mainly due to the net profit obtained in 2010 after recognized dividends according to policy established at the Shareholders Meeting. In addition, there is an increase of US\$ 82 million in currency restatement recognition on those subsidiaries where the functional currency is other than the US\$ as well as the recognition of results from Financial securities cash flow hedges. for US\$ 16 million. (See Changes in Net Equity).

4. Cash Flow Analysis

The performance of the main consolidated Cash flow components as of December 31, 2010 compared to those as of December 31, 2009 is as follows:

Consolidated operating activities generated positive operational cash flows of US\$ 789 million as of December 31, 2010 (US\$ 716 million as of December 31, 2009).

The main consolidated investment activities as of December 31, 2010 used US\$ 900 million in funds (US\$ 1.710 million as of December 31, 2009). This is mainly explained by net investment flows made to acquire property, plants and equipment

amounting US\$ 452 million (US\$ 284 million as of December 31, 2009) and other cash flows for US\$ 266 million as of December 31, 2010 (US\$ 26 million as of December 31, 2009), highlighting investments in fixed-term deposits between 90 days and a year for US\$ 285 million, purchasing other long-term assets for US\$ 116 million (US\$ 33 million as of December 31, 2009) and payments made to acquire subsidiaries amounting US\$ 80 million (US\$ 1,324 million as of December 31, 2009).

Consolidated negative net financing flows as of December 31, 2010 represented a net fund payment of US\$ 306 million, basically coming loan payments for US\$ 630 million, dividend payments amounting US\$ 143 million and interest payments classified as financial flows in the amount of US\$ 109 million. All the above was offset by short-term loans for US\$ 417 million and long-term loans for US\$ 159 million.

TABLE N° 3: NET CASH FLOW

	December 10	December 09
Net cash flow from operational activities	789.309	716.414
Net cash flow from investment activities	(900.439)	(1.710.502)
Net cash flow from financing activities	(306.199)	1.454.171
Net increase (decrease) in cash and cash equivalent, before the effects of changes in exchange rate	(417.330)	460.083
Effects of variations in exchange rates on cash and cash equivalents	46.124	55.472
Net Variation of cash and cash equivalent	(371.207)	515.555
Opening Balance of cash and cash equivalent	735.736	220.181
Final balance of cash and cash equivalent	364.529	735.736
Term deposits between 90 days and a year	285.396	25.751
final balance of cash	649.925	761.487



Financial Information

Financial Analysis

5. Analysis of Net Income and Dividends

As of December 31, 2010, the company obtained a net income of US\$ 640 million, 139% higher than 2009 net income, totalling US\$ 268 million.

The Chilean Peso appreciation with respect to the US Dollar affected negatively the results because of the effect of exchange rate fluctuations. These are generated by the mismatch present between assets and liabilities in Chilean pesos and other foreign currencies different from the US dollar (CMPC's functional currency). Between January and December 2010, this effect generated accounting losses amounting US\$ 24.3 million (US\$ 64 million as of December 31, 2009). The indexation unit results are originated by variations experimented by the "UF" (UF: "Unidad de Fomento"; Chilean currency Inflation Index) in the accounts nominated in that index. This had a negative accounting effect of US\$ 20.6 million in the period, compared to the positive accounting effect observed as of December 31, 2009.

The result shown under the line "Other gains/Losses" in the income statement includes the effects registered as a consequence of the earthquake, effect of forest losses due to fires, the income derived from financial derivatives operations and other provisions, whose details are in Note N° 33 to the financial statements. The dividends paid during 2010 and 2009 calendar years were as follow:

Dividend N°	US\$ Per Share	CLP Per Share	Payment Date
Provisional 244	0,0740	50	22-01-2009
Definite 245	0,1199	69	21-04-2009
Provisional 246	0,0908	50	03-09-2009
Provisional 247	0,0849	42	13-01-2010
Definite 248	0,1330	70	07-04-2010
Provisional 249	0,1611	80	08-09-2010
Provisional 250	0,2532	120	22-12-2010

(1) For conversion into Chilean pesos, the exchange rate on the day the shareholders' register was closed was used.

(2) From Dividend 247 onwards, 220 million shares were considered, instead of the previous 200 million.

The main profitability indicators are presented in Table N°4.

TABLE N° 4: PROFITABILITY INDICATORS

	December '10	December '09
Earning on income(annual): Annual net income / ordinary income (annualized)	15,17%	8,59%
Annual return on equity: Annualnet income / average equity	8,49%	3,90%
Annual return on assets: Annualnet income / average assets	5,13%	2,47%
Annual yield of operational assets: (Annualized) operational results (1) / average operational assets (2)	10,47%	5,38%
Return of dividends: Dividends paid (last 12 months) (3) / market price of share (4)	1,19%	0,72%
(Net income per share (US\$): Net income for the financial year / n° of shares (5)	2,90	1,30

(1) Operational result defined in Table N° 1.

(2) Operational Assets: trade debtors and other accounts receivable + inventories + property, plants and equipment.

(3) Dividends paid expressed in US\$.

(4) Share Market Price: Closing stock market price of the share.

(5) Considers the year's average number of shares.

6. Risk Analysis

Empresas CMPC and its subsidiaries are exposed to a wide range of market, financial and operational risks that are inherent to their business. CMPC seeks to identify and such a risks as adequately as possible, to minimize potential adverse effects. CMPC's Board of directors establishes the strategy and the general framework within which these risks are to be managed within the company and

these are implemented by CMPC's General Manager on a decentralized basis throughout the different business areas. At a corporate level, the Finance and Internal Audit departments coordinate and control that the prevention policies and the mitigation of the main risks identified are duly being executed.





Financial Information

Financial Analysis

6.1. Market Risks

A considerable amount of CMPC sales is from products that are considered commodities, whose prices depend on the situation prevailing at international markets where the company has insignificant influence, therefore it has no control over the factors that affect them. Among these factors, outstanding fluctuations in world demand (mainly determined by economic conditions in Asia, North America, Europe and Latin America), variations in the industry installed capacity, stock levels, the business strategies and competitive advantages of the major players of the Forest, Pulp & Paper industry, the availability of substitute products and the current stage in a product's lifetime. It is worthy to point out that CMPC has a diversified portfolio in terms of products and markets, with more than 20,000 clients worldwide. The latter makes possible a commercial flexibility and a significant dispersal of the risk.

CMPC's main category of products is kraft pulp, which represents nearly 31% of consolidated sales in terms of value and is sold to more than 200 clients in more than 40 countries in Asia, Europe, America and Oceania. CMPC benefits from the business diversification, and the vertical integration of its operations,

thus having a certain flexibility to manage its exposure to variations in pulp prices. The impact caused by a possible drop in pulp prices is partially offset by higher margins in the sales of products with a higher added value, especially tissue and folding boxboard. On the other hand, if pulp prices go up, the increase in the cost of tissue paper is mitigated through the use of a larger amount of recycled fibre, thus allocating higher volume of pulp to exports.

6.2. Financial Risks

The main financial risks that CMPC has identified are financial market conditions risks (including the exchange rate and the interest rate risks), credit risks, and liquidity risks.

It is a CMPC policy to concentrate a high percentage of its financial operations related to indebtedness and funds placing, foreign exchange, and derivatives, in its subsidiary Inversiones CMPC S.A. in order to optimize the resources, achieve scale economies and improve operational control. The indebtedness of the subsidiaries on a separate basis does only take place when this is advantageous.

6.2.1 Financial market conditions risks

(i) Foreign Exchange risk: CMPC is subject to foreign exchange rate fluctuations, expressed in two ways. The first of these concerns exchange rate differences, caused by an accounting mismatch present between assets and liabilities in the financial statements (balance sheet) denominated in currencies different from that of CMPC's functional currency; the US\$ Dollar. The second way that the currency rates variations affect the Company is over the company's revenues and costs that are either directly or indirectly expressed in currencies other than the functional currency.

The exports of CMPC and its subsidiaries represented approximately 49% of its total sales in December 2010, being the main markets Asia, Europe, Latin America and the United States. Most of these exports operations (sales) were carried out in US Dollars.

CMPC domestic sales in Chile and those of its subsidiaries in Argentina, Peru, Uruguay, Mexico, Ecuador, Brazil and Colombia in their corresponding countries, represented 51% of the company's total sales. Such sales were performed in local currencies and in US Dollars, as well as in local currencies indexed to the US Dollar.

As a result, it is estimated that the incoming flow in US dollars or currencies indexed to it reaches to nearly 68% of the company's total sales. Similarly, on the outgoing flow side, raw materials, materials and spare parts required by processes, as well as fixed assets investments are mostly denominated in US Dollars or indexed to such Currency.

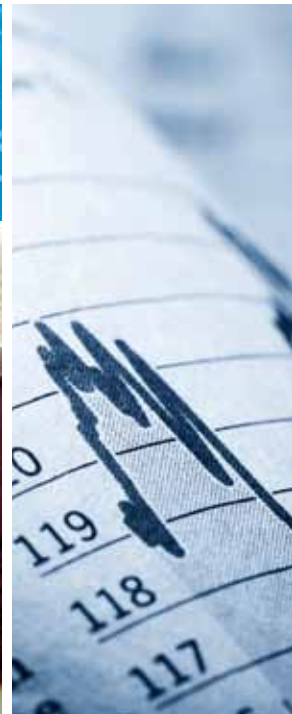
In particular cases, sales or payment commitments are engaged in currencies other than the US Dollar. To avoid the exchange rate risk of currencies other than the US Dollar, hedge operations are carried out through derivative transactions in order to fix the exchange rates involved. As of December 31, 2010, a high proportion of the incoming flows expected in Euros and British Pounds resulting from sales of folding boxboard and wood products to Europe was hedged through forward sales.

Considering that CMPC flows structure is highly indexed to the US Dollar, liabilities have been mainly engaged in this currency. Due to the fact that foreign subsidiaries receive income (flows) in their local currency, part of their liability is taken in the same currency to decrease financial and accounting mismatches. Other mechanisms used to reduce the

accounting mismatches are; to manage the currency denomination of the financial investments portfolio, the occasional contracting of short-term forward transactions and, in some cases, subject to limitations previously authorized by the Board of Directors, structuring options transactions, that in any case represent a lower amount in relation to Company's total sales.

(ii) Interest rate risk: CMPC manages the interest rate structure of its debt by derivative transactions in order to adjust and delimit the financial expense in the most probable and expected interest rate scenario. The Company's financial investments are preferably done at fixed interest rates, thus eliminating the risk caused by market interest rates fluctuations.

CMPC has financial liabilities at floating rate amounting US\$ 729 million and as such are subject to variations or changes in the flow of interest as a result of changes in the interest rate. If this increases or decreases 10% (over the floating average financing rate equivalent to 2.6%), it implies that the CMPC's annual financial expenses will increase or decrease by approximately US\$ 1.86 million.





Financial Information

Financial Analysis

6.2.2. Credit risk

Credit risk arises mainly from the eventual insolvency of some CMPC's clients and, therefore, from the Company's capacity to collect pending accounts receivable and settle committed transactions.

CMPC manages this exposure by permanently reviewing and evaluating its client payment capacity in a Credit Committee that is provided with information from several different sources, as well as through the transfer of this risk using letter of credit and credit insurance, covering the majority of exports sales and domestic sales. There is also credit risk involved when carrying out financial operations (counterparty risk).

This risk arises from the possibility that the counterparty in a financial contract is unable to meet its financial obligations, meaning CMPC incurs in a loss. To diminish this risk in its financial operations, CMPC establishes individual exposure limits per financial institution, which are periodically approved by the Board of Empresas CMPC S.A. It is also CMPC's policy to operate with banks and financial institutions whose risk rating is similar to or better than that of the company.

6.2.3. Liquidity risk

This risk would be generated if the company was unable to meet its obligations because of insufficient liquidity or inability to obtain credit. CMPC manages these risks by the appropriate distribution of its debt, appropriate payment schedules and by limiting the amount of its debt, as well as by maintaining enough liquid reserve. The company's policy is to centralize its financial debts in its subsidiary, Inversiones CMPC S.A. Debts are incurred through bank loans and bonds, placed both internationally and in the local markets. Indebtedness in other subsidiaries only occurs when this is advantageous.

It is worth noting that because of its prudent financial policy, in addition to its market position and the quality of its assets, Empresas CMPC S.A. has been granted with an international credit classification of BBB+ according to the Standard & Poor and Fitch Ratings, which is one of the world's highest ratings in the the forestry, paper and pulp industry.

6.3. Operational Risks

6.3.1. Operational and fixed assets risks

CMPC's operational risks are managed by the company's business units in accordance with the regulations and standards defined at a corporate level.

The Operational Risks Management purpose is to efficiently and effectively protect workers, the environment, the company's assets and the running of the business in general. To do so, loss prevention measures and insurance policies are managed. Work in loss prevention is systematic and is developed according to previously established guidelines, to which periodic risk inspections carried out by insurance company engineers are added. In general, the conditions of the limits and excesses of these insurance policies are based on the maximum estimated losses for each risk category and the cover offered by insurance companies in the market.

The entire company's assets in terms of infrastructure (buildings, facilities, installations, machinery, etc.) are reasonably covered for operational risks by insurance policies, at their replacement value. Similarly, forestry plantations exposed to risk of fire and other natural hazards are also covered

by insurance policies. Other risks, such as biological ones, could adversely affect plantations. Even though these factors have not caused significant damage to CMPC plantations in the past, it cannot be guaranteed that they will not happen in the future.

6.3.2. Risk to Foreign Investments

Besides Chile, CMPC has industrial operations in Argentina, Uruguay, Peru, Ecuador, Mexico, Colombia and Brazil. It also owns forests in Argentina and Brazil. Some of these countries have suffered periods of political and economical instability in recent decades, causing their governments to intervene in the country's business and financial affairs, affecting foreign investors and businesses. It cannot be guaranteed that these situations will not happen, again, in the future and, as a consequence, adversely affect the company's operations in those countries. Approximately 27% of the Company's consolidated sales are performed by foreign subsidiaries.

6.3.3. Continuity and the costs of raw materials and services

The development of CMPC's businesses involves complex logistics in which the timely provision of raw materials and services in terms of quality and costs is fundamental for it to remain competitive.

In recent years, there have been sharp increases in the international oil price, resulting in record levels in July 2008. After this date, a significant drop in prices was observed, nevertheless an upswing trend in the second half of 2009, remains until today.

Regarding power supply CMPC's main mills count on their own supply of energy from the consumption of biomass and/or as a result of long-term energy supply contracts. In addition, the mills also have contingency plans to deal with restricted supply scenarios. However, it cannot be ruled out that future restrictions on electricity could cause the supply discontinuity to CMPC's mills and higher costs. There is concern about high energy tariffs in Chile, which, together with the end of fixed price contracts in the next few years, could significantly affect the competitiveness of those businesses in which electric energy plays a large part in their costs, such as Inforsa.

Among the numerous product and service suppliers that CMPC contracts in Chile, there are contractors that provide specialist support services for the Company's forestry and industrial operations. If these services are not performed according to required standards or if the contractual relationship with the contractors is affected by regulations or other events CMPC's operations may be partially affected.

CMPC tries to maintain long-term, close relationship with its contractors, with whom it has worked on developing high operational standards, with an emphasis on employee safety and improving labour conditions in general.



Financial Information

Financial Analysis

6.3.4. Environmental risks

CMPC's operations are subject to environmental regulations in Chile and in every country where it has operations. CMPC has been characterized by laying the foundations for sustainable development as part of its business management. This has allowed the Company to adapt swiftly to changes in the applicable environmental legislation, so that the impact of its operations duly adheres or complies with such regulations and norms. Future changes in these environmental regulations or in the interpretation of these laws may have an impact on the Company's industrial mills operations.

6.3.5. Risks associated with community relations

CMPC policy is to maintain a close relationship with the communities where the Company has operations, collaborating in a variety of areas. For example, educational support, from the Fundacion CMPC has been provided since many years.

In certain areas of the Bio Bio and Araucania regions, violent situations have arisen affecting lands belonging to farmers and forestry companies provoked by Mapuche ethnic minority groups who demand their ancestral

rights to certain land in the area. At the root of this conflict are the poverty and social problems which affect different communities. Less than 1% of plantations owned by CMPC in Chile are affected by this problem. CMPC has focused on creating a special employment programme to minimize the poverty for the families living in these places. This has been carried out in addition to Government's social projects.

The Company carries out training programmes that benefit the communities located close to its forest and industrial mills in order to help them improve their living standard conditions. As a neighbour of several location /communities, the Company has an open-door and collaborative policy, with respect to their wishes and challenges. The Fundacion CMPC develops educational support programmes to Chilean public schools and implements training actions that contribute to the improvement of children's education enabling them to access better and more and diverse employment working options in the future.



6.3.6.- Compliance risks

This risk is associated with the Company's capability to comply with legal, regulatory, contractual, business practices and reputational obligations, in addition to the aspects covered in the previously discussed factors. In this sense, all CMPC areas in charge of corporate governance in continuously review their operational and administrative processes to

ensure an adequate compliance with the laws and regulations applicable to each of them. Moreover CMPC is characterized by its proactive attitude towards topics related to safety, the environment, working conditions, market performance and relationship with the community. In this respect, CMPC has maintained a proven and recognized tradition of strictness and prudence in its business management during its 90 years of history.

In addition and in compliance with Chilean Law N° 20,393, which establishes the penal responsibility of companies in crimes such as asset laundering, the financing of terrorism and bribery, a "Prevention Model" of the crimes previously mentioned is being implemented to regulate the actions of its employees and prevent such illicit acts from being committed. This "Prevention Model" will be included in the company's existing internal audit processes, mainly intended at ensuring strict compliance of the applicable legal framework.





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Financial Analysis

7. Trends

During 2010, a recovery in demand for CMPC products was observed, both internationally and regionally. However, it is not a CMPC policy to make business projections of its results or variables that may significantly affect the latter. All in all, the consensus of industry analysts forecasts positive future expectations for forestry products if growth conditions in developing countries are maintained.

On February 27, 2010, an earthquake and then a tsunami significantly affected the Metropolitan, Maule, Bio Bio and Araucania regions in Chile, where most of CMPC's industrial assets in Chile are located. The main damage to facilities was at the Las Cañas sawmill in Constitucion; the Laja, Pacifico, Santa Fe I and Santa Fe II Pulp Mills; the Nacimiento newsprint mill, the Quilicura corrugated box plant belonging to Envases Roble Alto S.A. and the buildings at El Arenal in Talcahuano.

The effects of damage to fixed assets and inventories were stated under "Other Gains (Losses)" amounting US\$ 49.7 million; considering writeoffs and the costs of repairs, less an estimate of the indemnity to be received from insurance companies. The settlement

process leading to payment of this indemnity is in its final stages and it is hoped that both the process itself and payment of compensations will be concluded by the first half of 2011.

Regarding business interruption losses after the date of the disaster due to operations shut downs, these effects were reflected in the company's results as lower sales, higher costs, increased expenditures and therefore lower profit margins. As of December 31, 2010, the process of settling these losses had concluded and the corresponding adjusting reports had been filed. A total of US\$ 111 million was reimbursed and credited to "other gains (losses)" account in the Balance Sheet.

In June 2010, the Empresas CMPC's Board of Directors approved the second phase of the expansion at the Santa Fe II Pulp Mill. This US\$ 156 million investment will allow production of hardwood to increase by 200,000 tons per year from the first half of 2012. Besides, a US\$ 295 million project to modernize the Laja Pulp Mill is also underway, and expected to be completed the first half of 2012.

At the end of August 2010, two new paper machines started operating in the tissue mills in Mexico and Colombia, which, to date, are close to reaching their design capacity. At the same time, the expansion project which will increase tissue production capacity at the Caieiras Mill belonging to Melhoramentos Papeis Ltd. in Brazil, is development on time and should begin operating in mid-2011. In October 2010, a US\$ 74 million expansion project at the Talagante mill was approved. This project is expected to be operational during 2012.

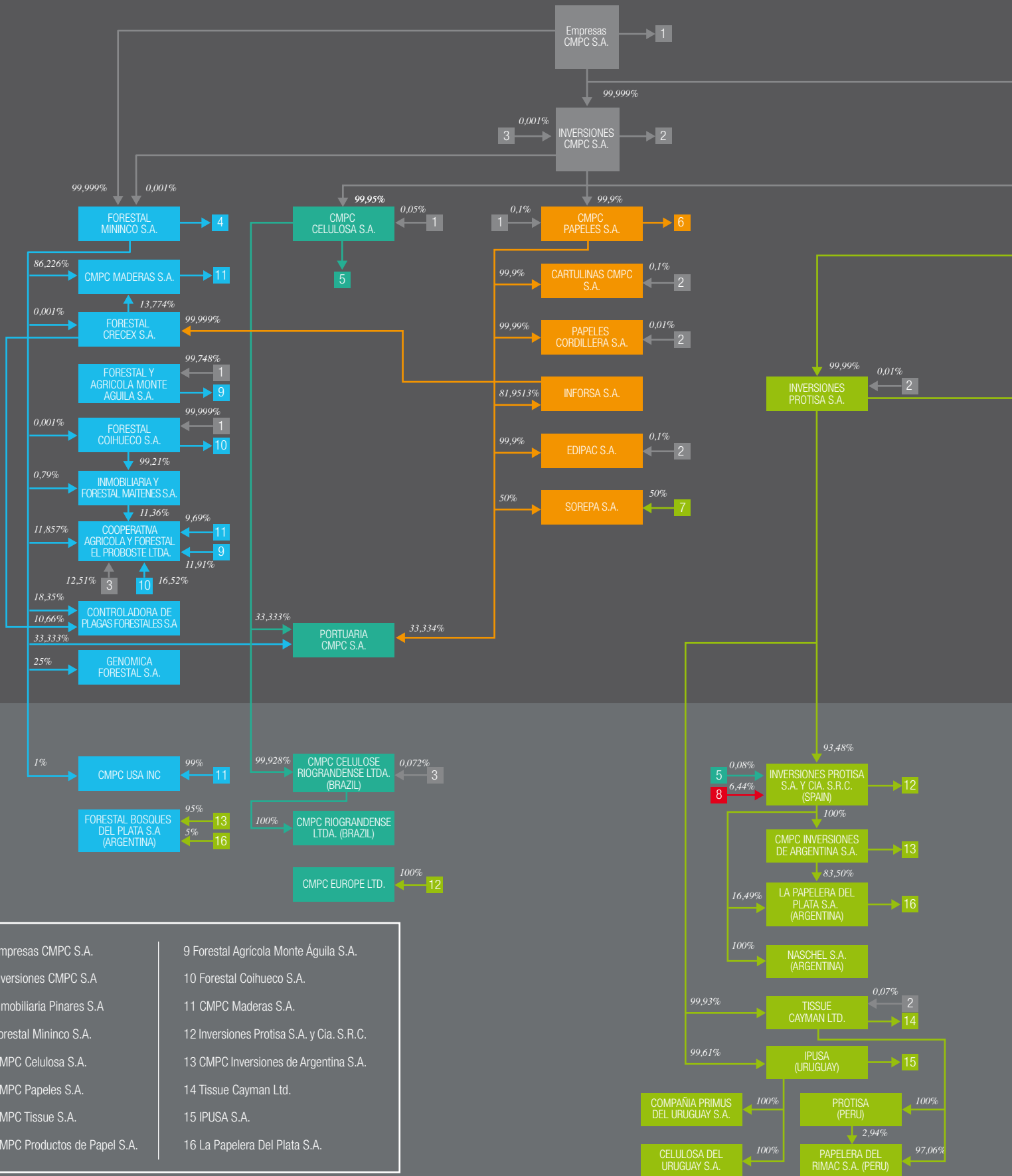
In September 2010, a project to increase the extendible paper production capacity for paper sacks in Chile was approved, which will increase the offer for such products as from 2012. The building of a new corrugated cardboard box plant near Osorno in Chile is at an advanced stage of construction and it is expected to start up the first quarter of 2011.

In November 2010, an expansion project was approved to increase the production capacity of the Maule boxboard Plant in Chile by 65,000 tons per year. Once environmental authorization has been granted, a US\$ 62.9 million investment will be required. In the same month, a project was approved to build a new multiwall sack plant in Guadalajara, Mexico, which will require an investment of US\$ 20.4 million.



Financial Information

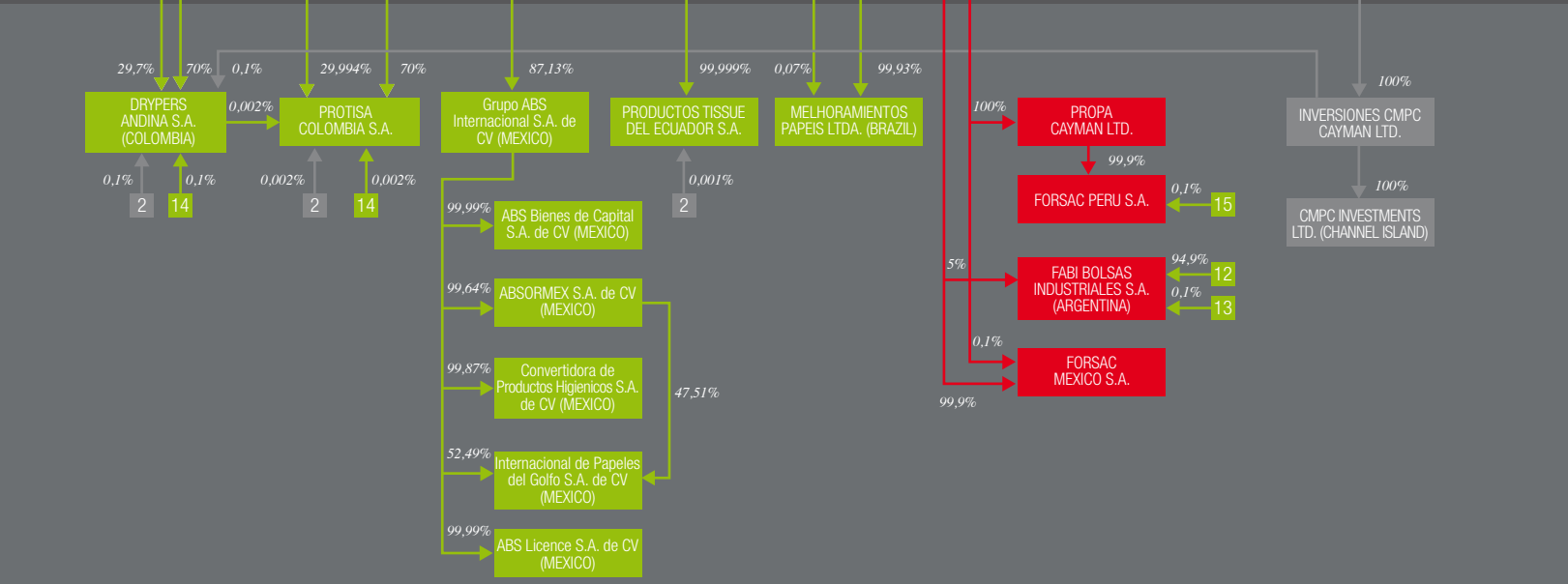
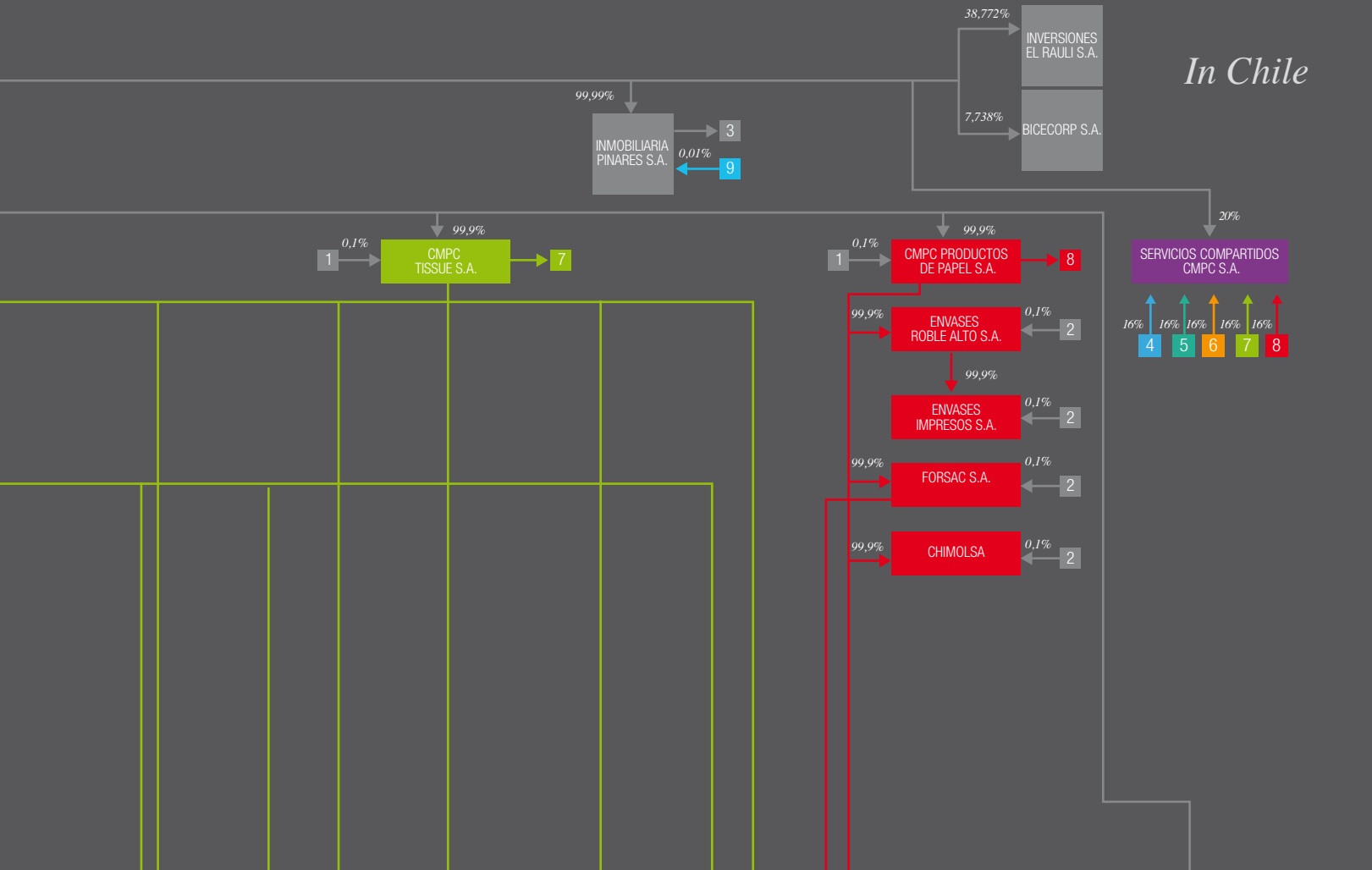
Property Chart



- | | |
|--------------------------------|---|
| 1 Empresas CMPC S.A. | 9 Forestal Agrícola Monte Águila S.A. |
| 2 Inversiones CMPC S.A. | 10 Forestal Coihueco S.A. |
| 3 Inmobiliaria Pinares S.A. | 11 CMPC Maderas S.A. |
| 4 Forestal Mininco S.A. | 12 Inversiones Protisa S.A. y Cia. S.R.C. |
| 5 CMPC Celulosa S.A. | 13 CMPC Inversiones de Argentina S.A. |
| 6 CMPC Papeles S.A. | 14 Tissue Cayman Ltd. |
| 7 CMPC Tissue S.A. | 15 IPUSA S.A. |
| 8 CMPC Productos de Papel S.A. | 16 La Papelera Del Plata S.A. |



In Chile



Abroad



Financial Information

General Information

Equity

The company's paid-in Capital as of December 31, 2010 amounted to US\$ 692.4 million, divided into 220 million shares. Empresas CMPC S.A.'s net worth as of 31 December, 2010 amounted US\$ 7,821.7 million.

Share Ownership

Table A shows a list of the twelve largest shareholders, indicating the number of shares belonging to each one as of December 31, 2010. In addition, Table B details Empresas CMPC S.A.'s shares belonging to companies that either directly control 55.84% of the capital with the right to vote, or do so through some sort of mutual relationship.

All these shareholders belong to the same corporate group and do not have a formal joint agreement. The Final controllers of the companies mentioned above, on equal share, are the following individuals: Mrs. Patricia Matte Larrain, Chilean Identification N° 4.333.299-6, Mr. Eliodoro Matte Larrain, Chilean Identification N° 4.436.502-2 and Mr. Bernardo Matte Larrain, Chilean Identification N° 6.598.728-7.

During the year, there were no significant changes in ownership.

TABLE A: THE TWELVE MAJOR SHAREHOLDERS AS OF DECEMBER 31, 2010

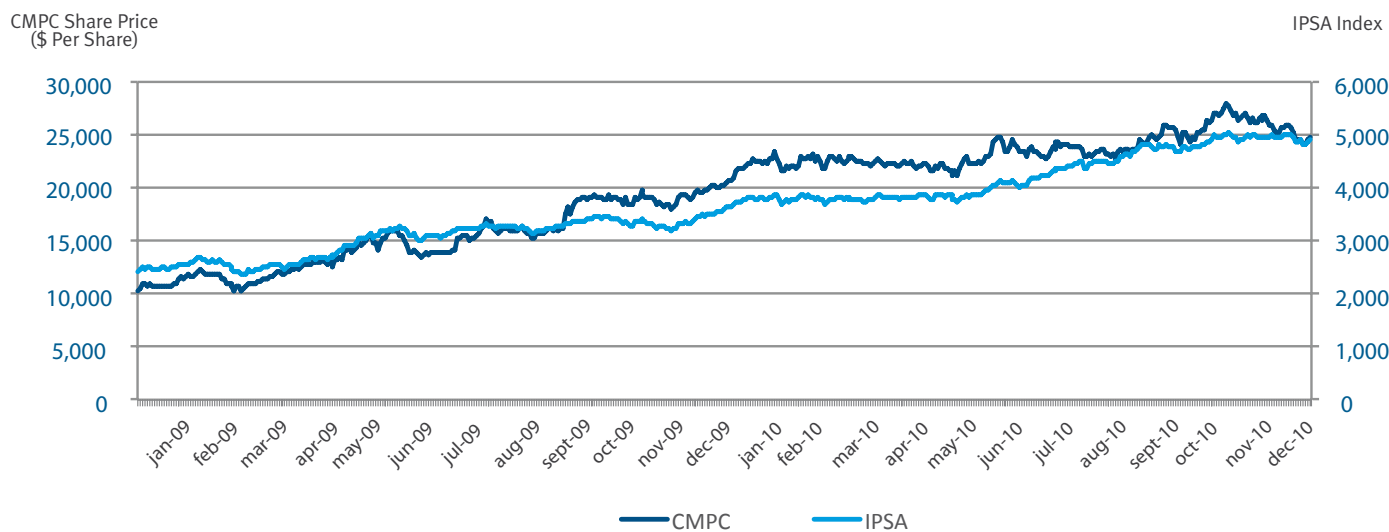
Shareholder	Number of Shares
Forestal Cominco S.A.	43,179,884
Forestal, Constructora y Comercial del Pacifico Sur S.A.	42,275,572
Forestal O Higgins S.A.	15,666,856
Forestal Bureo S.A.	8,875,476
A.F.P. Provida S.A. for pension funds	7,572,574
A.F.P. Habitat S.A. for pension funds	7,048,488
Banco de Chile on behalf of third parties	6,383,927
A.F.P. Capital S.A. for pension funds	6,301,669
Banco Itau Chile S.A. on behalf of foreign investments	5,678,539
A.F.P. Cuprum S.A. for pension funds	5,445,633
Inmobiliaria Nague S.A.	4,560,190
Coindustria Ltd.	3,934,723

TABLE B: DETAIL OF SHARES BELONGING TO THE CONTROLLING COMPANIES

Name	Number of Shares
Forestal Cominco S.A.	43,179,884
Forestal, Constructora y Comercial del Pacifico Sur S.A.	42,275,572
Forestal O Higgins S.A.	15,666,856
Forestal Bureo S.A.	8,875,476
Inmobiliaria Nague S.A.	4,560,190
Coindustria Ltd.	3,934,723
Forestal y Minera Ebro Ltda.	875,087
Forestal y Minera Volga Ltd.	783,275
Viecal S.A.	577,189
Inmobiliaria y Forestal Chigualoco Ltd.	575,423
Forestal Peumo S.A.	456,423
Forestal Calle Las Agustinas S.A.	342,971
Forestal Choapa S.A.	207,044
Puerto de Lirquen S.A.	130,948
Others	397,059
Total	122.838,120

In Graph 1, the evolution of CMPC's share price is shown compared to the evolution of the IPSA Index (1) during the current and the previous year.

COMPARISON BETWEEN CMPC SHARES / IPSA



General Information

Share Transactions

In Table C, the total number of share transactions by number of shares, total and unit prices and by quarter, for the last three years is shown:

TABLE C: QUARTERLY SHARE TRANSACTION STATISTICS

Quarter	Number of Shares	Amount Traded (M\$)	Average Price \$ Per Share
1st Quarter 2008	8,963,425	164,608,256	18,364.44
2nd Quarter 2008	8,895,774	148,123,109	16,650.95
3rd Quarter 2008	6,810,403	108,414,202	15,918.91
4th Quarter 2008	8,755,379	97,149,409	11,095.97
1st Quarter 2009	8,530,879	91,094,565	10,678.22
2nd Quarter 2009	4,979,544	71,360,462	14,330.72
3rd Quarter 2009	6,982,571	115,836,621	16,589.39
4th Quarter 2009	8,944,861	173,854,793	19,436.28
1st Quarter 2010	10,308,925	224,090,542	21,737.53
2nd Quarter 2010	6,124,139	138,648,118	22,639.61
3rd Quarter 2010	6,390,007	151,537,882	23,714.82
4th Quarter 2010	5,599,320	144,060,896	25,728.28



Statistic include information from the Santiago Stock Exchange, the Chilean Electronic Stock Exchange and the Brokers' Exchange.

(1) IPSA: selective index of Chilean share prices, determined by Santiago de Chile's Stock Exchange, which includes the 40 shares with the greatest stock market presence in the country



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Transactions made by shareholders connected to the company in 2010, are shown in Table D.

TABLE D: SHARE TRANSACTIONS BY SHAREHOLDERS CONNECTED TO THE COMPANY

Shareholder	Relationship	Number of Shares		Average Unit Price		Total Number Traded	
		Purchased	Sold	Purchased Ch \$ Per Share	Sale Ch \$ Per Share	Purchased M\$	Sold M Ch \$
María Pilar Matte Capdevilla	Relative of the President of the Board	-	4,948	-	22,758.28	-	112,608
Rentas Riñigüe Ltda.	Company belonging to a relative of the Director	-	1,650	-	24,760.00	-	40,854
Gonzalo García Balmaceda	Executive	-	1,887	-	24,395.00	-	46,033
Anthony Wilson Grothe	Relative of the Executive	-	727	-	23,112.85	-	16,803
José Antonio Correa García	Relative of the Executive	-	1,709	-	26,988.91	-	46,124

Remunerations and Expenses of the Board, Committee of Directors and Management Remuneration.

Under the provision of the Chilean Law n° 18,046, it was agreed during the General Ordinary Shareholders Meeting of Empresas CMPC S.A., held on March 26, 2010, established as in the previous year that the remuneration of the Board of Directors shall be 1% of the regular dividends to be paid during 2010, duly restated and shared out equally among them, with the Chairman entitled to a double share.

As of December 31, 2010, a provision of US\$ 1,481 thousand was set up for this purpose, corresponding to 1% of the dividends paid during the period. This remuneration will be paid during the first half of 2011.

The gross Board remuneration paid during 2010 and 2009 is shown in Table E:

TABLE E: BOARD OF DIRECTOR REMUNERATIONS

Director	2010 Th Ch \$	2009 Th Ch \$
Eliodoro Matte Larraín	84,036	276,738
Patricio Grez Matte	42,017	138,369
Martín Costabal Llona	42,017	138,369
Juan Claro González	42,017	138,369
Jorge Marín Correa	42,017	138,369
Jorge Gabriel Larraín Bunster	42,017	138,369
Bernardo Matte Larraín	42,017	138,369
Total	336,138	1,106,952

These remunerations correspond to 1% of the dividends paid in 2009 and 2008, fact that was agreed upon and ratified by the respective Ordinary Shareholder's Meetings of the Company.

In addition, Mr. Eliodoro Matte L. received Th Ch \$78,420 (Th Ch \$77,257 in 2009) for financial consultancy services with respect to the Company's business strategy, project development and comparative industry analysis from both the national and international perspective.

The remunerations paid by subsidiaries to directors who are also directors of Empresas CMPC S.A. were the following:

TABLE F: REMUNERATIONS PAID BY SUBSIDIARIES

Director	2010 Th Ch \$	2009 Th Ch \$
Eliodoro Matte Larraín	71.265	65.114
Patricio Grez Matte	17.814	15.925
Jorge Gabriel Larraín Bunster	23.816	15.925
Bernardo Matte Larraín	71.269	65.130
Juan Claro González	0	2.708
Total	184.164	164.802

These remunerations are for advisory of financial and economic nature in relation to market development both in Chile and abroad; the analysis and study of investment projects; business development support technologies; comparative analysis related with the industry and other Industries and analysis of the business environment and structure both nationally and internationally.

During 2010 and 2009, there were no expenses incurred by the Board of Directors.

Executives have an incentive plan that consists of bonuses paid during the year and a variable annual bonus, which depends on net income, achievement of strategic aims and compliance with a profitability target per area. The total gross remuneration received by the Company main Executives amounted US\$3,001 thousand in 2010 (US\$1,867 thousand in 2009). No severance payments were made to managers and the main executives during 2010.





Financial Information

General Information

Committee of Directors

The Committee of Directors formed under the Chilean Law 18,046 has the powers and duties contained in Article 50 bis of this law. The Committee kept the same permanent members during the year and was made up of Mr. Martin Costabal Llona, Mr. Jorge Marin Correa and Mr. Patricio Grez Matte. In 2010, the criteria used to determine the Committee of Directors' remunerations was modified; from a payment scheme per session attended, in force until 2009, to a payment scheme equivalent to that of a Director, both in amount and in the way it is paid. Thus, during 2010, fees of US\$ 3,627.60 were paid to the Committee of Directors, divided equally among each Director (US\$ 13,434.30 in 2009); amount regarded as an advance of the remuneration to be completed in 2011. A US\$ 181,091.93 provision was established for that purpose.

The main activities of the Committee of Directors during the financial period were:

At the twelve meetings held during the financial year, the Committee performed a detailed monthly analysis of the transactions ruled by the norms of Articles N°44, N°89 and N°93 of Law N° 18,046 of Corporations, being determined that these transactions were done according to market conditions, and corresponded to operations of the company's regular business activity purposes. Full detail of these transactions is shown in Note N° 39 of the Consolidated Financial Statements.

In addition, on January 7, 2010, the Committee analyzed the regulations of Law N°20,382 for Corporate Governance, which introduced modifications to this aspect of the law for Corporations and the securities Market law. According to the definition of independence established in the new Article N°50 bis, only the Director, Mr. Martin Costabal Llona, met the requirements to qualify as an Independent Director. Consequently, it was determined that was his exclusive duty to appoint the other two members of the Committee, out of the other Directors. Thus, Mr. Martin Costabal appointed Mr. Patricio Grez Matte and Mr. Jorge Marin Correa as members of the Committee who were ratified by the Committee. At the same time, the Committee appointed Mr. Martin Costabal as Chairman.

At the meeting held on March 4, 2010, the Committee reviewed the Company's Consolidated Financial Statements as of December 31, 2009 and the report the external auditors, PricewaterhouseCoopers (PwC) issued on March 4, 2010, noting that there were no observations to make.

On that occasion, the Committee analyzed a proposal from Forestal Mininco S.A. for the sale of two pieces of land in Santa Barbara to the Company Colbun S.A. After reviewing the information provided, the Committee members unanimously decided to approve of the transaction and recommend that the Board also approve of it, noting that this contributed to the interests of CMPC and involved market prices and conditions similar to other current operations.

A proposal from the Administration regarding the contract extension with PwC for external audit services for Empresas CMPC S.A. and its subsidiaries in Chile for 2010 was also analyzed. It was decided to recommend that the Board designate PwC as external auditor for Empresas CMPC S.A. and its subsidiaries in Chile during 2010.

Similarly, the Administration's proposal to maintain the services of Fitch Chile Clasificadora de Riesgo Ltd. and Feller-Rate Clasificadora de Riesgo Ltd. was evaluated and agreed that such a proposal be accepted, recommending the Board to appoint the previously above mentioned Risk rating companies to extend their contracts.

On April 7, 2010, the Committee reviewed an Administration's proposal to hire PwC's subsidiary companies to provide specific services beyond the external audit, such as salary surveys and the carrying out of a financial / accounting, financial, labour and pension due diligence. After evaluating the proposal and its implications and options, the Committee decided to recommend to the Board that, if these services mentioned above were required, they should be contracted out to PwC. Nevertheless, the Committee agreed to note that it did not consider it proper to hire PwC for higher cost services other than the external audit or associated to existing legal requirements for issuing public offering instruments in addition to those previously mentioned. At the same meeting, the Committee was

informed of and exhaustively analyzed the alternatives for negotiating a complementary contract for the provision of electric power supply to CMPC Celulosa S.A.'s mills to complement the supply not covered by the current contract with ENDESA S.A. The conditions proposed by the Companies ENDESA S.A. and Colbun S.A. were evaluated, bearing in mind that there were no other companies capable of offering the supply required at the point of demand. With Director Mr. Patricio Grez abstaining, the Committee agreed to approve Colbun S.A.'s proposal and recommended that the Board agree to the same, noting that this corresponds to the company's ordinary area of business as defined in the Policy on Ordinary Normal Operations of Empresas CMPC S.A.'s Area of Business, approved in the meeting on January 10, 2010. It also contributed to the interests of CMPC and was similar in terms of price and conditions to prevailing market conditions.

At the meeting on May 5, 2010, a report prepared by the administration on telephone services by CMPC was analysed, including a diagnosis of this service's current situation, carried out by an external consultant. Proposals from four companies - Entel, GTD, Movistar and Telmex - were evaluated and, after analyzing the implications and alternatives of each one, the Committee authorized negotiations to go forward with The Company Entel, as well as simultaneously requesting a second external opinion of the technical options and economic results of the proposals received. At the same meeting, the Intermediate

Consolidated Financial Statements of the company and its subsidiaries as of March 31, 2010 were reviewed, with the Committee having no observations to make after their analysis.

On June 2, 2010 and at the Committee's request, Mr. Juan Roncagliolo from PwC presented on the audit's aims, the audit work plan for 2010, the communications plan, the effects on accounting of the February 27 earthquake, other audit topics of interest to the Committee and the compliance of the corporate governance norms introduced by Law N° 20,382. The Directors, auditors and executives present at that meeting exchanged their points of view on the presentation and the auditor made notes of any relevant comments. In particular, the Committee indicated its interest in having access to all the internal control reports of the subsidiaries, in checking the policy of constitution of provisions for potential contingencies associated with lawsuits and in discussing the advances in their work towards the end of the period.





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At the same meeting, a proposal from the Protisa Peru to carry out a market salary Research Survey in Peru with the PwC subsidiary in Peru was evaluated. The Committee reviewed the proposal and asked the administration to look for other alternatives different from PwC, as per the agreement adopted at the meeting on April 7, 2010.

At the meeting on July 7, 2010, the financial investments made by Forestal Crecex S.A., a subsidiary of Industrias Forestales S.A., with BICE Agente de Valores S.A. were analyzed, after which the Committee agreed to ask the administration to develop ways of improving assuring competitiveness in the administration of invested funds.

At the meeting on August 4, 2010, the proposal to contract telephone services by CMPC was analyzed, including landline telephones, traffic monitoring, maintenance and optional services such as voice mail and IP telephone connections. After a technical presentation made by the Chairman of the Committee, which included a summary and interpretation of the independent report that the Committee commissioned on this subject after its May meeting to analyze the topic as a whole, the Committee's Directors decided to recommend contracting out these telephone services to Entel for a period of 36 months.

At the meeting on August 23, 2010, the Committee reviewed the Intermediate Consolidated Balance Sheets of the Company and its affiliates as of June 30, 2010, prepared in accordance with General Norm N°30 and Official

Circulars N° 368 and 427 from October 16, 2006 and December 28, 2007 respectively, issued by the SVS. After analyzing the Balance Sheets, the Committee agreed to note that it had no observations to make on them.

In addition, the Committee analyzed the quote for tax consultancy work by a PwC subsidiary on behalf of the subsidiary Protisa do Brasil Ltd. for an amount equivalent to approximately US\$ 9,000. The Committee reviewed the proposal and, given the amount and the complexity of tax issues in Brazil, approved of the use of this service.

At the meeting on October 6, 2010, the details of negotiations between Metrogas S.A. (Metrogas), a subsidiary of Gasco S.A. and Empresas Copec S.A., for the renewal of the natural gas (GN) supply contract for 2011 for the Puente Alto Mill (which includes Papeles Cordillera, CMPC Tissue and Chimolsa), Tissue Talagante mill, Envases Impresos and Envases Roble Alto Plants, were analyzed.

After analyzing the proposal, the Committee had no observations to make and approved of recommending that the Board authorize the contracting out of the supply of natural gas mentioned above, noting that the conditions of the transaction were fairly priced and according to ordinary market conditions.

At the meeting on November 4, 2010, the negotiation of a contract for the supply of Petroleum liquefied Gas (GLP) was analyzed for the new Osorno plant of the subsidiary Envases Roble Alto, with the supply period

running from December 1, 2010 to June 30, 2014. After analyzing the proposals and the Administration's recommendations, the Committee approved of recommending the Board to contract the Company Abastible for supplying GLP, leaving evidence that the transaction was fairly priced and according to ordinary market conditions.

In addition, the Committee reviewed the Intermediate Consolidated Balance Sheets of the Company and its affiliates as of September 30, 2010, prepared in accordance with General Norm N°30 and Official Circulars N° 368 and 427 from October 16, 2006 and December 28, 2007 respectively,



issued by the SVS. After having analyzed the Balance Sheets, the Committee had no observations to make on this matter.

Finally, at the meeting on December 9, 2010, the Committee reviewed recommendations aimed at improving administrative - accounting procedures and internal control done by PwC as part of the external audit in the 2010 audit process. After examining the document and the information presented, the Committee had no observations to make on this matter.

In addition, a report presented by the Administration summarizing the remunerations and compensation

systems used for the main executives of Empresas CMPC and its subsidiaries was analyzed. After examining the information, the Committee had no observations to make on this matter.

During the period, no other comments or proposals regarding the running of shareholders' businesses by shareholders holding over 10% shares ownership were recorded, according to the third subsection of Article 74 in Chilean Law 18,046.





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Empresas CMPC S.A.'s Financial Statements submitted to the shareholders for the accounting period as of December 31, 2010 have been prepared in accordance with the rules issued by the International Financial Reporting Standards, (IFRS).

Distribution of Net Income

The dividend policy for 2010 consists of distributing as dividend 30% of the net income for the accounting period ending as of December 31, 2010, by issuing two interim dividends in September and December 2010 or January 2011 and a final dividend, that has to be agreed upon at the Ordinary Shareholders Meeting, to be paid on a date approved by The Ordinary Shareholder Meeting and only if with interim dividend payments an amount equivalent to 30% of 2010's net income has not been completed.

In accordance with General Rule N° 1,945 of the Chilean Superintendence of Securities and Insurance (SVS), published on September 29, 2009, the Board, at the meeting on November 26, 2009, agreed to establish as a general policy that the net income for paying the minimum obligatory dividend of 30%, established in Article 79 of Chilean Law 18,046, will be determined on the basis of the net income deperates of those fluctuations relevant to the reasonable value of assets and liabilities, that have not been realized, and that should be re-entered into the net profit calculation over the period in which such variations occur.

Additional dividends will be determined on the basis of the aforementioned criteria, according to the agreement adopted by the Ordinary Shareholders Meeting.

Consequently, it was agreed that, to determine the distributable net profit of the Company - that is, the net profit to be used to calculate the minimum obligatory 2010 dividend - the following will be excluded (1):

Unrealized results corresponding to variations in the fair value of forestry plantations; unrealized results generated by the acquisition of other entities or companies at a lesser value than the fair value of their net assets (deducting liabilities) and, in general, those unrealized results produced by applying Paragraphs N° 34, 39 42 and 58 of the NIIF3 Accounting Norm, revised, referring to operations that combine businesses, mainly related to adjustments derived from acquisition and taking over processes and the effects of the deferred taxes derived from adjustments associated to the concepts indicated previously.

The net income to be distributed as of December 31, 2010 and determined according to that previously indicated amounted US\$ 595,472 thousands (US\$ 217,603 thousands in 2009).

In accordance with General Rule N°30 issued by the SVS the dividends per share paid in the last five years are shown in Table G:

TABLE G: DIVIDENDS PER SHARE

Year	Ch \$ per share
2006	132
2007	273
2008	519
2009	169
2010	312

On October 29, 2010, Empresas CMPC S.A. became the guarantor and solidarity co-debtor of its subsidiary company, Inversiones CMPC S.A., agency in the Cayman Islands, in relation to a bond issued in the United States of America under rule 144A regulation S, of the United States Security Act of 1933 for US\$ 500,000,000. The proceedings resulting from this bond issue were used in order to pay the company Aracruz Celulose S.A, part of the price to acquire the forestry and industrial assets of the Guaiba unit.

At the Fifty-First Extraordinary General Shareholders' Meeting of Empresas CMPC S.A. held on October 9, 2009, the following was agreed upon:

At CMPC S.A.'s Fifty-First Extraordinary Shareholders Meeting held on October 9, 2009, the following agreements were reached.

(a) A US\$ 500,000,000 capital increase. This was done by the issue of new 20,000,000 common shares payable at a price Ch\$13,800 each, equivalent to US\$ 25 per share according to an exchange rate of \$552 per US\$. Consequently, the issued share capital was fixed at US\$ 692,358,070, divided into 220,000,000 shares, of equal value each, without nominal value; (b) Empower the Company's Board of Directors to issue the previously mentioned shares and to proceed to offer and place these shares, and (c) Modify the by-laws and adopt the agreements corresponding to the above mentioned capital.

The Board of Directors in an extraordinary meeting held on September 23, 2009, approved modifying the general policy on dividend payments the Company expects to comply with respect to

(1) More details in Note N° 31 of the Consolidated Financial Statements.

the earnings during the financial period ending at December 31, 2009 and presented to the Ninetieth Ordinary Shareholders Meeting held on March 27, 2009, only in relation to the maximum amount of income expected to be distributed as a dividend will amount to 30% of the same maintaining the interim and final dividend scheme presented in the 90th Shareholders Meeting mentioned above. Such a modification was ratified in the Ninety first Ordinary Shareholders Meeting held on March 26, 2010.

At the meeting held on November 26, 2009, the Board of directors agreed to distribute an interim dividend N° 247 at Ch\$42 per share from the profits of the year ending to December 31, 2009. This dividend was paid starting on January 13, 2010.

The Ordinary Shareholders Meeting on March 26, 2010 agreed to distribute a final dividend N° 248 at Ch\$70 per share from the profits of the year ending December to 31, 2009. This dividend was paid starting on April 7, 2010.

The dividend policy agreed upon by the Ordinary Shareholders Meeting on March 26 consisted of distributing two interim dividends, to be paid in the months of September, December 2010 or January 2011 and a final dividend to be agreed upon at the next Ordinary Shareholders Meeting to be paid in May 2011, until 30% of the net income of the 2010 period has been completed and only if an amount equivalent to 40% of the year's net income had not been completed by the interim dividends.

The Board of Directors at the meeting on August 5, 2010, agreed to distribute interim dividend N° 249 at Ch\$80 per share from the profits of the year ending December 31, 2010. This dividend was paid as from September 8, 2010. The Board of Directors at the meeting on November 4, 2010, agreed to distribute an interim dividend N° 250 at \$120 per share from the profits of the year ending December 31, 2010. This dividend was paid as from December 22, 2010.

In Note N°31 of the Consolidated Financial Statements, a detail of the dividends paid during the year is shown. According to current legal regulations, in force the Shareholders Meeting must pronounce on the distribution of the year's profits and imputation of the dividends.





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General Information

Personnel

On December 31, 2010, the Company totalled 15,068 employees, distributed as detailed in Table H:

TABLE H: COMPANY EMPLOYEES AS OF DECEMBER 31, 2010

Business Area	Senior Management	Professionals and Technicians	Workers	Total
Forestry	15	568	1,421	2,004
Pulp	19	627	1,129	1,775
Paper	21	598	1,199	1,818
Tissue	52	1,792	5,121	6,965
Paper Products	23	307	1,783	2,113
Others	12	335	46	393
Totals	142	4,227	10,699	15,068

Insurance

Empresas CMPC S.A. and its subsidiaries have insurance coverage for the main risks to which their industrial assets, offices and forestry assets, cash flow, financial risks, liability, risk of construction and assembly and other risks with lower relative effect in equity. In this way, a significant number of risks are reasonably covered by transference of the risk to local first-rate insurance companies that in their turn agree on

reinsurance for a significant part of the risk among high rated international reinsurers. The risks associated to the business's operational activities are permanently being re-evaluated to optimize the insurance coverage, according to competitive offers in the market. Additionally, CMPC is developing a continuous improvement plan regarding its operational risks condition intended to minimize the probability of loss occurrence thus attenuating the effects of potential losses.

Endorsement of the annual report

The Directors and the Chief Executive Officer of Empresas CMPC S.A., listed below, declare themselves liable regarding the truth of all the information contained in this Annual Report, and sign hereafter.

ELIODORO MATTE LARRAIN

Chairman

I.N: 4.436.502-2

JUAN CLARO GONZALEZ

Director

I.N: 5.663.828-8

MARTIN COSTABAL LLONA

Director

I.N: 5.593.528-9

PATRICIO GREZ MATTE

Director

I.N: 1.854.776-7

JORGE EDUARDO MARIN CORREA

Director

I.N: 7.639.707-4

JORGE GABRIEL LARRAIN BUNSTER

Director

I.N: 4.102.581-6

BERNARDO MATTE LARRAIN

Director

I.N: 6.598.728-7

ARTURO MACKENNA IÑIGUEZ

Chief Executive Officer

I.N: 4.523.287-5



PEDRO SANDOVAL

Headmaster of the Miguel Huentelen School in Collipulli

“The educational community is very grateful for all they’ve done for us. We appreciate their unconditional support for teaching in this rural part of the country”.

90
YEARS

*Keeping
our promises
to people*

Development

CMPC has a diversified portfolio in terms of products and markets, with more than 20,000 clients worldwide which gives commercial flexibility and diversifies exposure to risk.

STATEMENT OF FINANCIAL POSITION

	Note N°	As of December 31, 2010 ThUS\$	As of December 31, 2009 ThUS\$
Assets			
Current Assets			
Cash and Cash Equivalents	8	364,529	735,736
Other Financial Assets	8	399,455	109,376
Other Non-financial Assets		24,117	22,220
Trade and Other Receivables, Net	9	920,779	694,044
Accounts Receivable from Related Entities	10	2,328	2,663
Inventories	11	958,477	753,644
Biological Assets	12	219,169	162,869
Tax Assets	13	138,873	121,080
Current Assets, Total		3,027,727	2,601,632
Assets, Non-Current			
Other Financial Assets	8	7,378	1,678
Other Non-financial Assets		43,412	54,881
Rights Receivable		24,193	15,608
Investments in Associates	16	113,628	95,714
Intangible Assets, Net	17	11,712	113,499
Goodwill	18	164,866	161,800
Property, Plant & Equipment, Net	19	6,204,558	5,951,606
Biological Assets	12	3,142,319	2,990,507
Deferred Income Tax Assets	21	136,663	110,624
Non-current Assets, Total		9,848,729	9,495,917
Assets, Total		12,876,456	12,097,549
Equity and Liabilities			
Liabilities			
Liabilities, Current			
Other Financial Liabilities	22	501,376	472,973
Trade and Other Payables	23	583,723	453,746
Accounts Payable to Related Companies	24	12,761	18,059
Provisions	25	3,504	2,098
Tax Account Payable	13	64,314	10,804
Post-employment Benefit Obligation	26	43,665	32,726
Other Non-financial Liabilities	27	111,608	142,170
Liabilities, Current, Total		1,320,951	1,132,576
Liabilities, Non-current			
Other Financial Liabilities	22	2,516,437	2,516,940
Provisions	25	56,858	29,923
Deferred Income Tax Liabilities	21	934,315	941,646
Post-employment Benefit Obligation	26	93,958	87,754
Other Non-financial Liabilities	27	132,206	130,617
Liabilities, Non-current, Total		3,733,774	3,706,880
Liabilities, Total		5,054,725	4,839,456
Equity, Net			
Issued Capital	28	692,358	692,358
Retained Earnings (Cumulative Losses)	29	6,685,585	6,227,506
Share Premium	28	13,620	13,620
Other Reserves	30	273,847	166,961
Equity Attributable to the Controlling Company's equity holders		7,665,410	7,100,445
Non-controlling Interest		156,321	157,648
Equity, Total		7,821,731	7,258,093
Equity and Liabilities, Total		12,876,456	12,097,549

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended December 31, 2010

Concepts	Other reserves									
	Share capital, Ordinary shares Note 28	Share premium, Ordinary shares Note 28	Currency translation reserves Note 30	Hedging reserves Note 30	Other miscellaneous reserves Note 30	Total other reserves	Changes in retained earnings (Cumulative losses) Note 29	Changes in Equity attributable to controlling Company's equity holders, total	Changes in minority interests	Changes in equity, total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance current period January 1, 2010	692,358	13,620	(15,594)	(6,269)	188,824	166,961	6,227,506	7,100,445	157,648	7,258,093
Restated opening balance	692,358	13,620	(15,594)	(6,269)	188,824	166,961	6,227,506	7,100,445	157,648	7,258,093
Changes in equity:										
Comprehensive income										
Profit (loss)	-	-	-	-	-	-	637,546	637,546	2,476	640,022
Other comprehensive income	-	-	81,661	15,514	9,711	106,886	-	106,886	-	106,886
Comprehensive income	-	-	81,661	15,514	9,711	106,886	637,546	744,432	2,476	746,908
Dividends	-	-	-	-	-	-	(179,467)	(179,467)	-	(179,467)
Increase (decrease) in transfers and other changes	-	-	-	-	-	-	-	-	(3,803)	(3,803)
Total Changes in equity	-	-	81,661	15,514	9,711	106,886	458,079	564,985	(1,327)	563,638
Closing balance current period December 31, 2010	692,358	13,620	66,067	9,245	198,535	273,847	6,685,585	7,665,410	156,321	7,821,731

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For the period ended December 31, 2009

Concepts	Other reserves									
	Share capital, Ordinary shares Note 28	Share premium, Ordinary shares Note 28	Currency translation reserves Note 30	Hedging reserves Note 30	Other miscellaneous reserves Note 30	Total other reserves	Changes in retained earnings (Cumulative losses) Note 29	Changes in Equity attributable to controlling Company's equity holders, total	Changes in minority interests	Changes in equity, total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance prior period January 1, 2009	192,358	-	(70,681)	10,306	180,510	120,135	6,032,169	6,344,662	156,194	6,500,856
Restated opening balance	192,358	-	(70,681)	10,306	180,510	120,135	6,032,169	6,344,662	156,194	6,500,856
Changes in equity:										
Comprehensive income										
Profit (loss)	-	-	-	-	-	-	260,618	260,618	7,600	268,218
Other comprehensive income	-	-	55,087	(16,575)	8,314	46,826	-	46,826	-	46,826
Comprehensive income	-	-	55,087	(16,575)	8,314	46,826	260,618	307,444	7,600	315,044
Proceed from shares issued	500,000	13,620	-	-	-	-	-	513,620	-	513,620
Dividends	-	-	-	-	-	-	(65,281)	(65,281)	-	(65,281)
Increase (decrease) in transfers and other changes	-	-	-	-	-	-	-	-	(6,146)	(6,146)
Total Changes in equity	500,000	13,620	55,087	(16,575)	8,314	46,826	195,337	755,783	1,454	757,237
Closing balance prior period December 31, 2009	692,358	13,620	(15,594)	(6,269)	188,824	166,961	6,227,506	7,100,445	157,648	7,258,093

COMPREHENSIVE INCOME STATEMENT – BY FUNCTION OF EXPENSE

	Notes N°	For the year ended	
		December 31,	
		2010	2009
		ThUS\$	ThUS\$
Comprehensive income statement Profit (loss)			
Revenue	32	4,219,172	3,123,609
Cost of sales		(3,129,754)	(2,521,426)
Gross profit		1,089,418	602,183
Other income	12	230,361	180,556
Distribution costs		(197,812)	(159,790)
Administrative expense		(166,385)	(141,829)
Other expense		(145,156)	(112,570)
Other gains (losses)	33	52,992	(59,502)
Finance costs	34	(134,672)	(97,252)
Finance income		17,480	17,250
Share of (loss) profit of associates and joint ventures using equity method	16	14,080	10,677
Foreign exchange difference	35	(24,327)	(64,010)
Indexation unit results		(20,583)	10,953
Profit (loss) before income tax		715,396	186,666
Income tax expense	36	(75,374)	81,552
Profit for the year on continuing operations		640,022	268,218
Profit (loss)		640,022	268,218
Profit (loss) attributable to			
Profit (loss) attributable to owners of the parent		637,546	260,618
Profit (loss) attributable to non-controlling interest		2,476	7,600
Profit (loss)		640,022	268,218
Basic earnings per share			
From continuing operations (US\$ per share)	31	2.8979	1.2977
From discontinued operations (US\$ per share)		-	-
Basic earnings per share		2.8979	1.2977
Diluted earnings per share			
From continuing operations (US\$ per share)	31	2.8979	1.2977
From discontinued operations (US\$ per share)		-	-
Diluted earnings per share		2.8979	1.2977
Statement of comprehensive income			
Profit (loss)		640,022	268,218
Other comprehensive income, before taxes			
Currency translation differences			
Profit (loss) from currency translation differences, before taxes		81,661	55,087
Other comprehensive income, before taxes, currency translation differences		81,661	55,087
Cash flow hedges			
Profit (loss) from cash flow hedges, before taxes		27,434	(23,812)
Reclassification adjustments in cash flow hedges, before taxes		(8,742)	3,842
Other comprehensive income, before taxes, cash flow hedges		18,692	(19,970)
Share of other comprehensive income of associates and joint ventures using equity method		9,711	8,314
Other components of other comprehensive income, before taxes		110,064	43,431
Income tax related to components of other comprehensive income			
Income tax related to cash flow hedges of other comprehensive income	21	(3,178)	3,395
Sum of income taxes related to components of other comprehensive income		(3,178)	3,395
Other comprehensive income		106,886	46,826
Total comprehensive income		746,908	315,044
Total comprehensive income and expense attributable to:			
Owners of the parent		744,432	307,444
Non-controlling interest		2,476	7,600
Total comprehensive income for the year		746,908	315,044

CONSOLIDATED INDIRECT STATEMENT OF CASH FLOWS

	Note N°	For the year ended December 31,	
		2010	2009
		ThUS\$	ThUS\$
Net cash flows Cash flows from operations			
Profit		640,022	268,218
Adjustment for reconciling to profit (loss) from operations			
Income tax expense	36	75,374	(81,552)
Decrease (increase) in inventories		(201,313)	61,258
Decrease (increase) in trade receivables		(191,797)	(807)
Decrease (increase) in other receivables derived from operating activities		65,906	26,749
Increase (decrease) in trade receivables		(3,141)	5,843
Increase (decrease) in other payables derived from operating activities		15,722	(52,460)
Depreciation and amortization expense	19	324,821	276,845
Provisions	25	27,647	41
Unrealized foreign exchange (profit) loss		44,910	53,057
Unrealized fair value (profit) loss		(248,235)	(186,499)
Undistributed associates (profit) loss	16	(17,480)	(17,250)
Other adjustments for items other than cash		166,235	253,255
Other adjustments for which the effects on income are investment or financing cash flow		120,592	86,575
Adjustment for reconciling to profit (loss) from operations		179,241	425,055
Income taxes reimbursed (paid)		(29,955)	23,141
Net cash flows from (used in) operating activities		789,308	716,414
Cash flows from (used in) investment activities			
Cash flows used to obtain the control of subsidiaries and other businesses		(80,192)	(1,323,587)
Amounts received from disposal of property, plant & equipment		7,894	280
Additions of property, plant & equipment		(459,518)	(284,285)
Additions of other long-term assets		(115,976)	(33,055)
Payments derived from future, forward contracts, options and swaps		(5,096)	(57,359)
Derivatives received		6,937	3,115
Interest received		11,613	10,490
Other cash (inflow) outflow		(266,102)	(26,101)
Net cash flows from (used in) investment activities		(900,440)	(1,710,502)
Amounts received from issue of shares		-	513,620
Amounts received from long-term loans		158,709	846,471
Amounts received from short-term loans		416,793	885,930
Total amounts received from loans		575,502	1,732,401
Loans paid		(630,092)	(649,724)
Dividends paid		(142,969)	(63,667)
Interest paid		(108,640)	(78,459)
Net cash flows from (used in) financing activities		(306,199)	1,454,171
Net increase (decrease) in cash and cash equivalents, before the effect of changes in the exchange rate		(417,331)	460,083
Effect of exchange rate variation on cash and cash equivalents		46,124	55,472
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(371,207)	515,555
CASH AND CASH EQUIVALENTS, STATEMENT OF CASH FLOWS, OPENING BALANCE	8	735,736	220,181
CASH AND CASH EQUIVALENTS, STATEMENT OF CASH FLOWS, CLOSING BALANCE	8	364,529	735,736

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NOTE 1 - GENERAL INFORMATION

Empresas CMPC S.A., the parent company, was constituted in Chile in 1920 as a corporation and is subject to the Corporations Law 18,046 of October 22, 1981 and its subsequent amendments. It is registered in the Securities Register of the Chilean Superintendence of Securities and Insurance (SVS) under the number 0115. For taxation purposes in Chile, its tax number (RUT) is 90,222,000-3.

Given the requirements of IAS 24, details have been disclosed of the CMPC S.A. shares held by shareholders with either direct or indirect control of 55.84% of the capital and the right to vote within the Company. All these shareholders belong to the same business group with no formal agreement to act united (see Note 39).

The corporate domicile and head office of Empresas CMPC S.A. are at Agustinas Street 1343, Santiago, Chile telephone (56-2) 4412000.

Empresas CMPC S.A. and its subsidiaries (hereinafter "CMPC" or "the Company") are in the forestry, pulp, paper, tissue and paper products sectors, which make products representative of the business segments, described and through which each of the Company's businesses is managed.

CMPC has over 643 thousand hectares of forest plantations, principally of pine and eucalyptus, of which 486 thousand hectares are in Chile, 64 thousand hectares in Argentina and 93 thousand hectares in Brazil.

CMPC has 45 manufacturing plants located in Chile, Argentina, Perú, Uruguay, México, Colombia, Brazil and Ecuador, and sells mainly in Chile, Asia, Europe, the United States and the rest of Latin America. At the aggregate level, over 76% of revenues are generated by exports or foreign subsidiaries and approximately 24% by Chile. It also has commercial and financial subsidiaries in Spain, the United States and the Cayman Islands.

As of December 31, 2010 CMPC comprises 61 companies: Empresas CMPC S.A., the parent company, 56 subsidiaries and 4 associates. CMPC has consolidated all those companies in which it has control of the operation in their businesses, in those cases in which the Company has significant influence, it values investments following the equity method.

CMPC is one of the main forest companies in the region. It is diversified and vertically integrated, and a leader in the Latin American market due to the quality of its products, with diversified sales in products and destinations and sound competitive advantages (high quality of assets, cost advantages in each of the lines of business and well-positioned trademarks). For the period 2011-2012, CMPC has planned disbursements over US\$ 600 million for investment projects in its lines of business.

The subsidiaries included in these consolidated financial statements are as follows:

Consolidated company	Tax No.	Country of origin	Functional currency	Percentage of Equity Investment					
				December 31, 2010			December 31, 2009		
				Direct	Indirect	Total	Direct	Indirect	Total
Forestal Mininco S.A.	91,440,000-7	Chile	US\$	99.9999	0.0001	100.0000	99.9999	0.0001	100.0000
Inversiones CMPC S.A.	96,596,540-8	Chile	US\$	99.9988	0.0012	100.0000	99.9988	0.0012	100.0000
Forestal Coihueco S.A.	79,879,430-2	Chile	US\$	99.9999	0.0001	100.0000	99.9999	0.0001	100.0000
Inmobiliaria Pinares S.A.	78,000,190-9	Chile	US\$	99.9900	0.0100	100.0000	99.9900	0.0100	100.0000
Forestal y Agrícola Monte Águila S.A.	96,500,110-7	Chile	US\$	99.7480	0.0000	99.7480	99.7480	0.0000	99.7480
CMPC Papeles S.A.	79,818,600-0	Chile	US\$	0.1000	99.9000	100.0000	0.1000	99.9000	100.0000
CMPC Tissue S.A.	96,529,310-8	Chile	CLP	0.1000	99.9000	100.0000	0.1000	99.9000	100.0000
CMPC Productos de Papel S.A.	96,757,710-3	Chile	US\$	0.1000	99.9000	100.0000	0.1000	99.9000	100.0000
CMPC Celulosa S.A.	96,532,330-9	Chile	US\$	0.0480	99.9520	100.0000	0.0480	99.9520	100.0000
Inmobiliaria y Forestal Maitenes S.A.	96,601,000-2	Chile	US\$	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
Envases Roble Alto S.A.	78,549,280-3	Chile	US\$	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
Forsac S.A. (ex Propa S.A.)	79,943,600-0	Chile	US\$	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
Portuaria CMPC S.A.	84,552,500-5	Chile	US\$	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
Sociedad Recuperadora de Papel S.A.	86,359,300-K	Chile	US\$	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
Empresa Distribuidora de Papeles y Cartones S.A.	88,566,900-K	Chile	US\$	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
Envases Impresos S.A.	89,201,400-0	Chile	US\$	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
Cartulinas CMPC S.A.	96,731,890-6	Chile	US\$	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
Servicios Compartidos CMPC S.A.	96,768,750-2	Chile	US\$	20.0000	80.0000	100.0000	20.0000	80.0000	100.0000
Inversiones Protisa S.A.	96,850,760-5	Chile	US\$	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
Papeles Cordillera S.A.	96,853,150-6	Chile	US\$	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
Chilena de Moldeados S.A.	93,658,000-9	Chile	US\$	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
CMPC Maderas S.A.	95,304,000-K	Chile	US\$	0.0000	97.5138	97.5138	0.0000	97.5138	97.5138
Industrias Forestales S.A.	91,656,000-1	Chile	US\$	0.0000	81.9513	81.9513	0.0000	81.9513	81.9513
Forestal Crecex S.A.	84,126,300-6	Chile	US\$	0.0000	81.9513	81.9513	0.0000	81.9513	81.9513
Cooperativa Agrícola y Forestal El Proboste Ltda.	70,029,300-9	Chile	US\$	0.0000	71.8600	71.8600	0.0000	71.8600	71.8600
CMPC Inversiones de Argentina S.A.	Foreign	Argentina	ARS	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
Forestal Bosques del Plata S.A.	Foreign	Argentina	US\$	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
Naschel S.A.	Foreign	Argentina	ARS	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
Fabi Bolsas Industriales S.A.	Foreign	Argentina	US\$	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
La Papelera del Plata S.A.	Foreign	Argentina	ARS	0.0000	99.9914	99.9914	0.0000	99.9914	99.9914
Melhoramentos Papéis Ltda.	Foreign	Brazil	BRL	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
CMPC Celulose Riograndense Ltda. (ex Protisa Do Brasil Ltda.)	Foreign	Brazil	BRL	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
CMPC Riograndense Ltda.	Foreign	Brazil	BRL	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
CMPC Investments Ltda.	Foreign	Channel Island	US\$	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
Drypers Andina S.A.	Foreign	Colombia	COP	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
Protisa Colombia S.A.	Foreign	Colombia	COP	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
Productos Tissue de Ecuador S.A.	Foreign	Ecuador	US\$	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
Inversiones Protisa S.A. y Cía. S.R.C.	Foreign	Spain	ARS	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
CMPC Europe Ltd.	Foreign	England	US\$	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
Inversions CMPC Cayman Ltd.	Foreign	Cayman Island	US\$	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
Tissue Cayman Ltd.	Foreign	Cayman Island	CLP	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
Propa Cayman Ltd.	Foreign	Cayman Island	US\$	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
CMPC Asia Ltd.	Foreign	Japan	US\$	0.0000	0.0000	0.0000	0.0000	100.0000	100.0000
Grupo ABS Internacional S.A. de CV	Foreign	México	MXN	0.0000	87.1300	87.1300	0.0000	87.1300	87.1300
ABS Bienes de Capital S.A. de CV	Foreign	México	MXN	0.0000	87.1200	87.1200	0.0000	87.1200	87.1200
Absormex S.A. de CV	Foreign	México	MXN	0.0000	86.8200	86.8200	0.0000	86.8200	86.8200
Convertidora de Productos Higiénicos S.A. de CV	Foreign	México	MXN	0.0000	87.0200	87.0200	0.0000	87.0200	87.0200
Internacional de Papeles del Golfo S.A. de CV	Foreign	México	MXN	0.0000	86.9810	86.9810	0.0000	86.9810	86.9810
ABS License S.A. de CV	Foreign	México	MXN	0.0000	87.1200	87.1200	0.0000	87.1200	87.1200
Forsac México S.A.	Foreign	México	US\$	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
Protisa Perú S.A.	Foreign	Perú	PEN	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
Papelera del Rimac S.A.	Foreign	Perú	PEN	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
Forsac Perú S.A.	Foreign	Perú	US\$	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
Compañía Primus del Uruguay S.A.	Foreign	Uruguay	UYU	0.0000	99.6100	99.6100	0.0000	99.6100	99.6100
Celulosas del Uruguay S.A.	Foreign	Uruguay	UYU	0.0000	99.6100	99.6100	0.0000	99.6100	99.6100
Ipusa	Foreign	Uruguay	UYU	0.0000	99.6100	99.6100	0.0000	99.6100	99.6100
CMPC USA Inc.	Foreign	USA	US\$	0.0000	97.5386	97.5386	0.0000	97.5386	97.5386

Notes to the Consolidated Financial Statements

The subsidiaries Inversiones CMPC S.A. and Industrias Forestales S.A. are registered in the Chilean Securities Register of the SVS with the numbers 0672 and 0066 respectively, and prepare separate financial statements which are available to the public. The accounting policies followed by the subsidiaries are consistent with those applied by CMPC in the preparation of its financial statements.

The changes that occurred in the consolidated businesses, were as follows:

i) On December 29, 2010, the subsidiary Inversiones CMPC S.A. sold its equity investment in the Brazilian company CMPC Celulose Riograndense Ltda. (0.0719%) to the subsidiary Inmobiliaria Pinares S.A.

ii) On September 3, 2010 the process of closure and wind up of the company constituted in Japan, CMPC Asia Ltd., was concluded, with no equity effects for the Company.

iii) On July 31, 2010, the subsidiary CMPC Celulose Riograndense Ltda. absorbed the total assets and liabilities of its parent company Protisa do Brasil Ltda. Consequently, the investment companies maintain the interest percentages over the continuator, CMPC Celulose Riograndense Ltda.: CMPC Celulosa S.A. (99.9281%) and Inversiones CMPC S.A. (0.0719%).

iv) On June 12, 2010 the firm name of the Brazilian subsidiary CMPC Celulose do Brasil Ltda. was changed to CMPC Celulose Riograndense Ltda.

v) On March 1, 2010 the Brazilian subsidiary Melhoramentos Papéis Ltda. absorbed the total assets and liabilities of its parent company CMPC Participacoes Ltda. Consequently, the investment companies maintain the interest percentages over the continuator Melhoramentos Papéis Ltda.: CMPC Tissue S.A. (99.93%) and Inversiones Protisa S.A. (0.07%).

vi) On December 15, 2009 CMPC purchased the forest and industrial assets in the pulp, paper and wood business, relating to the Guaíba unit, located in the State of Rio Grande Do Sul, Brazil, from the Brazilian forest company Aracruz Celulose e Papel S.A. The companies, whose 100% interest was acquired, are CMPC Celulose do Brasil Ltda. and CMPC Riograndense Ltda. and purchase rights over Guaíba Administração de Florestas Ltda. This investment amounts to US\$ 1,370 million (see Note 14).

vii) On June 1, 2009 the subsidiary CMPC Tissue S.A., through its subsidiary CMPC Participacoes Ltda., acquired 100% ownership of Melhoramentos Papéis Ltda. This company manufactures and markets tissue products in Brazil. It has two productive plants in the State of Sao Paulo, with an installed capacity of 75,000 annual tons of tissue paper. The financial results of this company are included in the Company's consolidation from July 1, 2009, the date on which the Company acquired control of operations. This investment amounts to

US\$ 49 million (see Note 14).

The total staff of the Company as of December 31, 2010 was 15,068 employees distributed in the following operational segments:

Segments	Professionals			Total
	Managers	and technicians	Employees	
Forest	15	568	1,421	2,004
Pulp	19	627	1,128	1,774
Paper	21	598	1,199	1,818
Tissue products	52	1,792	5,121	6,965
Paper products	23	307	1,783	2,113
Other	12	335	47	394
Total	142	4,227	10,699	15,068

The average number of employees in CMPC during 2010 was 14,675 employees.

Considering the Company's track record of profitable operation, the purchase of significant forest and industrial assets in Brazil (the Guaíba unit in the State of Rio Grande Do Sul and the tissue product company, Melhoramentos Papéis Ltda. in Sao Paulo) and the access to resources in the financial markets, the principle of a going concern is declared as fully complied by management.

These financial statements are consolidated and include the Statement of Financial Position, the Comprehensive Income statement by function of expense, the Cash Flows Statement (Indirect), the Statement of Changes in Equity and the Complementary Notes with disclosures to the financial statements.

CMPC uses the United States dollar (hereinafter "dollar") as its reporting currency and functional currency, except for the subsidiaries of the tissue operating segment in the different countries and the paper and pulp subsidiaries operating in Brazil, which use the local currency of each country as functional currency, because local factors prevail in their business and, also, because of the relevance of those currencies in the allocation factors of the functional currency.

The subsidiaries that account for operations in a currency other than the dollar, have translated their financial statements from their functional currency to the presentation currency, which is the dollar, as follows: the statement of financial position and the statement of changes in equity at the year-end exchange rate and the comprehensive income statement and the statement of cash flows at the daily or average monthly exchange rate, as appropriate.

The accompanying consolidated financial statements are presented in thousands of dollars (ThUS\$) and have been prepared from the accounting records of Empresas CMPC S.A. and its subsidiaries.

In the accompanying Statement of financial position, assets and liabilities are classified in terms of their maturity as current, those with

maturity equal or less than twelve months, and non-current, those whose maturity exceeds twelve months. In turn, in the Comprehensive income statement, expenses are presented as classified per function, identifying the depreciation and personnel expense based on their nature, and the Statement of cash flows is presented using the indirect method.

The consolidated financial statements show a true picture of the equity and financial position as of December 31, 2010, as well as the results of operations, changes in equity and consolidated cash flows, that have been produced in CMPC in the period then ended.

The figures in the Statement of financial position and the respective complementary Notes are presented as compared to the balances as of December 31, 2009, as required by International Financial Reporting Standards (IFRS).

The Company's management affirms that these financial statements have been prepared in conformity with the International Financial Reporting Standards (IFRS).

These consolidated financial statements have been approved in the Board session dated March 4, 2011, with management remaining responsible for their preparation and issuance. The financial statements of the subsidiaries were approved by their respective Boards of Directors.

Capital management

Capital management refers to the management of the Company's equity. The objectives of CMPC in relation to capital management are to safeguard the Company's capacity to continue as a going concern, besides ensuring a good return for shareholders.

To achieve these objectives, the Company is continuously monitoring the return obtained by each business, maintaining its proper operation, thus maximizing the financial return for its shareholders.

Part of this follow-up of each business consists of ensuring that the decision-making over the investment in financial instruments is in line with the conservative profile of the Company, besides having favorable market conditions. Financial instruments are constantly monitored by the Company's Board of Directors. Among the activities relating to capital management, the Company performs a daily review of the balance of cash and cash equivalents, on which basis it makes investment decisions.

CMPC manages its capital structure in a way that its indebtedness does not put at risk its capability to pay its obligations or obtain an adequate return for its investors. Under certain debt instruments,

CMPC is obliged to maintain a ratio between financial obligations with third parties and tangible equity equal to or lower than 0.8 times. As of December 31, 2010 and 2009 this ratio was easily complied with, reaching levels of 0.38 and 0.42 times, respectively (see Note 22.2e).

Along with the foregoing, and as part of the financial covenants with which CMPC must comply, the Company must maintain at the end of each quarter a minimum tangible equity of UF 71,580,000 (which as of December 31, 2010 and 2009 is equivalent to 3,282 million dollars and 2,956 million dollars, respectively) a condition which is easily complied with, since the tangible equity amounts to 7,489 million dollars and 6,825 million dollars as of December 31, 2010 and 2009, respectively (see Note 22.2.e).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. As required by IAS 1, these policies have been designed considering IAS and IFRS in force as of December 31, 2010 and have been consistently applied to all the years presented, unless otherwise stated.

2.1. Basis of preparation

These consolidated financial statements of Empresas CMPC S.A. as of December 31, 2010 were prepared in accordance with International Financial Reporting Standards (IFRS).

The preparation of the consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires Management to exercise its judgment in the process of applying the group's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

The Company generally uses cost accounting as the criteria to value its assets and liabilities, with the exceptions of hedging instruments, certain financial assets and liabilities and biological assets which are recorded at fair value.

For a presentation consistent with the financial statements as of December 31, 2010, certain minor balances of the comparative financial statements of 2009 were reclassified.

2.2. Basis of presentation

a) Subsidiaries

Subsidiaries are all entities (including special-purpose entities) over which Empresas CMPC S.A. has the power to govern the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are exercisable or convertible as of the year end are considered when assessing whether the group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to Empresas CMPC S.A. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the group. The cost of the acquisition is measured as the fair value of the assets given and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the income statement (Note 2.8).

b) Transactions and minority interest

As part of the consolidation process, the transactions, balances and unrealized profits on operations between group companies are eliminated. Accounting policies of subsidiaries are consistent with those of the parent company.

The non-controlling interest is presented as equity in the Statement of Financial Position. The profit or loss attributable to non-controlling interest is shown in the Income statement as profit (loss) for the period. The results of transactions between non-controlling shareholders and the shareholders of the companies where the ownership is shared are transactions accounted for within equity and, therefore, are shown in the Statement of Changes in Equity.

c) Associates

Associates are all entities over which Empresas CMPC S.A. has significant influence but not control over the financial and operating policies. Investments in associates are accounted for using the equity method of accounting and are initially recognized at cost. Investment of Empresas CMPC S.A. in associates includes goodwill identified on acquisition, net of any accumulated impairment loss (See Note 2.8).

The Empresas CMPC S.A. share of its associates' post-acquisition profits or losses is recognized in the income statement, and its share of post-acquisition movements is recognized in other comprehensive income forming part of the corresponding reserve within equity. When

Empresas CMPC S.A. share of the losses of an associate equals or exceeds its equity in the associate, including any other unsecured receivables, the Company does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate.

2.3. Segment reporting

IFRS 8 requires entities to adopt the management's focus for disclosing information on the results of its operating segments. In general, this is the information that the management uses internally to evaluate the performance of the segments and decide how to assign resources to them.

CMPC shows the information by segments (which correspond to its business areas) based on the financial information made available for decision-making, regarding matters like the measurement of profitability and assignment of investments, and on the basis of the differentiation of products, as indicated in IFRS 8 - Operating Segments.

The determined segments corresponding to the business areas are the following:

- Forestry
- Pulp
- Papers
- Tissue
- Paper products

Information on costs and expenses of areas different from the segments mentioned, related mainly to CMPC and others not transferred to the operating segments, is shown under "Others" and does not represent any significant amount separately for its designation as operating segment.

2.4. Foreign currency translation

Presentation currency and functional currency

Items included in the financial statements of each of the CMPC's entities are valued using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in dollars, which is the Company's functional currency and of its relevant businesses (except for the tissue business, where the local currency of each country is used and the subsidiaries located in Brazil whose functional currency is the Brazilian reais) and, consequently, is the group's presentation currency.

Transactions and balances

All of the operations performed by Empresas CMPC S.A. or its subsidiaries in a currency other than the functional currency of each company are treated as foreign currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the transaction date.

Balances of monetary assets and liabilities denominated in foreign currencies are valued at the exchange rate at the balance sheet date. The change in the value from that if the prior balance sheet is recorded under the caption "Foreign exchange difference", except for changes in equity such as cash flow hedges.

Changes in the fair value of investments in debt activities denominated in foreign currency and classified as available for sale, if any, are separated between "Foreign exchange difference" and the increase corresponding to the security's gain measured in the functional currency. The change in value "Foreign exchange differences" is recognized in income for the year and the security's change in value is recognized in equity.

Entities of CMPC

The results and the financial position of all CMPC's entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated to the presentation currency as follows:

a) Assets and liabilities of each statement of financial position are translated at the year-end exchange rate as of the date of that balance sheet;

b) Income and expenses for each income statement are translated at daily exchange rate or, if not possible, the average monthly rate as a reasonable approximation; and

c) All resulting exchange differences are recognized as a separate component of equity.

The foreign currency translation difference between the investments in a company whose functional currency is different from the functional currency of the subsidiary is recorded as other comprehensive income, forming part of the currency translation reserve within equity.

The foreign exchange differences generated by balances maintained in long term receivables/payables between subsidiaries with different functional currencies are eliminated from the income statement and recognized in the currency translation reserve within equity, since they are part of the net investment in those subsidiaries.

Exchange rates of foreign currencies

As of December 31, 2010, and 2009 the exchange rates of the main foreign currencies used in accounting for CMPC's companies, against the dollar, are the following:

Currency		31/12/2010		31/12/2009	
		Year-end	Accumulated monthly average	Year-end	Accumulated monthly average
Chilean peso	CLP	468.01	510.25	507.10	559.61
Argentine peso	ARS	3.98	3.91	3.80	3.73
Peruvian Nuevo sol	PEN	2.81	2.83	2.89	3.01
Mexican peso	MXN	12.35	12.63	13.07	13.51
Uruguayan peso	UYU	20.10	20.06	19.64	22.59
Colombian peso	COP	1,913.98	1,898.95	2,044.23	2,155.79
Euro	EUR	0.75	0.76	0.70	0.72
Brazilian reais	BRL	1.67	1.76	1.74	2.00

2.5. Property, plant and equipment

Additions to property, plant and equipment are stated at acquisition cost. Acquisitions in a currency different from the functional currency are translated into that currency at the exchange rate prevailing on the day of the acquisition.

With respect to interest, in the eventual direct financing of an asset the policy is to capitalize costs incurred during the construction or acquisition period as long as these assets are defined by the time period through the start of operations or by the magnitude of investment involved. The cost may also include gains or losses on qualified cash flows hedges of foreign currency purchases of fixed assets transferred from equity. In the reported accounting periods this situation did not apply as CMPC did not capitalize interest on loans in fixed assets.

Land is not depreciated. Depreciation of assets is calculated using the straight-line method, distributed systematically over the assets useful lives. This useful life has been determined on the basis of the natural impairment expected, technical or commercial obsolescence deriving from changes and/or improvements in the production, and changes in market demand for the products obtained in the operation of such assets.

The assets' residual value and useful life are reviewed, and adjusted if appropriate, at the end of each reporting period.

Costs deriving from daily maintenance and common repairs are shown in the results for the period, but replacements of important parts or pieces and strategic spare parts are capitalized and depreciated over the remaining useful lives of the assets, on the basis of the component approach.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount (net of depreciation) and are recognized in the income statement.

In the first application of IFRS (January 1, 2008), the Company reflected its main property, plant & equipment at fair value, which was deemed as its historic cost, based on the transition standard of IFRS, particularly on IFRS 1 paragraph D 5. Property, plant & equipment acquired from that date, except the assets contained in the new acquired companies, are valued at cost.

Property, plant & equipment acquired through a business combination are accounted for at fair value, as required by IFRS 3, paragraph 18. Then, said value is considered as cost of the asset.

2.6. Biological assets (forest plantations)

The forest plantations are shown in the statement of Financial Position at their fair value. The forest groups are accounted for at fair value less harvesting costs and transportation expenses to the point of sale.

In determining the fair value, the discounted cash flow method is used by which the fair value of the biological assets is calculated using the cash flows of continued operations, i.e. on the basis of forest harvesting plans taking into account the potential growth. This means that the fair value of biological assets is measured at the present value of the harvest on a growth cycle based on productive forest land.

Biological assets are recognized and measured at fair value separately from the land.

The costs of setting up the forest plantations are classified as biological assets and the maintenance costs of these assets are recognized as expenses in the reporting period in which they are incurred and are shown as costs of sales.

Forest plantations to be harvested in the next 12 months are classified as biological assets-current.

2.7. Intangible assets

Intangible assets basically refer to trademarks, water rights, emission rights, electric line easement and expenses in computer software development.

a) Trademarks

CMPC has a portfolio of trademarks mostly developed internally, while some of them have been acquired from other parties. These trademarks are valued at registration cost or purchase value, respectively. Disbursements incurred in the trademark development are recorded as operating expenses in the period when they are incurred. The Company considers that through the investment in marketing, trademarks maintain their value and, consequently, are considered to have indefinite life and are not amortized. However, they are annually subjected to impairment tests.

b) Water rights

The water rights acquired by the Company correspond to the right to use the water existing in natural sources and were recorded at purchase value. Given that these rights are perpetual, they are not amortizable; however, they are annually subjected to impairment tests.

c) Emission rights

In Chile there are emission rights assigned by the Comisión Nacional del Medio Ambiente (National Environment Commission - CONAMA, according to its initials in Spanish), necessary for the normal operation of factories. These rights are recorded at purchase value, provided that payments exist, from the time the Company remains in a position to exert the emission control and measurement. These rights are not amortizable; however, they must be annually subjected to impairment tests. The rights assigned by CONAMA to the Company and its subsidiaries are not recorded in the balance sheet, since there has not been any payment for them.

d) Electric line easement

To perform the various electric wiring on third-party land, necessary for the operation of the industrial plants, the Company has paid for electric line easements. Given that these rights are perpetual, they are not amortizable; however, they are annually subjected to impairment evaluation. The values paid are capitalized as of the date of contract.

e) Costs of acquisition and development of computer software

The costs of the acquisition and development of computer software that is relevant and specific to the Company are recognized and amortized in the accounting period in which they generate income from their use.

2.8. Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of CMPC's share of the net identifiable assets of the acquired subsidiary on the date of acquisition. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill originated from acquisition of companies whose functional currency is other than the dollar is carried the same as if they were assets in foreign currencies, that is, they are adjusted for the variation in the exchange rate of the respective currency.

Goodwill is allocated to the cash-generating units ("CGUs") for the purpose of impairment testing. The allocation is made in those CGUs that are expected to benefit from the business combination in which the goodwill arose according to operating segment. Each of these CGUs represents CMPC's investment in an industrial plant (Note 2.9).

2.9. Impairment loss of non-financial assets

For intangible assets of indefinite useful life and goodwill, which are not subject to amortization on an annual basis or before if there is evidence of impairment, the necessary tests are performed, in order to ensure that the carrying amount does not exceed the recoverable value.

Assets subject to amortization (Property, plant and equipment) are tested for impairment provided that any event or change in the business's circumstances shows that the carrying amount may not be recoverable. An impairment loss is recognized for the amount when the carrying amount exceeds its recoverable value. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Impairment losses may be reversed only up to the amount of these losses recognized in prior periods, so that the carrying amount of these assets does not exceed the amount they would have had if said adjustments had not been made. This reversion is recorded in other gains (losses).

2.10. Financial assets

CMPC classifies its financial instruments in the following categories: at fair value through profit or loss, financial assets held to maturity, loans and receivables and financial assets available for sale. Management determines the classification of its financial instruments at the time of the initial recognition in accordance with the purpose for which these financial instruments were acquired.

Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit and loss. Financial assets carried at fair value through profit and loss are initially recognized at fair value, and transactions costs are expensed in the income statement.

Investments are derecognized when the right to receive inflows of cash has expired or been transferred and the company has transferred substantially all risks and rewards of ownership.

a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial instruments held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorized as held for trading unless

they are designated as hedges. Assets in this category are classified as current assets. They are subsequently valued by determining the fair value and recording the value changes in the statement of comprehensive income in other gains (losses).

b) Financial assets held to maturity

Financial assets held to maturity are non-derivative financial instruments with fixed or determinable payments and fixed maturities that CMPC's management has the positive intention and capacity to hold until their maturity. These financial instruments are included in other non-current assets, except for those maturing in less than 12 months from the date of the balance sheet which are classified as other financial assets, current. They are recorded at amortized cost and the accrual of earnings on the instrument is recognized in the income statement.

c) Loans and receivables

Loans and receivables are non-derivative financial instruments with fixed or determinable payments that are not quoted in an active market. This category includes trade and other receivables of current assets except for those with maturities greater than 12 months from the balance sheet date, which are classified as non-current assets. The amortized cost of the instrument is accrued to the agreed payment account with the accrual directly recorded in the income statement.

d) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative instruments that are designated in this category when the Company's management plans to use these resources in the medium-term or long-term, before their respective maturities. They are valued at fair value, recording changes in value in equity. Once the instruments are sold, the reserve is carried to the income statement, forming part of the profit (loss) for the period in which the sale of this instrument is made.

CMPC evaluates on the date of each balance sheet whether there is objective evidence that a financial instrument or group of financial instruments might have suffered impairment losses.

2.11. Hedging instruments

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. CMPC designates certain derivatives as:

- Hedges of fair value of recognized assets and liabilities or a firm commitment (fair value hedge)

- Hedges of a particular risk associated with a recognized asset or liability or a highly probable forecast transaction (cash flow hedge).

The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategies for undertaking various hedging transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair value of various derivative instruments used for hedging purposes is disclosed in Notes 8 and 22 (Hedging assets and liabilities, respectively). Movements on the hedging reserve in shareholders' equity are shown in Note 30. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item will be realized in more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

(a) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability.

(b) Cash flow hedges

The objective is reducing the financial risk of sales in Euros and pound sterling of the business of wood and cardboard business, through the introduction of a series of EUR-US\$ and GBP-US\$ exchange-rate contracts. Hedges are documented and tested to measure their effectiveness.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized within equity as hedging reserves. The gain or loss relating to the ineffective part is recognized immediately in the income statement within other profit / (loss).

Upon billing or accrual of the underlying revenue, the amount accumulated in equity (hedging reserve) is taken to income for the period (ordinary revenue) until that date.

Valuation methods

CMPC values its currency forwards and currency options contracts based on models carried out by an internally-developed system for this purpose, which is mainly based on discounting future cash flows at relevant market rates.

This system incorporates all relevant market information ("data") at the time of the valuation and uses the Bloomberg terminal as a source of data.

Principal data:

- Closing exchange rates for each currency obtained from Bloomberg.
- Future exchange rates constructed from closing exchange rates plus the "forward" points obtained directly from Bloomberg (calculated with the rates differential).
- Respective interest rates taken from Bloomberg to discount the cash flows at present value. As an approximation to the zero-coupon rate, the management uses swap rates to discount cash flows over 12 months.

For cross-currency swaps and interest-rate swaps, the value is obtained from information provided by third parties (at least two banks).

2.12. Inventories

Finished products are stated at production cost, which is lower than their net realizable value, with production cost determined on the basis of the weighted-average cost method.

Net realizable value is the estimated selling price in the ordinary course of business, less distribution and selling expenses. When market conditions lead the cost to exceed the net realizable value, an allowance is made for the difference. Such allowance also takes into account amounts related to obsolescence due to low turnover, technical obsolescence and products withdrawn from the market.

The cost of finished products and work in progress comprise raw material, direct labor, depreciation of property, plant and equipment, other direct costs and general expenses related to the production and maintenance of the industrial plant, excluding interest expenses. For their allocation, the normal production capacity of the factory or plant accumulating such expenses is taken into account.

Supplies and raw materials acquired from others are valued at cost and when they are consumed they are included in the value of finished products at average cost.

2.13. Trade and other receivables

Trade credits are presented at fair value and, when is quantified based on the collection value. Consequently, the Company recognizes the revenue relating to sales separately from the implicit interest relating to the collection term. For this determination, CMPC considers 90 days a normal collection term. The implicit interest associated with the longer payment term is recorded as deferred revenue within current liabilities and the accrued portion is recorded within other ordinary income.

In addition, estimates are made of doubtful accounts based on an objective review of all the amounts outstanding at the end of each period. Impairment losses relating to doubtful accounts are shown in the statement of comprehensive income. Trade credits are included

under current assets in trade and other receivables, to the extent that their estimate of recovery does not exceed one year from the balance sheet date.

2.14. Cash and cash equivalents

The Company considers cash and cash equivalents to be cash on hand and bank account balances, time deposits and other financial investments with original maturity of 90 days or less. They also include cash-management investments such as repurchase agreements whose maturity is within that stated above.

The bank overdraft facilities used are included in interest-bearing loans in current liabilities.

2.15. Share capital

Ordinary shares are classified as equity.

2.16. Trade payables

Payables to suppliers are initially recognized at fair value and then are valued at their amortized cost using the effective interest rate, for those significant transactions with terms exceeding 90 days.

2.17. Borrowings

Interest-bearing loans, classified in other financial liabilities, are initially recorded at fair value, which corresponds to the value of the debt placement, net of directly associated transaction expense, interest is recognized using the amortized-cost method based on the effective rate. Given that the Company maintains its investment grade status, management believes that it can obtain financing at a price and on terms similar to those of the outstanding debt. Consequently, it considers the carrying value of the debt as fair value.

2.18. Current and deferred income taxes

The charge for income tax includes the taxes of Empresas CMPC S.A. and its subsidiaries, based on their taxable income for the period, together with tax adjustments of previous periods and the change in deferred taxes.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

In accordance with the criteria of IAS 12 no deferred income tax has been recorded on the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts that are generated from investments in subsidiaries and associates. Therefore the deferred income tax arising from conversion adjustments and associated adjustments that are directly registered in the equity in comprehensive income has not been recorded.

2.19. Employee benefits

A large number of CMPC's subsidiaries in Chile have collective agreements with their personnel by which they are granted the benefit of irrevocable severance payments for years of service in any event, whether voluntary retirement or dismissal. This liability is therefore recorded based on an actuarial methodology that takes into account turnover, the discount rate, wage increase rate and average retirements. The amount so determined is shown at its present value using the method of projected unit credit.

Regarding the employees of foreign subsidiaries in whose countries the legislation establishes the provision of benefits for years of service, this obligation is recorded on the basis of actuarial studies carried out using the method of projected unit credit.

Furthermore, in 1997 the Brazilian subsidiary Melhoramentos Papéis Ltda. signed a commitment with the labor union to provide medical assistance for life to its retired workers as of that date. The amount recorded in the current financial statements refers to the actuarial calculation of the obligation generated by this commitment.

The profit or loss from changes in the actuarial variables, if any, are recognized in the income statement for the period in which they are produced.

The Company also shows a liability for bonuses to its principal executives when it is contractually committed or when past practice has created an implicit obligation, which is shown in post-employment benefits obligation under current liabilities.

2.20. Provisions

Provisions are reported when CMPC has a present legal or constructive obligation as a result of past events, when it is estimated that it is probable that an outflow of resources will be required to settle the obligation and when the amount has been reliably estimated.

Provisions for restructuring are shown in the period in which CMPC is legally or constructively committed to the plan. Relevant costs are only those which are incremental or incurred as a result of the restructuring.

The principal concepts for which provisions are made correspond to civil, labor and tax lawsuits.

2.21. Revenue recognition

Ordinary revenues comprise sales of products, raw materials and services, less the taxes on sales not transferred to third parties and the discounts made to customers, translated at the exchange rate on the day of the transaction in consideration of the functional currency defined for each company.

Revenues from sales of goods are shown after the Company has transferred to the buyer the risks and benefits inherent in the ownership of the goods and retains no right to dispose of them nor maintain an effective control. Generally, this means that the sales are recorded at the moment of the transfer of risks and benefits to customers in accordance with the terms of commercial agreements.

In general, the delivery terms for export sales are based on the Incoterms 2000, with the rules being official for the interpretation of trade terms issued by the International Chamber of Commerce.

The structure of revenue recognition is based on the grouping of Incoterms, as follows:

- “DDU (Delivered Duty Unpaid), DDP (Delivered Duty Paid) and similar terms”, whereby the Company is required to deliver the merchandise to the buyer at the agreed destination, generally the buyer’s premises, in whose case the sales point is the time of delivery to the buyer. The revenue is recognized upon delivery of the product.
- “CIF (Cost, Insurance & Freight) and similar terms”, whereby the Company organizes and pays for the transportation expenses abroad and certain other expenses, although CMPC ceases being responsible for the merchandise once it has been delivered to the shipping company or air carrier in conformity with the relevant due date. The point of sales is, then, the delivery of the merchandise to the carrier engaged by the seller for the transportation to the destination.
- “FOB (Free on Board) and similar terms”, where the buyer organizes and pays for the transportation. Consequently, the point of sale is the delivery of the merchandise to the carrier engaged by the buyer.

Should any discrepancy exist between the trade agreements and the incoterms defined for the operation, the terms set forth in the contracts shall prevail.

In case of local sales, the sale of merchandise that has already been dispatched to clients is considered as revenue.

In the particular case of sales that fail to meet the conditions described above, they are recognized as unearned revenue under current liabilities, then recorded as revenue to the extent that the conditions of transfer of the assets’ risks, benefits and ownership are met, as described above.

In case that CMPC is responsible for organizing the transportation for its sale, these costs are not billed separately, but they are included in the revenue for the value of the merchandise billed to the clients; the shipment expense is shown in cost of sales.

The ordinary revenue from service sales is recorded when the service has been provided. A service is considered to be provided upon satisfactory receipt by the client.

2.22. Lease contracts

The leases of property, plant and equipment where the Company has a significant portion of all risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease’s commencement. Each payment is distributed between the capital and financing charge, in order to achieve a constant interest rate over the balance pending financing. The respective lease obligations, net of financial charges, are shown in interest-bearing loans. The property, plant and equipment acquired under finance lease contracts are depreciated according to the expected technical useful life of the asset.

Asset leases under which the lessor reserves all the rights and benefits of the property, are classified as operating leases, and the rent expenses recognized throughout the lease periods on a straight line basis.

2.23. Dividend distribution

Dividends to the shareholders are recognized as a liability in the Company’s financial statements at the end of each period in which the dividends are approved by the Company’s shareholders.

2.24. Environment

In case there are environment liabilities, these are recorded on the basis of the current interpretation of the environment laws and regulations, when a current obligation is likely to be incurred and the amount of that responsibility might be estimated reliably.

The investments in infrastructure intended to comply with environmental requirements are capitalized following the general accounting principles for property, plant and equipment.

2.25. Research & development

These expenses are shown in research & development in the statement of comprehensive income, and they are recorded in the period in which they are incurred.

2.26. Publicity expense

The publicity expense is recognized when incurred.

2.27. Earnings per share

The net earnings per share are calculated by dividing the net profit attributable to shareholders by the weighted average of the number of outstanding ordinary shares during the period.

2.28. Insurance and casualty expense

The payment of the various insurance policies taken out by the Company is recognized over the time period they cover, regardless of the payment dates. The amounts paid and not consumed are recognized as other non-financial assets under current assets.

Losses are recognized in the income statement immediately after they are known. The amounts to recover are recorded as an asset to be reimbursed by the insurance company as trade and other receivables, calculated as set forth in the insurance policies once the conditions that guarantee recoverability have been fulfilled.

NOTE 3 - RISK MANAGEMENT

The activities of Empresas CMPC and its subsidiaries expose them to a variety of market, financial and operating risks inherent to their business. CMPC seeks to identify and manage such risks in the most proper manner in order to minimize potential adverse effects. The Board of CMPC establishes the strategy and the framework under which the Company's risk management operates. This implemented by the general management of CMPC on a decentralized basis through the different business units. At a corporate level, the finance management and internal audit, respectively, co-ordinate and control the proper execution of the prevention and mitigation policies of the main risk identified.

3.1. Market risk

A considerable percentage of CMPC's sales come from products considered commodities, whose prices depend on the situation prevailing in international markets on which the Company has an insignificant impact. Consequently it has no control over the factors that affect prices. Among those factors is the fluctuation in global demand (basically determined by the economic conditions of Asia, North America, Europe and Latin America), the variation in the installed capacity of the industry, the level of inventories, the business strategies and comparative advantages of the main competitors in the forest industry and the availability of replacement products.

CMPC has a diversified portfolio in terms of products and markets, with more than 20,000 clients worldwide. This allows a commercial flexibility and significant risk dispersion.

The first category of CMPC's products is the chemical pulp or kraft, which represents less than 31% of consolidated sales in value and is marketed to over 200 clients in over 40 countries in Asia, Europe, America and Oceania. CMPC benefits from the business diversification and vertical integration of its operations, having certain flexibility to manage in this way its exposure to variation in the pulp price. The impact caused by a likely decrease in the pulp prices is compensated by higher margins in the sales of products with greater value added, particularly, tissue and cardboard. On the contrary, if the pulp prices

rise, the increase in the tissue's cost is mitigated by the use of a higher proportion of recycled paper, so as to be able to allocate a higher pulp volume to export.

3.2. Financial risk

The main financial risks identified by CMPC are: risk of conditions in the financial market (including foreign exchange risk and interest rate risk), credit risk and liquidity risk.

CMPC follows the policy of concentrating most of its financial operations of indebtedness and fund placement, currency exchange and derivatives trading in its subsidiary Inversiones CMPC S.A. The purpose of this policy is to optimize the resources, achieve scale economies, and improve the operating control. The separate indebtedness of subsidiaries occurs only when it turns to be advantageous.

a) Risk of conditions in the financial market

i) Exchange rate risk: CMPC operates internationally and is exposed to exchange rate risk arising from various currency exposures, which present two effects. The first effect is derived from the eventual accounting mismatch existing between the assets and liabilities of the financial position statement denominated in currencies other than the functional currency, which is the dollar in the case of CMPC. The second effect relates to the revenue and costs of the Company, which are denominated either directly or indirectly in currencies other than the functional currency.

During 2010, the exports of CMPC and its subsidiaries represented approximately 49% of total sales, being the main destination the markets of Asia, Europe, Latin America and the United States. Most of these export sales were performed in dollars.

Also, the domestic sales of CMPC in Chile and those of its subsidiaries in Argentina, Perú, Uruguay, México, Ecuador, Brazil and Colombia, in their respective countries, represented 51% of the Company's total sales. Such sales were carried out both in local currencies, dollars and local currencies indexed to the dollar.

As a consequence of the foregoing, the revenue flow in United States dollars or indexed to this currency is estimated to reach a percentage close to 68% of the Company's total sales. In turn, on the side of disbursements, raw materials, materials and spare parts required for fixed assets investment, are also mostly denominated in dollars, or else, indexed to that currency.

In particular cases, sales are carried out or commitments for payment are made in a currency other than the United States dollar. To avoid the foreign exchange risk of non-dollar currencies, derivative operations are carried out in order to fix the exchange rates in question. As of December 31, 2010 a high proportion of the flows expected in Euros and pound sterling for the sales of cardboard and wood in Europe was

hedged through forward sales.

Considering that the structure of the CMPC's cash flows is highly indexed to the dollar, most liabilities have been incurred in that currency. In the case of the foreign subsidiaries, given that they receive revenue in local currency, a part of their debt is established in the same currency in order to reduce the economic and accounting mismatches. Other mechanisms used to reduce the accounting mismatches are the management of the currency denomination of the financial investment portfolio, the occasional contracting for short-term forward operations and, in certain cases, transactions using options, which are subject to limits previously authorized by the Board and represent a low amount in relation to the Company's total sales.

Sensitivity analysis

CMPC has an asset accounting exposure in relation to other currencies other than the dollar (more assets than liabilities denominated in other currencies other than the dollar), amounting to US\$ 2,271 million as of December 31, 2010 (liability accounting exposure of US\$ 583 million as of December 31, 2009). If the total foreign exchange (the majority being Brazilian reais and Chilean pesos) were to appreciate or depreciate by 10%, the effect on the Company's equity would be, after taxes, a profit or loss of US\$ 188 million, respectively (loss or profit of US\$ 48 million, respectively, as of December 31, 2009).

ii) Interest rate risk: CMPC actively manages the interest rate structure of its debt through derivatives, in order to minimize the interest expense in the most likely scenario of expected rates. The Company's financial investments are preferably maintained at fixed interest rates, thus eliminating the risk of variation in the market interest rates.

CMPC has financial liabilities, at a floating rate, amounting to US\$ 729 million as of December 31, 2010 (US\$ 745 million as of December 31, 2009); consequently, they are subject to variations in the interest flows as a result of changes in the interest rate. If this rate has a 10% increase or decrease (over the average rate of financing equivalent to 2.6% and 4.6% as of December 31, 2010 and 2009, respectively) this implies that the annual financial expenses of CMPC increase or decrease by US\$ 1.86 million (US\$ 3.4 million as of December 31, 2009).

b) Credit risk

The credit risk basically arises from the eventual insolvency of certain of CMPC's clients and, therefore, from the capability of collecting pending accounts receivable and concluding committed transactions.

CMPC manages these exposures through continuous review and evaluation of the payment capability of its clients through a Credit committee that uses information from several alternative sources and through the risk transfer, using letters of credit and credit insurance that cover most of the export sales and certain domestic sales.

Trade accounts receivable according to cover at each year end is as follows:

	31/12/2010	31/12/2009
	%	%
Trade and account receivable	100	100
Credit insurance or letters of credit	62	64
Without cover	38	36

The effective management of credit risk and the wide distribution and diversity of sales has resulted in low credit loss which in recent years has been less than 0.1% of sales.

There are also credit risks in the execution of financial operations (counterparty risk). This risk for the Company arises when there is the likelihood that the counterparty to a financial contract cannot fulfill the financial obligations incurred, thus making CMPC incur a loss. To reduce this risk in its financial operations, CMPC establishes individual limits of exposure by financial institution, approved periodically by the Board of Empresas CMPC S.A. In addition, CMPC follows the policy of operating with banks and financial institutions with a risk rating similar to or higher than that of the Company.

A detail of the financial institutions with which CMPC has investments is shown below:

Issuer	31/12/2010		31/12/2009	
	%	ThUS\$	%	ThUS\$
Banco de Chile	25.37	189,666	20.25	166,675
Banco BCI - Chile	14.45	108,061	14.61	120,150
Banco J.P. Morgan Chase Bank N.A. - United States	11.67	87,264	6.56	53,985
Banco Santander - Chile	11.42	85,414	14.70	120,865
Banco Corpbanca - Chile	7.36	55,071	4.44	36,521
BancoEstado - Chile	6.92	51,789	0.00	-
BancoEstado S.A. Corredores de Bolsa - Chile	6.85	51,253	0.94	7,691
BICE Agente de Valores S.A. - Chile	4.69	35,082	20.46	168,208
Banco HSBC Bank - Chile	3.71	27,736	0.00	-
Banco Security - Chile	1.95	14,574	0.00	-
Banco BBVA - Perú	1.15	8,623	0.17	1,402
Banco Santander - México	1.15	8,588	1.44	11,816
Itaú Chile Corredor de Bolsa Ltda.	0.82	6,159	0.38	3,100
Banco Citibank N.A. - England	0.67	5,002	0.23	1,910
Banco de Crédito del Perú	0.42	3,178	0.71	5,856
Banco Itaú - Chile	0.32	2,390	0.00	-
Banco Scotiabank - Chile	0.25	1,849	0.18	1,475
Banco BNP Paribas - France	0.19	1,389	0.00	-
Banco Citibank N.A.N.Y. - United States	0.16	1,217	0.16	1,290
Banco Itaú - Brazil	0.14	1,027	0.98	8,065
Banco HSBC Bank PLC - England	0.08	634	0.11	883
Banchile Corredores de Bolsa S.A.	0.07	541	5.01	41,161
Banco BBVA - Chile	0.05	368	0.22	1,803
Banco Citibank London - England	0.05	362	0.05	447
Rothschild Asset Management - England	0.03	235	0.03	247
J. Aron & Company - United States	0.03	208	0.00	-
J.P. Morgan Money Market Fund - United States	0.02	137	0.02	137
J.P. Morgan Money Market Chase Bank N.A. - United States	0.01	65	0.01	70
Banco BICE - Chile	0.00	37	0.00	35
Banco Deutsche Bank - Chile	0.00	10	0.01	45
Banco BBVA - Colombia	0.00	7	0.00	-
Banco Santander - Colombia	0.00	3	0.43	3,559
BBH & Co. Money Market Fund - United States	0.00	2	0.00	2
Banco Bradesco - Brazil	0.00	-	2.87	23,598
BBVA Corredores de Bolsa S.A. - Chile	0.00	-	2.07	16,988
Corpcapital Corredores de Bolsa S.A. - Chile	0.00	-	1.58	13,020
BCI Corredores de Bolsa S.A. - Chile	0.00	-	1.37	11,241
Banco J.P. Morgan Chase Bank - Chile	0.00	-	0.01	82
Total general	100.00	747,941	100.00	822,327
Plus: Cash in hand and bank current accounts		23,421		24,463
Total Cash and cash equivalents and Other financial assets		771,362		846,790

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c) Liquidity risk

This risk considers the possibility that the Company could not fulfill its obligations as a result of insufficient liquidity or due to the inability to obtain loans. CMPC manages these risks through the proper distribution, extension of maturity dates and limitation of the amount of its debt, as well as the maintenance of an adequate liquidity reserve. As a policy, the Company concentrates its financial debts in the subsidiary Inversiones CMPC S.A. from which the financing is provided to the operating subsidiaries. Debts are incurred through bank loans and bonds placed both in the international and local markets. The indebtedness in other subsidiaries only occurs when this turns out to be advantageous. The prudent financial policy followed by CMPC, besides the market position and the quality of assets, enables Empresas CMPC S.A. to have an international credit rating of BBB+ (BBB plus), according to Standard & Poor's and Fitch Ratings, one of the highest rating in the forest, paper and pulp industry worldwide (see liability liquidity analysis in Note 22.2 g)).

Furthermore, it should be mentioned that the Board of Empresas CMPC S.A., together with management have established a policy of financial objectives, beyond those required by the creditors, in order to maintain a sound financial position.

The financial objectives policy considers the following criteria:

- i) Cash and cash equivalent (*) \rightarrow Debt amortization + Finance costs in next 18 months.
- ii) Net financial debt (***)/ EBITDA \leftarrow 2.5 times in a 24-month target period.
- iii) Financial debt with third parties (**) over tangible Equity \leftarrow 0.50 times.
- iv) Interest coverage [(EBITDA + interest income)/ Finance costs] \rightarrow 5.0 times.

(*) Cash and cash equivalents: Cash and cash equivalents plus time deposits, over 90 days (See Note 8)

(**) Financial debt with third parties: total interest – bearing loans – other obligations + liabilities on swaps and cross currency swaps operations + hedging liabilities – assets on swaps and cross currency swaps operations – hedging assets (See Note 22 e)).

(***) Net financial debt: Financial debt with third parties less cash and cash equivalents.

The Board and management will ensure compliance with these objectives continuously. In case of non compliance, the necessary measures will be taken to recover the levels defined within 6 months, either through increases in long-term debt, decrease in the dividend policy or capital increases, among others. At the closing of these financial statements, the financial objectives referred to above are satisfactorily complied.

3.3. Operating risks

a) Operating and fixed asset risks

The CMPC's operating risks are managed by the business units of the Company in agreement with the rules and standards defined at corporate level.

The objective of the Operating risk management is to protect, efficiently and effectively, the employees, the environment, the Company's assets, and the business performance in general. For that purpose, measures for loss prevention and insurance coverages are managed on a balanced basis. The work in loss prevention is systematic and developed according to pre-established guidelines, in addition to periodic risk inspections performed by engineers from insurance companies. In general, the conditions of limits and deductibles of the insurance policies are established according to the maximum losses estimated for each risk category and to the coverage offer conditions in the market.

The operating risks of the Company's total infrastructure assets (construction, improvements, machinery, etc.) are properly covered by insurance policies. In turn, the forest plantations have fire and other natural risks, which are also covered by insurance. There are also biological risks that might adversely affect plantations. Even though these factors have caused no significant damages to CMPC's plantations in the past, ensuring that this will not occur in the future is not possible.

b) Risks for investments abroad

Besides Chile, CMPC has industrial plants in Argentina, Uruguay, Perú, Ecuador, México, Colombia and Brazil. It also has forests in Argentina and Brazil. Some of these countries have passed through periods of political and economic instability during the recent decades, periods in which governments have intervened in business and financial matters with effects on foreign investors and companies. It is not possible to conclude that these situations might not be repeated in the future with adverse effects on the Company's operations. About 27% of the Company's consolidated sales during 2010 correspond to local sales of foreign subsidiaries.

c) Continuity and input supply and service costs

The development of the CMPC's business involves complex logistics in which the timely supply in quality and costs of inputs and services is fundamental to maintain competitiveness.

In the last few years, significant rises were observed in the international price of oil, which worsened until reaching unprecedented levels in the month of July 2008. After that date, significant drops in prices were observed, which were reverted in the second half of 2009, taking up again a new upward trend that has remained firm to date.

With regard to electrical power, most of CMPC's main plants have their own power supply from the consumption of biomass and/or long-term supply contracts. Furthermore, every plant has contingency plans to cope with restricted supply scenarios. However, it is not possible to rule out in absolute terms that in the future eventual power supply shortage might generate discontinuities in the power supply and/or higher costs to CMPC's plants. There is concern about the level of energy rates in Chile, a situation that, if maintained, along with the termination of contracts at fixed prices in the next years, might significantly affect the level of competitiveness of certain Company's businesses in which electric power has a high incidence on its costs.

Among CMPC's multiple suppliers of products and services in Chile there are contractors that provide specialized support services to its forest and industrial operations. If these contractors do not perform to the level of quality required, or the contractual relationship with the contractors is affected by regulations or other contingencies, the CMPC's operations might be partially affected.

CMPC seeks to maintain a close long-term relationship with the contractors with which it has worked in the development of high standards of operation with an emphasis on employee security as well as on the improvement of labor conditions in general.

d) Environmental risks

The CMPC's operations are regulated by environmental standards in Chile and in the other countries where it operates. CMPC has characterized itself as generating bases of sustainable development in its business management. This has enabled the Company to adapt smoothly to modifications in the environmental legislation so that the impact of its operations is consistent with these standards. Future changes in these environmental regulations or in the interpretation of these laws, might have an impact on the operations of the Company's industrial plants.

e) Risks associated with relationships within the community

CMPC has maintained its policy of a close relationship with the communities where it develops its operations, collaborating in different areas of which the support of the educational process in Chile by the Fundación CMPC over the previous years stands out.

In certain zones of the regions Bio-Bio and Araucanía in Chile, violent incidents affecting farmers' and forest companies' land have worsened with higher intensity, caused by minorities of the Mapuche ethnic group who demand ancestral rights over certain land in the zone. Poverty and social problems affecting various communities are the roots of conflict. Less than 1% of the plantations (19 estates) owned by CMPC in Chile, are in some level of conflict with indigenous communities. CMPC has made efforts to create a special employment program to

mitigate the poverty problems of the families who live there. All the foregoing has been carried out without detriment to the government social programs.

The Company performs programs of education support and communal development that benefit the communities close to its farm land and industrial plants, in order to contribute to improve their living conditions. In the local communities the Company tries to cooperate with the local desires and challenges as much as possible. Furthermore, the Fundación CMPC develops programs of educational support in Chilean state schools and implements training for the communities to improve the level of education reached by children in order to allow them access to better and various labor options.

f) Compliance risks

This risk is associated with the Company's capability to comply with legal, regulatory, contractual, business conduct and reputation requirements, beyond the aspects covered in the factors discussed above. In this sense, every part of the corporate governance in CMPC regularly reviews its operating and administrative processes in order to ensure proper compliance with the laws and regulations applicable to each one of them. In addition, CMPC is characterized by maintaining a proactive attitude in matters relating to security, environment, labor conditions, market operation and relationships within the community. CMPC, with a history of almost 90 years, maintains a proven and recognized track record of rigor and prudence in the conduct of its business.

Furthermore, and in compliance with the regulation of Law 20,393 which sets forth the corporate criminal liability in the offenses of assets laundering, financing of terrorism and bribery, a "Prevention Model" of the offenses referred to above is in the implementation stage, in order to regulate the conduct of its employees to the purposes of prevent the perpetration of said unlawful acts and try to avoid their occurrence. This Prevention Model will be added to the existing processes of constant internal audit of the Company, which among their objectives contemplate watching over the strict compliance with the applicable legal framework.

NOTE 4 - CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgments are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are reasonably believed to be probable under the circumstances.

The preparation of the consolidated financial statements under IFRS requires that estimates and judgments are made concerning assets and liabilities, the exposure to contingent assets and liabilities on the dates of the financial statements, and the profit and loss amounts during the period. Consequently, the actual results observed can differ from these estimates.

The accounting principles and the areas requiring a larger number of estimates and judgments in the preparation of the financial statements are the biological assets, liability for severance indemnities, lawsuits and other contingencies, useful lives and asset impairment tests and fair value of derivatives contracts or other financial instruments.

4.1. Biological assets

The forest plantations are shown in the Statement of financial position at fair value. Consequently, the forest groups are accounted for at fair value less the harvesting costs and transfer expenses to the points of sale.

New plantations (over the last year) are valued at their cost, which is equivalent to their fair value as of that date.

The fair value is based on the discounted cash flow model. This method uses the cash flows from continued operations on the basis of forest harvesting plans and takes into account the growth potential. This means that the fair value of biological assets is measured as the "Current value" of the harvest of the present growth cycle of productive plantations. Biological assets are recognized and measured at fair value separately from the land.

Consequently, management uses estimates of future price levels, sales and costs trends and the regular studies of forests to establish the volumes of timber available for harvesting and their current growth rates.

The model also uses two price schemes to value assets. The first scheme is to value the short term sales and is based on current market values. The second scheme uses medium to long term sales and considers the historic price and forecast of structural changes in markets.

The fixing of the prices of wood in the long term is based on historic information of several years and on the forecast of variables which might affect the future economic environment, with these prices having values that have been historically observed in reality as upper limit. The variations between consecutive years are little and are not corrected if they not significant. The short-term price fixing for the two tender age of the model of assessment fits to commercial terms.

The percentage variation in the timber prices will affect the valuation of plantations as follows: variations of 5% in prices modify the value of the asset by 7.8% (7.5% in 2009).

In addition, a sensitivity test of direct costs was carried out (including the harvest and transport), where variations of 5% generate a change of 2.6% (1.1% in 2009).

Finally, variations 100 bps in the discount rate changes the value of plantations by 4.5% (4.3% in 2009). This test considers a base discount rate of 8% annually in Chile, 11% in Argentina and 9% in Brazil.

4.2. Liability for post employment benefits

The Company recognizes this liability in accordance with the accounting standards, using an actuarial methodology that considers estimates of the labor turnover, discount rate, rate of wage increase and average retirements. This value determined in this way is shown at present value using the projected unit credit method.

4.3. Lawsuits and other contingencies

CMPC is involved in various lawsuits for which it is not possible to determine with accuracy the economic effects on the financial statements. Where the Company's management and counsel believe that favorable results will be obtained, or that results are uncertain and lawsuits are pending sentence, no provisions have been made. Where the opinion of the Company's management and counsel is unfavorable, provisions have been made that are charged to expenses for estimates of the most likely amounts to be paid.

The detail of these lawsuits and contingencies are shown in Note 25 to these financial statements.

4.4. Useful lives and asset impairment testing

Depreciation of industrial plants and equipment is made on the basis of the useful life management has estimated for each of these productive assets. This estimate might change significantly as a consequence of technological innovations and actions by competitors as an answer to significant changes in the variables of the industrial sector. Management will increase the depreciation charge when the present useful life is lower than the useful life previously estimated or will depreciate or eliminate technically obsolete or non-strategic assets that have been abandoned or sold.

Management considers that the assigned values and useful life, as well as the assumptions used, are reasonable, even though different assumptions and useful life used might have a significant impact on the amounts reported.

Furthermore, as set forth by IAS 36, CMPC evaluates at each period-end, or before if there were any sign of impairment, the recoverable value of the property, plant & equipment grouped in cash generating units (CGUs), including the proportionate goodwill determined, to prove whether there is impairment loss in the value of assets. If, as a result of this evaluation, the fair value turns out to be lower than the net carrying value, an impairment loss is recorded as an operating item in the income statement.

4.5. Fair value of derivative contracts or other financial instruments

The fair value of the financial instruments not traded in an active market is determined using valuation techniques commonly accepted in the financial market, which are based mainly on the market conditions existing as of the date of each balance sheet.

These valuation techniques consist of calculating the difference between the market variables agreed at the inception of a contract and the actual market variables at the time of valuation, discounting the future cash flows at the relevant market rates, which are determined by the market value as of the valuation date.

NOTE 5 - ACCOUNTING CHANGES

The financial statements as of December 31, 2010 include no changes in the accounting policies with regard to the same period of the previous year.

NOTE 6 - NEW ACCOUNTING PRONOUNCEMENTS

The following new accounting pronouncement had real application from the years comprised in these financial statements:

Standards and Amendments	Mandatory application for
IFRS 3 revised: Business combinations	Annual periods starting on or after July 1, 2009.
Amendment to IAS 39: Selection of hedged items	Annual periods starting on or after July 1, 2009.
Amendment to IAS 27: Consolidated and separate financial statements	Annual periods starting on or after July 1, 2009.
Improvements to IFRSs: Amendment to IFRS 2: Share-based payments	Mostly to annual periods starting on or after July 1, 2009. Annual periods starting on or after January 1, 2010.
IFRIC 17: Distribution of non-monetary assets to owners	Annual periods starting on or after July 1, 2009.
IFRIC 18: Transfer of assets from clients	Annual periods starting on or after July 1, 2009.
Amendment to IFRIC 9: Revaluation of embedded derivatives	Annual periods starting on or after July 1, 2009.
Amendment to IFRIC 16: Hedge of a net investment of a foreign operation	Annual periods starting on or after July 1, 2009.
Amendment to IAS 38: Intangible assets	Annual periods starting on or after July 1, 2009.
Amendment to IAS 36: Asset impairment	Annual periods starting on or after January 1, 2010.
Amendment to IFRS 5: Non-current assets held for sales	Annual periods starting on or after January 1, 2010.

The application of these pronouncements has had no significant effects on CMPC. The rest of the accounting principles applied in 2010 have not changed with regard to those used in 2009.

As of the date on which these consolidated financial statements were issued, the following accounting pronouncement had been issued by the IASB (issuing agency of the international standards) but were not of mandatory application:

Standards and Amendments	Mandatory application for
Amendment to IAS 32: Classification of issue rights	Annual periods starting on or after February 1, 2010.
IFRS 9: Financial Instruments: Classification and measurement	Annual periods starting on or after January 1, 2013.
IAS 24 revised: Disclosure of related parties	Annual periods starting on or after January 1, 2011.
IFRIC 19: Liquidation of financial liabilities with equity instruments	Annual periods starting on or after July 1, 2010.
Amendment to IFRIC 14: Advance payment of the obligation to maintain a minimum level of financing	Annual periods starting on or after January 1, 2011.
Improvement of IFRS (issued in 2010):	Mostly to annual periods starting on or after January 1, 2011.
Amendment to IFRS 7: Financial instruments: Information to disclose	Annual periods starting on or after July 1, 2011.
Amendment to IAS 12: Income tax	Annual periods starting on or after January 1, 2013.

CMPC's management estimates that the adoption of the new standards, interpretations and amendments referred to above, will

have no significant effects on its consolidated financial statements in the period of first application.

NOTE 7 - SEGMENT INFORMATION

The operating segments are reported in a manner consistent with the presentation of the internal reports used by management in the process of decision-making and management control.

CMPC bases its designation of segments in terms of the product differentiation and of the financial information made available to the decision-makers, in relation to matters such as profit measurement and investment allocation.

The operating segments determined in this way are as follows:

Forest

The forest segment reported by CMPC corresponds to its business area that, led by its subsidiary Forestal Mininco S.A., has the mission of managing the Company's forest equity and the developing of the solid-wood business. Among its main products are: logs for the manufacturing of cellulose pulp and solid-wood products, such as sawn lumber, remanufactured products and plywood boards.

CMPC has over 643 thousand hectares of forest plantations, basically of pine and eucalyptus, of which 486 thousand hectares are located in Chile, 64 thousand hectares in Argentina and 93 thousand hectares in Brazil. Forestal Mininco S.A., Forestal Crecex S.A. and Forestal y Agrícola Monte Águila S.A. are the main subsidiaries in Chile in terms of forest equity. Furthermore, the Company has usufruct contracts with third parties comprising 27 thousand hectares of forest plantations in Chile and Brazil.

CMPC Maderas S.A. has four sawmills in the regions VII and VIII of Chile: Buclemu, Mulchén, Nacimiento and Las Cañas with an annual production capacity close to 1,4 million cubic meters of sawn lumber. CMPC Maderas exports 58% of its production to the five continents. It also has two remanufacturing plants, in Coronel and Los Angeles, which are capable of producing 180 thousand cubic meters, approximately, of manufactured products from dry sawn lumber (moldings, boards and laminated timber), and a plant of Plywood, with a production capacity of 240 thousand cubic meters annually.

The main clients for lumber are the industrial plants of the Company's cellulose and paper segments. With regard to the solid-wood products, the main external clients are in the area of construction material distribution and are based in North America (United States and Mexico), Asia (Japan), Middle East and Europe (Spain).

Cellulose

The activities in this business area are carried out by the subsidiary CMPC Celulosa S.A. This company operates 4 industrial plants in Chile and one in Brazil, with a total annual production capacity of around 2.3 million metric tons of cellulose (plus 146 thousand tons of paper of different kind and weight of the paper segment). The production of cellulose corresponds to 676 thousand tons of bleached softwood kraft pulp (BSKP, based on pinus radiate wood) and 1,64 million tons of bleached hardwood kraft pulp (BHKP, based on eucalyptus wood). All of them have ISO 9001, ISO 14001 and OHSAS 18001 certification. In addition, they have their custody chain certified under CERTFOR-PEFC

standards, ensuring that their raw material comes exclusively from cultivated forests or origin-controlled plantations, free of controversies and perfectly traceable from the forest to their final destination.

The purchase of the Guaíba unit in Brazil by mid-December of 2009 increased the CMPC total capacity of cellulose production by 400 thousand annual tons.

From the total cellulose produce, approximately 240 thousand tons are sold to subsidiaries and the difference is exported from Chile and Brazil to more than 200 clients in America, Europe, Asia and Oceania. CMPC Celulosa S.A. is positioned within the leading companies of the world industry and owns an efficient logistic network which enables the Company to provide a first-class dispatching service to its clients.

The main external clients are based in Asia (China and South Korea), Europe (Italy, Germany and Holland) and Latin America (Venezuela and Colombia).

Paper

This business area comprises five subsidiaries, through which it takes part in the production and marketing of cardboard, paper for corrugation and industrial-use paper and newsprint. Furthermore, it has one subsidiary specializing in the distribution of paper and another one engaged in recycling.

The subsidiary Cartulinas CMPC S.A. sells 377 thousand tons annually of cardboard in 53 countries of Latin America, Europe, Asia, North America and Oceania, which are produced in Chile, in the factories of Maule (Region del Maule) and Valdivia (Region de los Rios).

The subsidiary Papeles Cordillera S.A., located in Puente Alto (Metropolitan Region of Chile) markets a variety of paper for corrugation, wrapping, construction, laminated and industrial use paper, produced in three paper mills. The most important of these paper mills is that which produces corrugation paper based on recycled fibers, with a capacity of 290 thousand tons annually.

The subsidiary Industrias Forestales S.A. sells newsprint produced in its paper mill of Nacimiento (Region of Bio-Bio) which has a capacity of 200 thousand tons annually, and is sold both in Chile and abroad. The main destination of its exports is Latin America; however, it also sells in the markets of North America, the Caribbean, Europe and Asia.

With the acquisition of the industrial and forest assets of the Guaíba unit in the State of Rio Grande do Sul in Brazil late in 2009, the production capacity is increased by 60 thousand tons of paper annually.

In addition to these paper producer subsidiaries the segment includes Edipac S.A. and Sorepa S.A. Edipac S.A. is a distribution company in charge of selling CMPC paper, principally in the Chilean market and Sorepa S.A. is a company responsible for collecting paper and

cardboard boxes already used in Chile so that they may be recycled and reused as raw material in the various paper mills of CMPC.

Tissue

This business area is engaged in the production and selling of tissue products (toilet paper, paper towels, paper napkins and facial tissue), sanitary products (diapers for children, adults and sanitary tissue for women) and specialized hygienic products for the consumption in institutions and public places, in Chile, Argentina, Perú, Uruguay, México, Colombia, Ecuador and Brazil.

The main producer subsidiaries that make up this segment are CMPC Tissue S.A. (Chile), La Papelera del Plata S.A. (Argentina), Melhoramentos Papéis Ltda. (Brazil), Protisa Perú S.A. (Perú), IPUSA (Uruguay), Internacional de Papeles del Golfo S.A. de CV (México), Protisa Colombia S.A., Drypers Andina S.A. (Colombia) and Protisa Ecuador S.A.

The tissue business of CMPC offers a wide range of products in terms of quality and price in the categories in which it is engaged. Products are basically sold under company-owned trademarks, which have achieved high levels of recognition by consumers.

Elite ® is the regional trademark used by CMPC. Likewise, Confort ® and Nova ® in Chile and Higienol ® and Sussex ® in Argentina are the leading trademarks in their markets in the categories of toilet paper and paper towels, respectively. The disposable diapers for babies and adults and sanitary towels for women are marketed under the trademarks Babysec ®, Cotidian ® and Ladysoft ®, respectively.

The main clients belong to the retail distribution area and are based in Latin America (Chile, Argentina, Brazil, Perú and Uruguay, Ecuador and Colombia) and in North America (México).

In July 2009, the Company took control of the operation of Melhoramentos Papéis Ltda., a Brazilian producer of tissue paper, for the amount of US\$ 48.9 million. Through this operation, CMPC added two paper mills with a capacity of 77 thousand tons annually.

From July 2009 Melhoramentos Papéis Ltda. was added to the consolidation process of the financial statements of CMPC and subsidiaries (See Note 14).

Paper Products

The Paper Products business has six subsidiaries engaged in the manufacturing and marketing of paper-manufactured products such as corrugated cardboard boxes, industrial bags or sacks and molded pulp trays.

The corrugated cardboard business is operated through the companies Envases Impresos S.A. which manufactures corrugated cardboard boxes for the fruit growing sector and salmon industry in its two plants located south of Santiago in the town of Buin, and Envases Roble Alto

S.A. which manufactures corrugated cardboard boxes for the industrial and wine sectors in its two industrial plants located in Til-Til and Quilicura in the Metropolitan Region of Chile.

The multi-sheet paper sacks business is operated by the subsidiary Forsac S.A. in Chile with a plant in the city of Chillán (Region of the Bío-Bío in Chile); Fabi Bolsas Industriales S.A. in Argentina located in the town of Hinojo, 400 kilometers south of Buenos Aires, Forsac Perú S.A., with operations in Lima, and Fosac México S.A., with operations in the city of Zapopan, state of Jalisco. From the different locations referred to above the respective local markets are serviced, particularly the industry of cement and materials for construction and, also, exports are made to various countries of Latin America and the United States.

The subsidiary Chimolsa S.A., whose plant is located in Puente Alto (Metropolitan Region of Chile) manufactures and markets molded pulp trays intended for apple and avocado exports, as well as egg trays and cases.

The main clients belong to the horticultural, industrial and wine-growing areas and are based in South America (Chile, Peru and Argentina).

Others

The results of areas other than the segments referred to above, relating to CMPC and other not transferred to the operating segments, is presented as "Others" and does not represent significant amounts on an individual basis for its designation as operating segment.

The general information over income and cash flows as of December 31, 2010 and 2009 is as follows:

Cumulative as of December 31, 2010 Items	Business areas (operating segments) ThUS\$							Adjustments and eliminations	Total Entity
	Forest	Pulp	Paper	Tissue	Paper Products	Total segments	Others (3)		
Total ordinary revenue from external clients	414,425	1,412,917	700,654	1,344,560	346,616	4,219,172	-	-	4,219,172
Total ordinary revenue between segments	225,232	248,343	148,893	3,092	19,288	644,848	41,281	(686,129)	-
Total interest income	411	1,720	10,522	710	158	13,521	152,685	(152,126)	14,080
Total interest expense	(37,017)	(89,284)	(13,576)	(38,699)	(13,352)	(191,928)	(94,870)	152,126	(134,672)
Total interest income, net	(36,606)	(87,564)	(3,054)	(37,989)	(13,194)	(178,407)	57,815	-	(120,592)
Total depreciations and amortization	(24,406)	(196,437)	(40,286)	(58,295)	(10,450)	(329,874)	(1,032)	6,085	(324,821)
Total EBITDA (1)	100,827	695,300	154,511	161,776	41,057	1,153,471	(12,349)	(3,344)	1,137,778
Total operating profit (loss) (2)	78,206	494,549	114,225	103,482	30,606	821,068	(13,382)	2,740	810,426
Total profit (loss) of segment before tax	163	399,934	115,352	44,616	(4,255)	555,810	630,015	(470,429)	715,396
Profit (loss) of investments in associates	36	-	-	-	-	36	17,444	-	17,480
Total income tax (charge) credit	11,889	(77,829)	(13,830)	(2,794)	413	(82,151)	6,777	-	(75,374)
Total disbursements of the segments' non-monetary assets	(88,821)	(297,011)	(3,926)	(174,190)	(9,787)	(573,735)	(27)	-	(573,762)

Cumulative as of December 31, 2009 Items	Business areas (operating segments) ThUS\$							Adjustments and eliminations	Total Entity
	Forest	Pulp	Paper	Tissue	Paper Products	Total segments	Others (3)		
Total ordinary revenue from external clients	346,057	805,835	636,275	1,033,520	301,137	3,122,824	785	-	3,123,609
Total ordinary revenue between segments	195,071	123,008	132,702	2,392	18,214	471,387	66,014	(537,401)	-
Total interest income	156	10	4,244	840	141	5,391	101,457	(96,171)	10,677
Total interest expense	(35,978)	(34,632)	(16,834)	(30,048)	(14,232)	(131,724)	(61,699)	96,171	(97,252)
Total interest income, net	(35,822)	(34,622)	(12,590)	(29,208)	(14,091)	(126,333)	39,758	-	(86,575)
Total depreciations and amortization	(24,095)	(162,449)	(39,043)	(45,868)	(10,109)	(281,564)	(1,160)	5,879	(276,845)
Total EBITDA (1)	35,009	254,608	155,813	157,248	45,781	648,459	22,446	(27,350)	643,555
Total operating profit (loss) (2)	12,755	88,366	120,363	111,379	35,670	368,533	21,286	(21,289)	368,550
Total profit (loss) of segment before tax	(138,350)	(15,306)	89,410	88,425	(21,388)	2,791	279,877	(96,002)	186,666
Profit (loss) of investments in associates	36	-	-	-	-	36	17,214	-	17,250
Total income tax (charge) credit	58,234	21,337	4,050	16,294	1,093	101,008	(19,456)	-	81,552
Total disbursements of the segments' non-monetary assets	(92,548)	(82,956)	(8,957)	(127,125)	(5,726)	(317,312)	(28)	-	(317,340)

(1) Corresponds to the gross profit plus depreciation, plus cost of formation of harvested plantations, plus higher cost of the portion exploited and sold of the plantations derived from the restatement for natural growth (see Note 12 Biological assets), less distribution cost, less administrative expenses and less other expenses, by function.

(2) Corresponds to the profit (loss) before income tax expense, finance income and costs, foreign exchange differences, results for indexation unit, other income and results of associates.

(3) In the case of Inversiones CMPC and CMPC the results of subsidiaries are not included, which are presented separately.

The general information over cumulative assets and liabilities as of December 31, 2010 and 2009, is as follows:

Cumulative as of December 31, 2010 Items	Business areas (operating segments) ThUS\$						Adjustments and eliminations	Total Entity	
	Forest	Pulp	Paper	Tissue	Paper Products	Total segments			Others
Total assets of segment	4,309,433	4,419,554	1,959,281	2,060,120	455,721	13,204,109	10,104,071	(10,431,724)	12,876,456
Total amount in investments in associates	231	-	-	-	-	231	113,397	-	113,628
Total liabilities of segments	1,298,870	2,692,194	495,567	1,285,323	346,178	6,118,132	2,437,527	(3,500,934)	5,054,725

Cumulative as of December 31, 2009 Items	Business areas (operating segments) ThUS\$						Adjustments and eliminations	Total Entity	
	Forest	Pulp	Paper	Tissue	Paper Products	Total segments			Others
Total assets of segment	5,057,885	3,143,478	2,002,852	1,761,003	389,933	12,355,151	9,569,712	(9,827,314)	12,097,549
Total amount in investments in associates	192	-	-	-	-	192	95,522	-	95,714
Total liabilities of segments	1,247,030	2,364,960	584,279	975,246	272,404	5,443,919	2,467,536	(3,071,999)	4,839,456

Each segment is measured uniformly and in accordance with the Company's general accounting policies.

The accounting principles relating to transactions between CMPC's subsidiaries, which are carried out at market prices, consider that balances, transactions and profit or loss remain in the origin segment and are only eliminated in the entity's consolidated financial statements.

Given CMPC's policy of concentrating most of its financial operations in its subsidiary Inversiones CMPC S.A., balances in current accounts between subsidiaries arise, which are subject to interest at market rates.

The administration services provided by the subsidiaries Inversiones CMPC S.A. and Servicios Compartidos CMPC S.A. are collected from each segment on the basis of the actual utilization rates.

In general, there are no special conditions or principles for transactions between subsidiaries that might affect the results or valuation of the assets and liabilities of each segment.

The revenue from the ordinary activity of CMPC's external clients, at the closing of each period, is distributed among the following geographical areas:

Description of geographical area	Year	
	2010 ThUS\$	2009 ThUS\$
Chile (Company's country of domicile)	1,019,866	858,060
Brazil	443,477	194,738
Rest of Latin America	1,259,738	1,033,578
United States and Canada	137,261	127,931
Asia	717,770	506,748
Europe	563,403	342,536
Others	77,657	60,018
Total	4,219,172	3,123,609

The revenue from the ordinary activities allocated to the different regions considers the exports to these zones and the local sales performed by the subsidiaries domiciled in those same geographical zones.

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The geographical allocation of the non-current assets is as follows:

Description of geographical area	%	As of	
		31/12/2010 ThUS\$	31/12/2009 ThUS\$
Chile (Company's country of domicile)	73.90	7,278,292	7,127,105
Brazil	17.88	1,760,747	1,650,636
Rest of Latin America	8.22	809,690	718,176
Total	100.00	9,848,729	9,495,917

NOTE 8 - FINANCIAL ASSETS

The financial assets in each period, classified according to the categories set forth by IAS 39, are the following:

	Classification				
	Financial assets at fair value through profit or loss	Financial assets held to maturity	Loans and accounts receivable	Financial assets available for sale	Total financial assets
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Balances as of December 31, 2010					
Cash and cash equivalents	439	-	364,090	-	364,529
Time deposits between 90 days and one year	-	-	285,396	-	285,396
Cross currency swap operations	109,075	-	-	-	109,075
Forward exchange contract operations	958	-	-	-	958
Hedging assets	4,026	-	-	-	4,026
Other financial assets	114,059	-	285,396	-	399,455
Hedging assets	7,378	-	-	-	7,378
Other financial assets – non-current	7,378	-	-	-	7,378
Total financial assets	121,876	-	649,486	-	771,362
Balances as of December 31, 2009					
Cash and cash equivalents	456	-	735,280	-	735,736
Time deposits between 90 days and one year	-	-	25,751	-	25,751
Cross currency swap operations	71,035	-	-	-	71,035
Forward exchange contract operations	10,971	-	-	-	10,971
Hedging assets	1,619	-	-	-	1,619
Other financial assets	83,625	-	25,751	-	109,376
Hedging assets	1,678	-	-	-	1,678
Other financial assets – non-current	1,678	-	-	-	1,678
Total financial assets	85,759	-	761,031	-	846,790

8.1. Cash and cash equivalents

Cash and cash equivalents include cash on hand, time deposits and other financial investments with original maturities of three months or less. This item also includes those investments typical of cash

management, such as repurchase and resale agreements whose maturity is in agreement with the above mentioned term, as described in IAS 7.

As of December 31, 2010 and 2009 the composition of cash and cash equivalents, classified per origin currencies, is as follows:

Cash and cash equivalents	Chilean peso	Dollar	Euro	Argentine peso	Uruguayan peso	Peruvian Nuevo sol	Colombian peso	Mexican peso	Pound sterling	Brazilian reais	Japanese yen	Totals
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Balances as of December 31, 2010												
Cash & Banks	2,827	3,117	1	468	305	791	1,314	7,151	71	7,376	-	23,421
Time deposits, less than 90 days	202,231	27,111	5,002	-	-	10,873	10	384	996	1,027	-	247,634
Marketable securities, highly liquid	93,035	374	65	-	-	-	-	-	-	-	-	93,474
Total	298,093	30,602	5,068	468	305	11,664	1,324	7,535	1,067	8,403	-	364,529
Balances as of December 31, 2009												
Cash & banks	7,117	4,046	22	499	43	659	643	1,179	-	10,004	251	24,463
Time deposits, less than 90 days	397,653	9,695	1,910	-	-	2,986	3,559	612	1,330	31,663	-	449,408
Marketable securities, highly liquid	248,558	13,237	70	-	-	-	-	-	-	-	-	261,865
Total	653,328	26,978	2,002	499	43	3,645	4,202	1,791	1,330	41,667	251	735,736

Cash & Banks are available resources and its carrying value is equal to the fair value (ThUS\$ 23,421 as of December 31, 2010 and ThUS\$ 24,463 as of December 31, 2009).

Time deposits are recorded at amortized cost, with maturities of less than 90 days, and are detailed as follows:

Issuer	Currency	31/12/2010 ThUS\$	31/12/2009 ThUS\$
J.P. Morgan Chase Bank N.A. - United States	US\$	13,275	4,133
Citibank N.A. N.Y. - United States	US\$	1,217	1,290
Banco Itaú - Chile	US\$	1,382	-
HSBC Bank - Chile	US\$	10,309	-
Banco de Crédito del Perú	US\$	928	4,272
Citibank N.A. - England	EUR	5,002	1,910
Banco de Chile	CLP-UF	9,956	-
Banco Santander - Chile	CLP-UF	4,980	-
Banco Santander - Chile	CLP	26,774	85,980
Banco de Chile	CLP	34,901	156,140
Banco Corpbanca - Chile	CLP	24,324	36,521
Banco BCI - Chile	CLP	69,405	118,977
Banco Scotiabank - Chile	CLP	1,849	-
Banco BICE - Chile	CLP	37	35
HSBC Bank - Chile	CLP	15,431	-
Banco Security - Chile	CLP	14,574	-
Banco de Crédito del Perú	PEN	2,250	1,584
Banco BBVA - Perú	PEN	8,623	1,402
Banco Citibank London - England	GBP	362	447
HSBC Bank PLC - England	GBP	634	883
Banco Santander - México	MXN	384	612
Banco Itaú - Brazil	BRL	1,027	8,065
Banco Bradesco - Brazil	BRL	-	23,598
Banco BBVA - Colombia	COP	7	-
Banco Santander - Colombia	COP	3	3,559
Total		247,634	449,408

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Placements are made following parameters of counterparty risk which have been authorized by the Board of CMPC. To the extent

that counterparty conforms to these parameters, the counterparty is evaluated using criteria of diversification and financial return.

The liquid marketable securities were the following:

Issuer of marketable securities	Currency	31/12/2010 ThUS\$	31/12/2009 ThUS\$
Investments in Investment Fund quotas (abroad):			
J.P. Morgan Money Market Fund - United States	US\$	137	137
J.P. Morgan Money Market Chase Bank N.A. - United States	EUR	65	70
BBH & Co. Money Market Fund - United States	US\$	2	2
Rothschild Asset Management - England	US\$	235	247
Marketable securities under resale agreement:			
Bice Agencia de Valores S.A. - Chile	US\$	-	12,851
Bice Agencia de Valores S.A. - Chile	CLP	35,082	155,357
Banchile Corredores de Bolsa S.A.	CLP	541	41,161
Corpcapital Corredores de Bolsa S.A. - Chile	CLP	-	13,020
BCI Corredores de Bolsa S.A. - Chile	CLP	-	11,241
BancoEstado S.A. Corredores de Bolsa - Chile	CLP	51,253	7,691
BBVA Corredores de Bolsa S.A. - Chile	CLP	-	16,988
Itaú Chile Corredores de Bolsa Ltda.	CLP	6,159	3,100
Total		93,474	261,865

As of December 31, 2010 and 2009, the carrying value of Time deposits and Marketable securities approximates its fair value.

The cash and cash equivalents presented in the Cash Flows Statement were as follows:

Asset type	31/12/2010 ThUS\$	31/12/2009 ThUS\$
Cash and cash equivalents	364,529	735,736
Cash and cash equivalents presented in the Cash Flows Statement	364,529	735,736

8.2. Other financial assets

These assets represent investments typical of cash management, such as repurchase and resale agreements whose maturity exceeds 90 days. The cumulative result of derivatives contracts signed in order to properly manage the risk of exchange rate and interest rate of the Company is also included. Furthermore, they incorporate the effect of forward exchange contract instruments used to hedge against the potential financial risk associated to the volatility of sales in euro and pound sterling of the business of wood products and cardboards.

As of December 31, 2010 and 2009, other financial assets are detailed as follows:

Balances as of December 31, 2010

a) Time deposits between 90 days and one year

Entities	Currency	ThUS\$
Banco de Chile	CLP-UF	110,332
BancoEstado – Chile	CLP-UF	51,789
Banco BCI – Chile	CLP	36,557
Banco Santander – Chile	CLP-UF	29,851
Banco Corpbanca – Chile	CLP	25,329
Banco Santander – Chile	CLP	14,896
Banco Chile	CLP	11,171
Banco BCI – Chile	CLP-UF	2,099
Banco HSBC – Chile	CLP	1,996
Banco Itaú – Chile	CLP	1,008
Banco BBVA – Chile	CLP	368
Subtotal		285,396

b) Cross currency swap operations

Entities	Rights			Obligations			Fair value of net asset ThUS\$	Effect on income profit (loss) ThUS\$	Maturity
	Currency	Interest rate	Amount	Currency	Interest rate	Amount			
		%	ThUS\$		%	ThUS\$			
J.P. Morgan Chase Bank N.A.									
- United States	CLP-UF	2.68	167,255	US\$	Libor+0.58	100,372	66,883	2,075	01/03/2015
Banco de Chile	CLP-UF	2.88	72,057	US\$	Libor+1.82	61,102	10,955	317	24/03/2014
Banco de Chile	CLP-UF	2.88	72,057	US\$	Libor+1.81	59,706	12,351	295	24/03/2014
Banco Santander - Chile	CLP-UF	2.70	47,706	US\$	3.87	42,442	5,264	(261)	15/06/2013
Banco Corpbanca - Chile	CLP-UF	2.68	47,679	US\$	3.83	42,261	5,418	(255)	01/03/2015
Banco Santander - México	US\$	Libor+0.45	50,000	MXN	6.17	41,796	8,204	(495)	10/09/2013
Subtotal			456,754			347,679	109,075	1,676	

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c) Forward exchange contract operations

Entities	Rights		Obligations		Fair value of net asset ThUS\$	Effect on income profit (loss) ThUS\$	Maturity
	Currency	Amount	Currency	Amount			
		ThUS\$		ThUS\$			
Banco Santander - Chile	CLP	5,238	US\$	5,000	238	238	05/01/2011
Banco Santander - Chile	CLP	5,243	US\$	5,000	243	243	10/01/2011
Banco Santander - Chile	CLP	5,259	US\$	5,000	259	259	19/01/2011
Banco Deutsche Bank - Chile	CLP	2,010	US\$	2,000	10	10	10/01/2011
J. Aron & Company - United States	EUR	12,059	US\$	11,851	208	208	28/01/2011
Subtotal		29,809		28,851	958	958	

d) Hedging assets

Entities	Nature of hedged risks	Rights		Obligations		Fair value of net asset ThUS\$
		Currency	Amount	Currency	Amount	
			ThUS\$		ThUS\$	
Banco Santander - Chile	Flows from sales of cardboard and wood to Europe	US\$	8,216	GBP	6,548	1,668
Banco Santander - Chile	Flows from sales of cardboard and wood to Europe	US\$	8,646	EUR	8,027	619
J.P. Morgan Chase Bank N.A. - United States	Flows from sales of cardboard and wood to Europe	US\$	31,035	EUR	29,296	1,739
Subtotal			47,897		43,871	4,026
Total Other financial assets						399,455

- Balances as of December 31, 2009

a) Time deposits between 90 days and one year

Entities	Currency	ThUS\$
Banco Santander - Chile	CLP-UF	25,751
Subtotal		25,751

b) Cross currency swap operations

Entities	Rights			Obligations			Fair value of net asset ThUS\$	Effect on income profit (loss) ThUS\$	Maturity
	Currency	Interest rate	Amount	Currency	Interest rate	Amount			
		%	ThUS\$		%	ThUS\$			
J.P. Morgan Chase Bank N.A. -									
United States	CLP-UF	2.70	150,314	US\$	Libor+0.58	100,462	49,852	4,909	01/03/2015
Banco de Chile	CLP-UF	2.88	64,150	US\$	Libor+1.82	59,936	4,214	(1,305)	24/03/2014
Banco de Chile	CLP-UF	2.88	64,150	US\$	Libor+1.81	61,332	2,818	(1,387)	24/03/2014
Banco Santander - Chile	US\$	Libor+0.55	74,948	CLP-UF	2.19	72,001	2,947	(1,934)	15/06/2013
J.P. Morgan Chase Bank N.A. -									
United States	US\$	Libor+0.55	-	CLP-UF	2.18	-	-	(422)	31/03/2009
Banco Santander - México	US\$	Libor+0.45	50,000	MXN	6.17	38,796	11,204	(815)	10/09/2013
Subtotal			403,562			332,527	71,035	(954)	

c) Forward exchange contract operations

Entities	Rights		Obligations		Fair value of net asset ThUS\$	Effect on income profit (loss) ThUS\$	Maturity
	Currency	Amount	Currency	Amount			
		ThUS\$		ThUS\$			
Banco BBVA - Chile	US\$	15,063	CLP	14,759	304	304	20/01/2010
Banco BBVA - Chile	US\$	15,067	CLP	14,761	306	306	22/01/2010
Banco BBVA - Chile	US\$	15,071	CLP	14,764	307	307	25/01/2010
Banco BBVA - Chile	US\$	15,072	CLP	14,766	306	306	27/01/2010
Banco BBVA - Chile	US\$	26,466	CLP	26,146	320	320	17/05/2010
Banco BBVA - Chile	US\$	6,016	CLP	6,016	-	-	10/02/2010
Banco BBVA - Chile	US\$	1,861	CLP	1,813	48	48	15/01/2010
Banco BBVA - Chile	US\$	10,561	CLP	10,349	212	212	15/01/2010
Banco BCI - Chile	US\$	60,318	CLP	59,187	1,131	1,131	28/01/2010
Banco BCI - Chile	US\$	6,025	CLP	5,983	42	42	28/01/2010
Banco de Chile	US\$	15,058	CLP	14,753	305	305	15/01/2010
Banco de Chile	CLP	29,728	US\$	26,591	3,137	3,137	17/05/2010
Banco de Chile	EUR	8,595	US\$	8,573	22	22	29/01/2010
Banco de Chile	US\$	2,009	CLP	1,996	13	13	15/01/2010
Banco de Chile	US\$	2,010	CLP	1,984	26	26	15/01/2010
Banco Santander - Chile	US\$	20,103	CLP	19,745	358	358	28/01/2010
Banco Santander - Chile	US\$	15,030	CLP	14,784	246	246	04/01/2010
Banco Santander - Chile	US\$	15,033	CLP	14,785	248	248	06/01/2010
Banco Santander - Chile	US\$	15,038	CLP	14,787	251	251	08/01/2010
Banco Santander - Chile	US\$	15,043	CLP	14,790	253	253	11/01/2010
Banco Santander - Chile	US\$	15,048	CLP	14,792	256	256	13/01/2010
Banco Santander - Chile	US\$	14,066	CLP	13,927	139	139	08/02/2010
Banco Santander - Chile	US\$	4,510	CLP	4,504	6	6	01/02/2010
Banco Santander - Chile	US\$	7,199	CLP	7,105	94	94	06/01/2010
Banco Santander - Chile	US\$	971	GBP	808	163	163	15/03/2010
Banco Santander - Chile	US\$	2,054	GBP	1,698	356	356	15/03/2010
Banco Santander - Chile	US\$	1,441	EUR	1,432	9	9	15/03/2010
Banco Santander - Chile	US\$	1,909	CLP	1,904	5	5	15/01/2010
Banco Santander - Chile	US\$	19,085	CLP	18,832	253	253	15/01/2010
Banco Santander - Chile	US\$	13,061	CLP	12,867	194	194	20/01/2010
Banco Santander - Chile	US\$	3,317	CLP	3,258	59	59	28/01/2010
Deutsche Bank - Chile	US\$	1,709	CLP	1,664	45	45	15/01/2010
J.P. Morgan Chase Bank - Chile	US\$	12,028	CLP	12,009	19	19	28/01/2010
J.P. Morgan Chase Bank - Chile	US\$	7,182	CLP	7,128	54	54	06/01/2010
J.P. Morgan Chase Bank - Chile	US\$	1,434	EUR	1,432	2	2	15/03/2010
J.P. Morgan Chase Bank - Chile	US\$	1,439	EUR	1,432	7	7	15/03/2010
Scotiabank - Chile	US\$	20,106	CLP	19,647	459	459	18/01/2010
Scotiabank - Chile	US\$	20,089	CLP	19,766	323	323	29/01/2010
Scotiabank - Chile	US\$	20,100	CLP	19,773	327	327	03/02/2010
Scotiabank - Chile	US\$	20,103	CLP	19,777	326	326	05/02/2010
Scotiabank - Chile	US\$	5,014	CLP	4,994	20	20	10/02/2010
Scotiabank - Chile	US\$	5,015	CLP	4,995	20	20	12/02/2010
Subtotal		506,047		495,076	10,971	10,971	

d) Hedging assets

Entities	Nature of hedged risks	Rights		Obligations		Fair value of net asset
		Currency	Amount	Currency	Amount	ThUS\$
			ThUS\$		ThUS\$	ThUS\$
Banco Santander - Chile	Flows from sales of cardboard and wood to Europe	US\$	9,075	GBP	7,517	1,558
Banco Santander - Chile	Flows from sales of cardboard and wood to Europe	US\$	4,323	EUR	4,294	29
J.P. Morgan Chase Bank N.A. - United States	Flows from sales of cardboard and wood to Europe	US\$	8,620	EUR	8,588	32
Subtotal			22,018		20,399	1,619
Total Other financial Assets						109,376

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8.3 Other financial assets – non-current

Hedging assets

These assets represent the cumulative result of forward exchange contract instruments used to hedge against the potential financial risk associated with the volatility of sales in Euros and pound sterling of the business of wood and cardboard products.

Entities	Nature of hedged risks	Rights		Obligations		Fair value of net asset	Maturity
		Currency	Amount	Currency	Amount	ThUS\$	
			ThUS\$		ThUS\$	ThUS\$	
Balances as of December 31, 2010							
Banco Santander - Chile	Flows from sales of cardboard and wood to Europe	US\$	8,646	EUR	8,024	622	Quarterly
Banco BNP Paribas - France	Flows from sales of cardboard and wood to Europe	US\$	30,934	EUR	29,545	1,389	Quarterly
J.P. Morgan Chase Bank N.A. - United States	Flows from sales of cardboard and wood to Europe	US\$	87,503	EUR	82,136	5,367	Quarterly
Total			127,083		119,705	7,378	Quarterly
Balances as of December 31, 2009							
Banco Santander - Chile	Flows from sales of cardboard and wood to Europe	US\$	15,131	EUR	15,052	79	Quarterly
Banco Santander - Chile	Flows from sales of cardboard and wood to Europe	US\$	8,216	GBP	6,792	1,424	Quarterly
J.P. Morgan Chase Bank N.A. - United States	Flows from sales of cardboard and wood to Europe	US\$	40,537	EUR	40,362	175	Quarterly
Total			63,884		62,206	1,678	Quarterly

The Company uses forward exchange contract instruments (EUR-US\$ and GBP-US\$) to hedge against the potential financial risk associated with the volatility of these exchange rates.

The purpose is to reduce the financial risks of sales in euro and pound sterling of the wood and cardboard business through the introduction of a series of exchange rate contracts EUR-US\$ and GBP-US\$. Hedges are documented and tested to measure effectiveness.

Based on a comparison of critical terms, the hedge is highly effective given that the hedged amount matches up with the proportion of sales expected to be hedged. Hedge contracts match up with the currency in which the sales are denominated and their termination date matches up with the expected date on which the sales are expected to be made, i.e. between the first quarter of 2011 and the fourth quarter of 2015.

For cash flow hedges settled during the period ended December 31, 2010, a net profit of ThCLP\$ 8,742 was recognized (ThUS\$ 4,648 and ThUS\$ 4,094 recorded in revenue and in foreign exchange difference, respectively), due to the liquidation of the instruments.

For cash flow hedges settled the period ended December 31, 2009, a net loss of ThUS\$ 3,842 was recognized (ThUS\$ 1,539 and ThUS\$ 5,435 recorded in revenue and in foreign exchange difference, respectively), due to the liquidation of the instruments.

During the year ended December 31, 2010 and 2009, no hedging instrument inefficiencies have been recognized in the respective results.

8.4. Hierarchies of fair value

The financial assets accounted for at fair value in the statement of financial position have been measured on the basis of methodologies set forth in IAS 39. For the purpose of the application of criteria in the determination of the fair values of the financial assets the following parameters have been considered:

Level I: Quotation values or prices in active markets for identical assets and liabilities.

Level II: Information from sources other than the quotation values of Level I, but observable in markets for assets and liabilities either directly (prices) or indirectly (derived from prices).

Level III: Information for assets and liabilities that are not based on observable market data.

The following table presents the financial assets and hedged assets that are measured at fair value as of December 31, 2010 and 2009:

Financial instruments measured at fair value	Hierarchy used to determine the fair value		
	Level I	Level II	Level III
	ThUS\$	ThUS\$	ThUS\$
Balances as of December 31, 2010			
Investments in mutual funds	439	-	-
Cross currency swaps operations	-	109,075	-
Forward exchange contract operations	-	958	-
Hedged Assets	-	11,404	-
Total financial assets at fair value	439	121,437	-
Balances as of December 31, 2009			
Investments in mutual funds	456	-	-
Cross currency swaps operations	-	71,035	-
Forward exchange contract operations	-	10,971	-
Hedged Assets	-	3,297	-
Total financial assets at fair value	456	85,303	-

NOTE 9 - TRADE AND OTHER RECEIVABLES

The composition of this account is as follows:

Accounts	31/12/2010		31/12/2009	
	ThUS\$	%	ThUS\$	%
Clients domestic market	209,326		174,050	
Less Impairment provision	(3,169)		(2,683)	
Clients domestic market, net	206,157	22.4	171,367	24.7
Export clients	364,780		267,372	
Less Impairment provision	(420)		(270)	
Export clients, net	364,360	39.6	267,102	38.5
Clients foreign subsidiaries	204,315		169,826	
Less Impairment provision	(2,841)		(4,095)	
Clients foreign subsidiaries, net	201,474	21.9	165,731	23.9
Notes domestic market	26,991		16,651	
Less Impairment provision	(140)		(257)	
Notes domestic market, net	26,851	2.9	16,394	2.4
Notes foreign subsidiaries	15,384		10,284	
Less Impairment provision	(16)		(16)	
Notes foreign subsidiaries, net	15,368	1.7	10,268	1.5
Advances to suppliers	19,245	2.1	15,231	2.2
Current accounts with third parties	7,577	0.8	14,830	2.1
Insurance claims	47,108	5.1	15,964	2.3
Current accounts with employees	13,102	1.4	7,173	1.0
Other	19,537	2.1	9,984	1.4
Total trade and other receivables	920,779	100.0	694,044	100.0

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The ageing of Trade and other receivables is as follows:

Ageing	31/12/2010	31/12/2009
	ThUS\$	ThUS\$
Less than 30 days overdue	101,382	103,173
31 to 60 days overdue	19,678	13,507
61 to 90 days overdue	8,991	4,154
91 to 180 days overdue	9,155	6,511
Over 180 days overdue	4,913	6,764
Non-overdue receivables	783,246	567,256
Subtotal, without impairment provision	927,365	701,365
Less: allowance for doubtful accounts	(6,586)	(7,321)
Total	920,779	694,044

Trade and other receivables, current, are detailed by currencies as follows:

Currencies		31/12/2010	31/12/2009
		ThUS\$	ThUS\$
Chilean peso	CLP	213,738	168,466
United States dollar	US\$	443,579	301,331
Euro	EUR	28,994	20,934
Argentine peso	ARS	47,955	59,468
Uruguayan peso	UYU	14,213	17,666
Peruvian nuevo sol	PEN	19,148	14,869
Colombian peso	COP	27,128	14,829
Mexican peso	MXN	39,051	27,269
Brazilian reais	BRL	77,949	65,620
Pound sterling	GBP	9,024	3,592
Total		920,779	694,044

For Trade receivables over 90 days overdue, basically wholesale clients with unforeseen economic difficulties, an estimate of impairment loss has been recognized, which considers the partial recovery of that overdue receivables.

The movement of this impairment loss provision for Trade and other receivables is as follows:

Items	31/12/2010 ThUS\$	31/12/2009 ThUS\$
Opening balance	7,321	7,229
Provision for the period	347	2,115
Uses	(1,062)	(2,023)
Exchange difference	(20)	-
Closing balance	6,586	7,321

NOTE 10 - ACCOUNTS RECEIVABLE FROM RELATED ENTITIES

At December 31, 2010 and 2009 the accounts receivable from related entities are detailed below:

Tax No. related party	Name of related party	Nature of relationship with related party	Country of origin	Detail of account receivable	Balances outstanding		Currency	Maturity dates of transaction with related party	Explanation of the nature of the consideration fixed to settle a transaction
					31/12/2010 ThUS\$	31/12/2009 ThUS\$			
93,390,000-2	Melón S.A.	Key personnel from the management of the entity or controlling party	Chile	Products selling	739	703	CLP	30 days	Monetary
86,113,000-2	Sociedad Industrial Romeral S.A.	Key personnel from the management of the entity or controlling party	Chile	Products selling	555	1,252	CLP	30 days	Monetary
96,569,760-8	Sociedad Industrial Pizarreño S.A.	Key personnel from the management of the entity or controlling party	Chile	Products selling	415	309	CLP	30 days	Monetary
86,577,500-8	Pesquera Frío Sur S.A.	Key personnel from the management of the entity or controlling party	Chile	Products selling	197	67	CLP	30 days	Monetary
78,023,030-4	Sofrucu Alimentos Ltda.	Key personnel from the management of the entity or controlling party	Chile	Products selling	86	208	CLP	30 days	Monetary
96,636,590-0	Melón Morteros S.A.	Key personnel from the management of the entity or controlling party	Chile	Products selling	83	-	CLP	75 days	Monetary
96,848,750-7	Aislantes Volcán S.A.	Key personnel from the management of the entity or controlling party	Chile	Products selling	82	-	CLP	30 days	Monetary
90,209,000-2	Cía. Industrial El Volcán S.A.	Key personnel from the management of the entity or controlling party	Chile	Products selling	80	71	CLP	30 days	Monetary
78,600,780-1	Viña La Rosa S.A.	Key personnel from the management of the entity or controlling party	Chile	Products selling	70	-	CLP	60 days	Monetary
93,458,000-1	Celulosa Arauco y Constitución S.A.	Key personnel from the management of the entity or controlling party	Chile	Materials selling	17	-	US\$	30 days	Monetary
78,081,820-4	Dosa Chile Ltda.	Key personnel from the management of the entity or controlling party	Chile	Products selling	4	-	CLP	60 days	Monetary
85,805,200-9	Forestal Celco S.A.	Key personnel from the management of the entity or controlling party	Chile	Wood selling	-	53	US\$	Between 30 and 60 days	Monetary
Total current assets					2,328	2,663			

NOTE 11 - INVENTORIES

As of December 31, 2010 and 2009 the composition of inventories was as follows:

Type	31/12/2010 ThUS\$	31/12/2009 ThUS\$
Finished products	395,681	272,557
Work in process	21,257	33,516
Raw materials	296,144	238,237
Materials	240,571	208,475
Agricultural and other products	6,700	5,849
Obsolescence provision finished products	(179)	(340)
Obsolescence provision raw materials	-	(20)
Obsolescence provision materials	(1,697)	(4,630)
Total	958,477	753,644

In the period ended December 31, 2010 an impairment loss of trade and other receivables in the net amount of ThUS\$ 347 (ThUS\$ 2,115 in 2009) was produced, being recognized as a decrease in ordinary revenue for the year in the Income Statement. Normally, the impaired accounts are charged to the provision account when there are no expectations of recovering more cash.

There are no clients that, on an individual basis, maintain pending accounts with the Company that exceed 10% of the consolidated annual sales.

The cost of inventories recognized as cost of sales in 2010 amounted to ThUS\$ 2,715,495 (ThUS\$ 2,181,736 in 2009).

In 2010 and 2009 no inventories have been pledged as guarantee.

With regard to impairment losses, as of December 31, 2010 the Company performed impairment tests to inventories, specifically to evaluate the effects of the earthquake occurred on February 27, 2010 in the south central zone of Chile. They determined that there were physical losses, chiefly in the Forest and Cellulose segments (see Note 41), which were included into the amounts claimed to the insurance company.

The carrying amount of inventories does not exceed the current realizable prices, net of selling expenses (net realizable value). As of December 31, 2009 the Company also performed impairment tests to inventories, specifically to evaluate the drop in the price of the pulp

and sawn lumber, determining that the carrying value of inventories did not exceed the current prices of these products, net of selling expenses (net realizable value).

NOTE 12 - BIOLOGICAL ASSETS

The CMPC's biological assets comprise forest plantations. The forest plantations that management believes will be harvested in the course of one year are classified as current biological assets.

The presentation of biological assets in the statement of financial position in each period is as follows:

	31/12/2010	31/12/2009
	ThUS\$	ThUS\$
Current	219,169	162,869
Non-current	3,142,319	2,990,507
Total	3,361,488	3,153,376

The movement of the biological assets (increases, decreases and balances) in 2010 and 2009 is detailed below:

Items	31/12/2010	31/12/2009
	ThUS\$	ThUS\$
Cost		
Opening balance as of January 1	1,148,977	755,648
Additions through acquisitions to third parties and new plantations	141,892	60,581
Additions through business combinations	54,347	386,685
Sales of standing forest plantations	(244)	(204)
Transfer of plantations to lumber inventories (logs)	(67,573)	(53,342)
Currency translation adjustment	19,647	1,784
Forest loss write-downs	(2,127)	(2,175)
Total cost	1,294,919	1,148,977
Fair Value		
Opening balance as of January 1	2,004,399	1,959,808
Profit from adjustment to fair value, less costs estimated at the point of sale	230,361	180,556
Transfer of plantations to wood inventories (logs)	(168,344)	(125,639)
Sales of standing forest plantations	(675)	(747)
Forest loss write-downs	828	(9,579)
Total fair value	2,066,569	2,004,399
Closing balance	3,361,488	3,153,376

CMPC owns over 643 thousand hectares of forest plantations, basically pine and eucalyptus, of which 486 thousand hectares are located in Chile, 64 thousand hectares in Argentina and 93 thousand hectares in Brazil.

The establishment of new plantations as of December 31, 2009 reached 37,000 hectares (in 2009 a total of 26,000 hectares was set up; this included the reforestation of harvested forests).

At each year-end, the effect of the natural growth of the forest plantations, expressed in the fair value less the costs estimated at the point of sales, is recognized according to technical studies conducted by qualified professionals. The resulting higher or lower value is recorded in Other operating income under the Income Statement which, as of December 31, 2010 reached ThUS\$ 230,361 (ThUS\$ 180,556 as of December 31, 2009). The higher cost of the part exploited and sold as a result of this revaluation is shown as part of the cost of sales and reaches ThUS\$ 170,987 as of December 31, 2010

(ThUS\$ 128,731 as of December 31, 2009), along with the cost of formation of the exploited plantations, reaching the amount of ThUS\$ 61,905 as of December 31, 2010 (ThUS\$ 49,985 as of December 31, 2009).

The plantation harvesting is used for the supply of raw material to CMPC's different industrial plants of pulp, paper, sawmills and boards and, to a lower extent, to third parties.

The Company determines the value of its forest plantations using a model based on the discounted future flows a plantation will produce according to the defined rotation. This model determines the values considering variables such as biological growth of plantations, product price, interest rate, transportation and harvesting costs, which are reviewed periodically to ensure its validity and representativeness. The Company does not receive official grants associated with biological assets.

The Company has right-to-use contracts with third parties amounting to ThUS\$ 58,584 that comprise 27 thousand hectares of plantations.

NOTE 13 - TAX ASSETS AND LIABILITIES, CURRENT

Tax assets - current are detailed below:

Items	31/12/2010	31/12/2009
	ThUS\$	ThUS\$
VAT surplus (fiscal credit)	72,137	33,098
Benefit from carry back of tax losses for the year	370	31,047
Companies with balance of monthly advance payments net of income tax for the year	35,276	22,986
Other income taxes in process of recovery	31,090	33,949
Total	138,873	121,080

Tax liabilities - current are detailed below:

Items	31/12/2010	31/12/2009
	ThUS\$	ThUS\$
Companies with income tax balance payable, net of monthly advance payments for the year	64,314	10,804
Total	64,314	10,804

Reconciliation of the income tax balance to the expense for the year:

Items	31/12/2010	31/12/2009
	ThUS\$	ThUS\$
Companies with balance of monthly advance payments net of income tax for the year	35,276	22,986
Less:		
Companies with income tax balance payable, net of monthly advance payments for the year	(64,314)	(10,804)
Net income tax (liabilities) assets net of monthly advance payments for the year	(29,038)	12,182
Income tax expense for the year (See Note 36)	(100,521)	(23,648)
Less:		
Monthly advance payment for the year	71,483	35,830
Net income tax (liabilities) assets net of monthly advance payments for the year	(29,038)	12,182

NOTE 14 - BUSINESS COMBINATION

During the period covered by this financial statement, investments in companies engaged in activities that are similar and complementary to the industrial and commercial activities of Empresas CMPC S.A. have been made. Furthermore, new companies have been incorporated and restructuring has been carried out, as described below:

14.1. On December 29, 2010, the subsidiary Inversiones CMPC S.A. sold its equity interest in the Brazilian company Celulose Riograndense Ltda. (0.0719%) to the subsidiary Inmobiliaria Pinares S.A.

14.2. On September 30, 2010 the subsidiary CMPC Tissue S.A. performed a capital contribution of ThUS\$ 50,000 in Melhoramentos Papéis Ltda. The new equity interests in Melhoramentos Papéis Ltda. are the following: CMPC Tissue S.A. (99.93%) and Inversiones Protisa S.A. (0.07%).

14.3. On July 31, 2010, the subsidiary CMPC Celulose Riograndense Ltda. absorbed the total assets and liabilities of its parent company Protisa do Brasil Ltda. Consequently, the investing companies maintain the percentages of equity interest over the continuator CMPC Celulose Riograndense Ltda.: CMPC Celulosa S.A. (99.9281%) and Inversiones CMPC S.A. (0.0719%).

14.4. On June 12, 2010 the firm name of the Brazilian subsidiary CMPC Celulose do Brasil Ltda. was change to CMPC Celulose Riograndense Ltda.

14.5. On March 1, 2010, the Brazilian subsidiary Melhoramentos Papéis Ltda. absorbed the total assets and liabilities of its parent company CMPC Participacoes Ltda. Consequently, the investing companies maintain the percentages of equity interests over the continuator Melhoramentos Papéis Ltda.: CMPC Tissue S.A. (99.93) and Inversões Protisa S.A. (0.07%).

14.6. Purchase of forest and industrial assets of the business of pulp, paper and wood, relating to the Guaíba unit, located in the State of Rio Grande Do Sul, Brazil, from the Brazilian forest company Aracruz Celulose e Papel S.A. ("Aracruz").

The purchase contract to Aracruz included i) land covering an area of approximately 212,000 hectares, of which 60 per cent is planted or will be planted with eucalyptus; ii) a tree nursery with the capacity to produce 30 million plants annually, and the genetic material developed by Aracruz for this unit; iii) a pulp production plant with an installed capacity of 450,000 annual tons; iv) a paper production plant with a capacity of 60,000 annual tons that neighbors and is integrated to the pulp plant; v) an industrial site, environmental permits and licenses for the execution of a project to expand the current pulp plant by additional 1,300,000 annual tons; vi) working capital of ThUS\$ 89,400 and vii) all the assets and services necessary for the adequate operation of the goods referred to above, as a going and autonomous concern.

On December 15, 2009, Protisa do Brasil Ltda., a subsidiary of Empresas CMPC S.A., signed a document in English called "Closing Memorandum" with the Brazilian company Aracruz whereby it took control of the forest and industrial assets of the pulp, paper and wood business relating to the Guaíba unit of that company, located in the State of Rio Grande Do Sul, Brazil.

During 2010, amendments to the document referred to above were signed, reducing the purchase price originally established from US\$ 1,430 million to US\$ 1,370 million.

The acquired companies are CMPC Celulose Riograndense Ltda. (ex-CMPC Celulose do Brasil Ltda.) and CMPC Riograndense Ltda., in the amount of ThUS\$ 1,201,850 and ThUS\$ 56,094, respectively, and the rights of the company Guaíba Administração de Florestas Ltda. in the amount of ThUS\$ 112,000.

The equity of the acquired companies (assets less liabilities as fair value) amounted to ThUS\$ 1,361,518 at the time of the purchase, which resulted in initial goodwill of ThUS\$ 8,426 attributable to the future return and future synergies expected from this investment project for the production and marketing of pulps and paper in Brazil and the rest of the world.

The assets, liabilities and contingent liabilities acquired, classified according to the types presented in the statement of financial position, as of the acquisition date, are detailed below:

Assets and Liabilities	Fair Value ThUS\$
Cash & cash equivalents	27,077
Trade and other receivables (net)	7,645
Inventories and biological assets	46,546
Other current assets	1,314
Biological assets	386,685
Property, plant & equipment	782,608
Other non-current assets	140,441
Total assets	1,392,316
Trade and other payables	22,201
Deferred tax liabilities	8,116
Other non-current liabilities	481
Total liabilities	30,798
Equity	1,361,518
Goodwill	8,426
Total investment	1,369,944

The final studies of fair value of the assets, liabilities and contingent liabilities of the acquired companies concluded in December 2010. According to paragraph 62 of IFRS 3, certain reclassifications and adjustment between asset and liability accounts have been introduced to the Statement of financial position of 2009, which have had no effects on the Company's equity and income as of December 31, 2009.

In connection with the mentioned reclassifications and adjustments, the items of the Statement of financial position which suffered modification were the following: Current tax assets (increase by ThUS\$ 29,838), Inventories (increase by ThUS\$ 16,381), Biological assets, current (decrease by ThUS\$ 6,326), Goodwill (decrease by ThUS\$ 61,837), Intangible assets other than goodwill (increase by ThUS\$ 19,835), Biological assets, non-current (decrease by ThUS\$ 63,912), Property, plant and equipment (decrease by ThUS\$ 68,663), Deferred tax assets (decrease by ThUS\$ 4,010), Current tax liabilities (increase by ThUS\$ 10,804), Other non-financial liabilities, current (decrease by ThUS\$ 62,450) and Deferred tax liabilities (decrease by ThUS\$ 87,048).

On December 15, 2009 the equivalent in Brazilian reais of ThUS\$ 1,300,000 was paid. Later, in January 2010, ThUS\$ 80,000 was paid, with an account receivable from Aracruz of ThUS\$ 7,621 remaining. The balance was presented in Trade and other receivables – current, which also includes the price balance in favor of CMPC, interest, exchange differences and other disbursements agreed in the Closing of July 1, 2010.

14.7. On November 30, 2009, CMPC Tissue S.A. transferred the ownership of its subsidiary Protisa do Brasil Ltda. to CMPC Celulosa S.A. This operation was carried out at a value of ThUS\$ 3,124, which was paid in December 2009.

14.8. On December 15, 2009, CMPC Celulosa S.A. and Inversiones CMPC S.A. made a capital contribution of ThUS\$ 700,000 in Protisa do Brasil Ltda., which became part of the payment for the purchase of the Guaíba unit from Aracruz Celulose e Papel S.A.

14.9. On January 28, 2010, CMPC Celulosa S.A. and Inversiones CMPC S.A. made a capital contribution of ThUS\$ 90,000 in Protisa do Brasil Ltda., of which ThUS\$ 78,000, approximately, was used for the payment of the price balances of the purchase operation of the Guaíba unit to Aracruz Celulose e Papel S.A.

14.10. Acquisition of Melhoramentos Papéis Ltda. in Brazil

On April 19, 2009, the subsidiary CMPC Tissue S.A., through its subsidiary CMPC Participacoes Ltda., entered into a contract entitled Quota and Share Purchase Agreement, with Melpaper S.A. (“Melpaper”), whereby and subject to fulfillment of certain conditions, CMPC acquired 100% interest in Melhoramentos Papéis Ltda. from Melpaper. This company manufactures and sells tissue products in Brazil. It relies on two production plants in the State of Sao Paulo, with an installed capacity of 75,000 annual tons of tissue paper.

The amount disbursed by CMPC for the acquisition of this company was Th\$ BRL 97,042 equivalent to ThUS\$ 48,975 at the time of the payment according the contract. The negative equity of the acquired company (assets less liabilities at fair value) was ThUS\$ 11,711 at the time of the purchase, resulting in goodwill of ThUS\$ 60,686, attributable to the future return, access to the market and future synergies expected from this investment project for the production and marketing of tissue products in Brazil.

The incorporation of the financial statements of this company into the consolidation of CMPC was performed from July 1, 2009, contributing ThUS\$ 127,720 to the CMPC’s operating revenue in the second semester, and ThUS\$ 1,186 in profits to the operating results as of December 31, 2009.

The assets, liabilities and contingent liabilities of the opening Statement of financial position of the acquired company, are detailed below:

Assets and Liabilities	Fair value ThUS\$
Cash & cash equivalents	2,286
Trade and other receivables (net)	33,227
Inventories	8,815
Other current assets	11,507
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Property, plant & equipment	183,303
Deferred tax assets	12,313
Other non-current assets	976
Total assets	252,427
<hr/>	
Interest-bearing loans	35,504
Trade and other payables	25,195
Current tax payables	8,878
Other current liabilities	12,052
<hr/>	
Interest-bearing loans, non-current	7,046
Deferred tax liabilities	97,409
Other non-current liabilities	78,054
Total liabilities	264,138
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Equity	(11,711)
<hr/>	
Goodwill	60,686
<hr/>	
Total investment	48,975

The final studies of fair value of the assets, liabilities and contingent liabilities of the acquired companies concluded in December 2010. According to paragraph 62 of IFRS 3, certain reclassifications and adjustment between asset and liability accounts have been introduced to the Statement of financial position of 2009, which have had no effects on the Company’s equity and income as of December 31, 2009.

As a result of the reclassifications or adjustments referred to above, the items of the Statement of financial position which suffered changes were the following: Goodwill (increase by ThUS\$ 22,260), Property, plant & equipment (decrease by ThUS\$ 33,728) and Deferred tax liabilities (decrease by ThUS\$ 11,468.).

NOTE 15 - CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of Empresas CMPC S.A. include all the companies qualified as subsidiaries and identified in Note 1 to these financial statements.

A summary of the information on the most significant subsidiaries, composed of the sum of the separate financial statements of each company, is shown below:

Assets and liabilities of subsidiaries	31/12/2010		31/12/2009	
	Assets	Liabilities	Assets	Liabilities
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Current	3,727,552	1,465,635	3,198,763	1,585,263
Non-current	13,818,027	4,782,669	13,141,484	4,335,909
Total subsidiaries	17,545,579	6,248,304	16,340,247	5,921,172

Revenue and expense	Year	
	2010	2009
	ThUS\$	ThUS\$
Sum of ordinary revenue of subsidiaries	2,806,777	2,163,812
Sum of other items of the income statement	(1,729,831)	(1,630,884)
Profit for the period, subsidiaries	1,076,946	532,928

Notes to the Consolidated Financial Statements

The separate information of the most significant subsidiaries included in the consolidation perimeter was as follows in ThUS\$:

	Forestal Mininco S.A.		CMPC Celulosa S.A		CMPC Tissue S.A.	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Country of incorporation	Chile	Chile	Chile	Chile	Chile	Chile
Functional currency	US\$	US\$	US\$	US\$	US\$	US\$
Interest percentage	100%	100%	100%	100%	100%	100%
Total assets	2,595,243	2,604,196	3,739,402	3,330,290	1,148,110	956,373
Current assets	203,106	255,219	583,258	373,220	678,783	611,088
Non-current assets	2,392,137	2,348,977	3,156,144	2,957,070	469,327	345,285
Total liabilities	643,300	655,435	2,013,338	1,733,139	343,178	194,915
Current liabilities	142,927	248,558	597,433	609,764	318,807	174,026
Non-current liabilities	500,373	406,877	1,415,905	1,123,375	24,371	20,889
Ordinary revenue	355,062	305,734	1,533,277	985,901	416,468	353,509
Profit (loss)	540	(92,866)	322,271	9,620	106,141	104,097

	Industrias Forestales S.A.		Cartulinas CMPC S.A		Inversiones CMPC S.A.	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Country of incorporation	Chile	Chile	Chile	Chile	Chile	Chile
Functional currency	US\$	US\$	US\$	US\$	US\$	US\$
Interest percentage	81.95%	81.95%	81.95%	100%	100%	100%
Total assets	883,425	878,645	571,384	577,922	8,608,015	7,992,821
Current assets	124,638	104,571	201,896	201,255	1,935,871	1,653,410
Non-current assets	758,787	774,074	369,488	376,667	6,672,144	6,339,411
Total liabilities	60,924	56,337	143,061	173,324	3,044,503	3,108,022
Current liabilities	32,124	27,221	93,357	83,835	280,987	441,859
Non-current liabilities	28,800	29,116	49,704	89,489	2,763,516	2,666,163
Ordinary revenue	118,495	127,727	380,405	390,941	3,070	-
Profit (loss)	17,809	44,462	49,390	42,560	580,795	425,055

The parent company's receivables and payables with the most significant subsidiaries were as follows:

Receivables

Tax No. related party	Name related party	Relationship	Country of origin	Detail receivable	Pending balances		Currency	Terms of transaction with related party	Explanation of the nature of the consideration established to settle a transaction
					31/12/2010	31/12/2009			
					ThUS\$	ThUS\$			
Current asset									
96,532,330-9	CMPC Celulosa S.A.	Subsidiary	Chile	Trademark lease	3,069	4,312	CLP	30 days	Monetary
96,529,310-8	CMPC Tissue S.A.	Subsidiary	Chile	Trademark lease	32,101	25,786	CLP	30 days	Monetary
96,731,890-6	Cartulinas CMPC S.A.	Subsidiary	Chile	Services	265	167	CLP	30 days	Monetary
91,656,000-1	Industrias Forestales S.A.	Subsidiary	Chile	Services	309	-	CLP	48 days	Monetary
91,440,000-7	Forestal Mininco S.A.	Subsidiary	Chile	Services	421	-	CLP	30 days	Monetary

Payables

Tax No. related party	Name related party	Relationship	Country of origin	Detail payable	Pending balances		Currency	Terms of transaction with related party	Explanation of the nature of the consideration established to settle a transaction
					31/12/2010	31/12/2009			
					ThUS\$	ThUS\$			
Current liabilities									
91,440,000-7	Forestal Mininco S.A.	Subsidiary	Chile	Services	-	91	CLP	30 days	Monetary
96,532,330-9	CMPC Celulosa S.A.	Subsidiary	Chile	Loans	69,885	-	US\$	30 days	Monetary
96,596,540-8	Inversiones CMPC S.A.	Subsidiary	Chile	Loans	35,575	-	CLP/US\$	30 days	Monetary
Non-current liabilities									
96,596,540-8	Inversiones CMPC S.A.	Subsidiary	Chile	Loans	120,603	109,292	CLP/US\$	Maturity	Monetary

The main transactions of the parent company with the most significant subsidiaries were as follows:

Tax No. related party	Name	Relationship	Country of origin	Transaction with related party	Detail of transaction with related party	Transaction amount		Explanation of other information on transactions with related parties
						As of 31/12/2010	As of 31/12/2009	
						ThUS\$	ThUS\$	
96,596,540-8	Inversiones CMPC S.A.	Subsidiary	Chile	Average balance payable	Financial transaction	86,302	631,238	Effects on income were: 12/2010 charges of ThUS\$ 7,323; 12/2009 charges of ThUS\$ 26,451
				Sale of services	Commercial transaction	1,424	1,141	
96,529,310-8	CMPC Tissue S.A.	Subsidiary	Chile	Trademark lease and services	Commercial transaction	24,938	21,425	Effects on income were: 12/2010 credits of ThUS\$ 24,938; 12/2009 credits of ThUS\$ 21,425
				Purchase of services	Commercial transaction	50	-	
96,532,330-9	CMPC Celulosa S.A.	Subsidiary	Chile	Trademark lease and services	Commercial transaction	2,693	3,611	Effects on income were: 12/2010 credits of ThUS\$ 2,693; 12/2009 credits of ThUS\$ 3,611
96,731,890-6	Cartulinas CMPC S.A.	Subsidiary	Chile	Leases	Commercial transaction	229	223	Effects on income were: 12/2010 credits of ThUS\$ 229; 12/2009 credits of ThUS\$ 223
91,440,000-7	Forestal Mininco S.A.	Subsidiary	Chile	Leases	Commercial transaction	164	185	Effects on income were: 12/2010 credits of ThUS\$ 164; 12/2009 credits of ThUS\$ 185
91,656,000-1	Industrias Forestales S.A.	Subsidiary	Chile	Sale of services	Commercial transaction	193	190	Effects on income were: 12/2010 credits of ThUS\$ 193; 12/2009 credits of ThUS\$ 190
79,818,600-0	CMPC Papeles S.A.	Subsidiary	Chile	Leases	Commercial transaction	62	57	Effects on income were: 12/2010 credits of ThUS\$ 62; 12/2009 credits of ThUS\$ 57

NOTE 16 - INVESTMENTS IN ASSOCIATES

CMPC has investments in companies whose corporate purpose involves activities that are complementary to the CMPC's industrial and commercial activities.

Bicecorp S.A. is a publicly-held corporation registered under No. 0479 in the Securities Register and is subject to the supervision of the Superintendencia de Securities and Insurance.

It is engaged in the rendering of consulting, planning and advisory services in the administration, economy and finance areas to natural or juridical persons, either public or private; participation in the banking companies and insurance entities; participation in companies engaged in the management of third-party funds; accomplishment of factoring operations; as well as financing, promotion and management of any kind of business or companies and forming part of them, and representation of other local or foreign companies with similar purposes.

Inversiones El Raulí S.A. has as principal activity the management and exploitation of real estate of its ownership.

Controladora de Plagas Forestales S.A. is a company composed of the main forest companies in Chile, and it is engaged in the plague control.

Genómica Forestal S.A. is a company engaged in the research in Chile that contributes to increase competitiveness of the forest industry.

These investments are recorded in accordance with IAS 28 applying the equity method. The Company recognized the respective profit and loss in these companies, according to its equity investment.

The commercial transactions performed with these companies or their related parties are made at current market prices, under arm's length conditions, and when there is unrealized income, it is eliminated in the consolidated financial statements.

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The equity investment of CMPC in its associates was the following:

Tax No.	Name	Country of incorporation	Functional currency	Equity investment	Equity of companies	Income	Accrued (loss) income	Book value of investment
				%	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Balances as of December 31, 2010								
85,741,000-9	Bicecorp S.A.	Chile	CLP	7.738	1,017,110	161,033	12,460	78,701
96,895,660-4	Inversiones El Raulí S.A.	Chile	CLP	38.772	89,487	12,852	4,983	34,696
96,657,900-5	Controladora de Plagas Forestales S.A.	Chile	CLP	29.010	584	(36)	(10)	169
76,743,130-9	Genómica Forestal S.A.	Chile	CLP	25.000	247	187	47	62
Totals					1,107,428	174,036	17,480	113,628
Balances as of December 31, 2009								
85,741,000-9	Bicecorp S.A.	Chile	CLP	7.738	836,133	169,369	13,105	64,700
96,895,660-4	Inversiones El Raulí S.A.	Chile	CLP	38.772	79,495	10,599	4,109	30,822
96,657,900-5	Controladora de Plagas Forestales S.A.	Chile	CLP	29.010	558	32	9	162
76,743,130-9	Genómica Forestal S.A.	Chile	CLP	25.000	124	105	27	30
Totals					916,310	180,105	17,250	95,714

The influence exerted by Empresas CMPC S.A. in its associate Bicecorp S.A., although its equity investment is 7,738% only, is considered as significant given that the Board of both companies is partially composed of common Directors and by the participation of a CMPC executive in the Board of the associate. These Directors are Mr. Eliodoro Matte Larraín (chairman of the Board of CMPC S.A.) and Mr. Bernardo Matte Larraín and the executive is Mr. Luis Llanos Collado, finance manager of CMPC.

The stock market value (approximating to the fair value) of the investment in Bicecorp S.A., as of the closing date of the financial statements, amounts to ThUS\$ 93,549.

In the other related companies, which do not have stock market quotation, the Company also exerts significant influence, as set forth in IAS 28.

As of each period, the associates' assets and liabilities were as follows:

Assets and liabilities of associates	31/12/2010		31/12/2009	
	Assets	Liabilities	Assets	Liabilities
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Current	6,148,744	4,257,343	5,871,967	4,432,805
Non-current	3,794,024	4,577,997	3,200,120	3,722,972
Total associates	9,942,768	8,835,340	9,072,087	8,155,777

The ordinary revenue, ordinary expenses and results of the associates as of each year-end were as follows:

Revenue and expense	Year	
	2010	2009
	ThUS\$	ThUS\$
Sum of ordinary revenue of associates	903,276	830,013
Sum of other items of the income statement	(729,240)	(649,908)
Profit (loss) of associates for the period	174,036	180,105

Movements as of December 31, 2010 and 2009 of Investments in associates were as follows:

Items	31/12/2010	31/12/2009
	ThUS\$	ThUS\$
Opening balance as of January 1	95,714	72,443
Equity movements in associates	434	6,021
Share in profit (loss) for the year	17,480	17,250
Closing balance	113,628	95,714

The equity adjustment in associates mainly corresponds to the recognition of the dividend receivable regarding the Profit of year 2010 and the currency translation adjustment from Chilean pesos to the functional currency of the Company.

As of 31 December 2010 the Company holds investment in the associated company Bicecorp S.A. of ThUS\$ 78,701 (ThUS\$ 64,700 as of December 31, 2009), the equivalent of 7.738% which has been recorded using the equity method of accounting and based on the financial statements of Bicecorp S.A. that have been prepared under IFRS, with the exception of the investments that Bicecorp S.A. holds in Banco Bice and Bice Vida Compañía de Seguros S.A. whose financial statements are in accordance with local regulations issued by the Superintendencia of Banks and Financial Institutions and the SVS respectively.

The financial statements of Banco Bice were based on the regulations established by the Accounting Regulations Handbook issued by the Superintendencia of Banks and Financial Institutions and the financial statements of Bice Vida Compañía de Seguros S.A. were based on the accounting principles and specific instructions generally accepted in Chile that are issued by the SVS. According to the regulator's adoption calendar Bice Vida Compañía de Seguros S.A. is in the process of converging to IFRS.

With regards to the investment held by its associate in Bice Compañía de Seguros S.A. the effect of the conversion to IFRS is not expected to be significant for CMPC.

NOTE 17 - INTANGIBLE ASSETS OTHER THAN GOODWILL

As of 31 December, 2010 and 2009, balances and movements of the main types of intangible assets are detailed as follows:

	Rights on boundary	Other intangible	Total
	land	assets	
	ThUS\$	ThUS\$	ThUS\$
Opening balance as of 01/01/2010	108,440	5,059	113,499
Increases	6,376	6,606	12,982
Transfer to Biological assets and Property, plant & equipment (1)	(119,697)	-	(119,697)
Variation from foreign exchange differences	4,881	47	4,928
Closing balance as of 31/12/2010	-	11,712	11,712
Opening balance as of 01/01/2009	-	4,038	4,038
New investments for the year:			
CMPC Celulose do Brasil Ltda., CMPC Riograndense Ltda. and Protisa do Brasil Ltda.	108,440	-	108,440
Melhoramentos Papéis Ltda.	-	718	718
Other additions	-	105	105
Variation from foreign exchange differences	-	198	198
Closing balance as of 31/12/2009	108,440	5,059	113,499

(1) The rights on boundary land relate to land and forest located in the frontier for which CMPC has a purchase option that depends on the authorization of the Ministry of Security of Brazil, for the forest exploitation of said zone by the Company. This authorization was favorably issued on October 25, 2010 by said Ministry and the Company transferred this land and forests to the final accounts of property, plant & equipment and biological assets.

Other identifiable intangible assets basically correspond to trademarks, rights of water, rights of emission and electric lines easement, all them with indefinite useful life.

NOTE 18 - GOODWILL

As of each year-end, the goodwill balance was composed of the following:

Investor	Issuer/CGU	Currency of origin	31/12/2010	31/12/2009
			ThUS\$	ThUS\$
Inversiones CMPC S.A.	CMPC Celulosa, Celulosa Pacifico Plant	US\$	51,081	51,081
Inv. Protisa S.R.C.	La Papelera del Plata, Zárate, Naschel and Roca Plants	ARS	14,800	15,484
Inversiones CMPC S.A.	CMPC Celulosa, Celulosa Santa Fé 1 Plant	US\$	254	254
Inversiones CMPC S.A.	Propa, Propa Chillán Plant	US\$	5,854	5,854
CMPC Productos de Papel S.A.	Chilena de Moldeados, Puente Alto Plant	US\$	2,644	2,644
CMPC Productos de Papel S.A.	Envases Roble Alto S.A., Quilicura Plant	US\$	3,114	3,114
Forestal Bosques del Plata S.A.	Bosques del Plata, Farms of S.A. Agrop. 4 M *	US\$	2,531	2,531
Forestal Bosques del Plata S.A.	Bosques del Plata, Farms of Caabi Pora S.A. *	US\$	2,149	2,149
Forestal Bosques del Plata S.A.	Bosques del Plata, Farms of Baserri S.A. *	US\$	1,006	1,006
Forest Subsidiaries - Chile	C. A. y F. El Proboste Ltda., El Proboste Farms	US\$	221	221
CMPC Tissue S.A.	Grupo ABS International S.A., Plants in México	MXN	760	718
Melhoramentos Papéis Ltda.	Melhoramentos Papéis Ltda., Plants in Sao Paulo	BRL	71,611	68,294
CMPC Celulose Riograndense Ltda.	Unidad Guaíba, Brazil	BRL	8,841	8,450
Total			164,866	161,800

* Companies merged by Forestal Bosques del Plata S.A. - Argentina

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The Goodwill movement is as follows:

Goodwill	31/12/2010	31/12/2009
	ThUS\$	ThUS\$
Opening balance	161,800	86,589
New investments for the period:		
CMPC Celulose do Brasil Ltda. and CMPC Riograndense Ltda.	-	8,426
Melhoramentos Papéis Ltda.	-	60,686
Variation from foreign exchange differences	3,066	6,099
Closing balance	164,866	161,800

NOTE 19 - PROPERTY, PLANT & EQUIPMENT

As of each year-end, the composition by category of property, plant & equipment at net and gross values, was as follows:

Property, plant & equipment, Net	31/12/2010	31/12/2009
	ThUS\$	ThUS\$
Work in process	396,107	245,805
Land	1,460,547	1,365,555
Buildings	1,420,735	1,392,917
Plant and equipment	2,788,730	2,830,526
Information technology equipment	4,091	4,804
Fixtures and appurtenances	2,081	3,023
Motor vehicles	2,352	2,786
Other property, plant & equipment	129,915	106,190
Total property, plant & equipment	6,204,558	5,951,606

Property, plant & equipment, Gross	31/12/2010	31/12/2009
	ThUS\$	ThUS\$
Work in process	396,107	245,805
Land	1,460,547	1,365,555
Buildings	1,606,618	1,512,929
Plant & equipment	3,440,914	3,236,281
Information technologies equipment	7,666	7,197
Fixtures and appurtenances	6,385	6,426
Motor vehicles	4,278	4,086
Other property, plant & equipment	144,403	110,866
Total property, plant & equipment	7,066,918	6,489,145

The cumulative depreciation by category of property, plant & equipment as of December 31, 2010 and 2009, was as follows:

Depreciation	31/12/2010	31/12/2009
	ThUS\$	ThUS\$
Buildings	185,883	120,012
Plant and equipment	652,184	405,755
Information technologies equipment	3,575	2,393
Fixtures and appurtenances	4,304	3,403
Motor vehicles	1,926	1,300
Other property, plant & equipment	14,488	4,676
Total	862,360	537,539

The changes in Property, plant & equipment (net) for the year ended December 31, 2010, were as follows:

Items	Work in Process	Land	Buildings, Net	Plant and Equipment, Net	Information Technologies Equipment, Net	Fixtures and appurtenances, Net	Motor Vehicles, Net	Other Property, Plant & Equipment, Net	Totals
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance as of January 1, 2010	245,805	1,365,555	1,392,917	2,830,526	4,804	3,023	2,786	106,190	5,951,606
Additions	150,365	28,750	94,379	241,013	545	214	216	37,511	552,993
Acquisitions through business combination	-	54,094	-	-	-	-	-	-	54,094
Disposals	(2,436)	(4,615)	(3,515)	(56,102)	(96)	(431)	(23)	(5,137)	(72,355)
Depreciation expense	-	-	(65,871)	(246,429)	(1,182)	(901)	(626)	(9,812)	(324,821)
Impairment loss recognized in the income statement	-	-	(6,499)	(12,022)	-	-	-	-	(18,521)
Increase (decrease) in foreign currency translation	2,373	16,763	9,324	31,744	20	176	(1)	1,163	61,562
Closing balance as of December 31, 2010	396,107	1,460,547	1,420,735	2,788,730	4,091	2,081	2,352	129,915	6,204,558

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The changes in Property, plant & equipment (net) for the year ended December 31, 2009, were as follows:

Items	Work in Process	Land	Buildings, Net	Plant and Equipment, Net	Information Technologies Equipment, Net	Fixtures and appurtenances, Net	Motor Vehicles, Net	Other Property, Plant & Equipment, Net	Totals
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance as of January 1, 2009	112,689	1,002,217	1,254,886	2,478,844	5,240	3,692	3,299	68,759	4,929,626
Additions	134,862	19,872	32,475	94,050	682	1,231	258	14,515	297,945
Acquisitions through business combination	3,159	348,500	175,572	452,057	-	-	-	19,167	998,455
Disposals	(1,083)	(5,312)	(19,197)	(13,878)	-	(58)	(96)	(2)	(39,626)
Depreciation expense	-	-	(60,779)	(209,639)	(1,186)	(1,869)	(694)	(2,678)	(276,845)
Increase (decrease) in foreign currency translation	(3,822)	278	9,960	29,092	68	27	19	6,429	42,051
Closing balance as of December 31, 2009	245,805	1,365,555	1,392,917	2,830,526	4,804	3,023	2,786	106,190	5,951,606

New Property, plant & equipment is accounted for at acquisition cost. The acquisitions denominated in a currency other than the functional currency are translated at the exchange rate prevailing as of the acquisition date. The acquisitions made by subsidiaries whose functional currency is different from the dollar, are accounted for at the value of its functional currency, being redenominated in dollars at the closing exchange rate of each period.

As of December 31, 2010, the Company has no legal or contractual obligation to dismantle, remove or recondition sites where it carries out its operations. For this reason, its assets do not incorporate costs associated with those requirements.

For the measurement of the main relevant fixed assets acquired before the date of transition to IFRS, their fair value was determined on the basis of valuations made by expert personnel. For the rest of fixed assets, the model of historic cost was used.

The costs derived from daily maintenance and common repairs are taken to the income for the year. However, the replacement of significant or strategic spare parts, which are considered as improvements, are capitalized and depreciated along the remaining useful life of assets, based on component accounting.

The profit or loss from the sale of property, plant & equipment is calculated by comparing the revenue obtained from the sale to the book value of the asset and is included in the Income statement.

Depreciation of assets is estimated using the straight-line method throughout the respective useful life. This useful life has been determined on the basis of the natural impairment expected, the technical or commercial obsolescence derived from the changes and/or improvements in production, and changes in the market demand, of the products obtained in the operation with the mentioned assets.

The useful lives estimated per category of asset, are as follows:

	Minimum useful life	Maximum useful life	Useful life weighted average
Buildings	5	85	35
Plant and equipment	5	40	18
Information technologies equipment	5	15	9
Fixed facilities and fixtures	5	20	9
Motor vehicles (industrial)	3	20	14
Other property, plant & equipment	3	20	10

The residual value and the useful life of assets are reviewed, and adjusted if necessary, at each year-end.

Impairment:

The Company's results as of December 31, 2010 include the effect of the damages caused by the earthquake which affected the south-central zone of Chile on February 27, 2010, which damaged part of the Company's industrial facilities. This fact had a negative influence on the production marketed by CMPC, mainly wood, pulp and paper, derived from the temporary halt of operations in its industrial plants. The foregoing led to a decrease in the production and sales volumes, a situation which was reversed from the second quarter of the current year, given that as of the date these financial statements were issued, all the affected plants are in operation.

The foregoing makes necessary to perform impairment tests as set forth in IAS 36, as of December 31, 2010, since the levels of installed capacity affected by the earthquake were promptly restored with the repairs and maintenance performed during the post-earthquake period, along with the improvement of international prices and the rise in the demand of the products manufactured and marketed by CMPC in said segments. The only adverse effect for CMPC was the charge to income recorded for the partial physical damages not subject to claim (deductibles) under the effective insurance policies. The damage derived from the temporary interruption in the production of the affected industrial plants will be offset with the damages set forth in the insurance contracts (See Note 33).

For the rest of the Company's operating segments, no impairment tests have been made given that the factors (internal or external) that might indicate a need to make such measurements have not arisen. In general, significant decreases in the market value of its assets have not occurred, the installed capacity has not been reduced in a significant way, there have been no market losses of the products or services provided by the entity (per quality, price, replacement products, etc.) nor have physical damages occurred to the assets, except for the mentioned effects of the earthquake in the areas indicated. The interest rates in the market or other rates of return on investment have not been significantly increased during the period, and that increases do not affect the discount rate used in the calculation of the assets' value in use, not affecting their recovery value.

During 2009 no operating or market conditions arose which make necessary to record impairment losses.

Property, plant & equipment in guarantee:

For guaranteeing compliance with every and any of the current and future obligations of Empresas CMPC S.A. and its subsidiaries, Empresas CMPC S.A. has set up a first mortgage over the mezzanine and floors 2, 3, 4 and 5 of the building located at 1343 Agustinas Street. The value assigned for these purposes is ThUS\$ 5,618, as per public deed dated March 16, 2001 witnessed by the Notary public Enrique Morgan, digest N° 1290.

NOTE 20 - FINANCE AND OPERATING LEASE

20.1. Finance leases

The net amount as of December 31, 2010 and as of December 31, 2009 of the assets under finance lease, classified as buildings, plants and equipments and others in the statement of financial position, was as follows:

Assets under finance lease, net	2010 ThUS\$	2009 ThUS\$
Buildings	17,000	24,894
Plant & equipment	63,663	39,958
Other property, plant & equipment	-	5,144
Total	80,663	69,996

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The minimum payments of the finance lease are detailed as follows:

Future minimum payments outstanding	31/12/2010			31/12/2009		
	Gross amount	Interest	Present value	Gross amount	Interest	Present value
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
One year or less	8,498	280	8,218	9,131	294	8,837
Over one year but less than five years	28,297	2,427	25,870	20,302	1,298	19,004
Over five years	35,661	2,253	33,408	37,660	2,500	35,160
Total	72,456	4,960	67,496	67,093	4,092	63,001

The most significant finance lease agreements are the following:

CMPC Celulosa S.A.

On October 22, 2004, the Chilean subsidiary CMPC Celulosa S.A. contracted services for Sodium chlorate (“chlorate”) supply for its Pacífico, Laja and Santa Fe plants with Comercial e Industrial ERCO (Chile) Limitada in Chile, for a period of thirty years, in the amount of ThUS\$ 50,000 at an annual interest rate of 7.8% and payment of annual installments. The contract sets forth that after 30 years the fixed assets of the plant producing chlorate become the property of CMPC Celulosa S.A. through the final payment of US\$ 1. Accordingly, the finance lease was recognized with its effects from the start date of operation (July 2006). This contract is reflected in the asset, Buildings and Plants and Equipment of ThUS\$ 42,500 and in the liabilities Other financial liabilities – current and non-current of ThUS\$ 43,083 (See Note 22.1).

On September 1, 2010 the Chilean subsidiary CMPC Celulosa S.A. acquired a turbo-generator from Comercial e Industrial ERCO (Chile) Limitada, in ThUS\$ 10,071, at 9.96% annual interest and payments of monthly installments. The contract set forth that after 10 years the property become ownership of CMPC Celulosa S.A. Consequently, the finance lease was recognized with its effects from the start date of

operation. This contract is reflected in the assets, Buildings and Plants and Equipment of ThUS\$ 9,959 and in the liabilities, Other financial liabilities – current and non-current of ThUS\$ 9,872 (See Note 22.1).

Forsac Perú S.A.

On July 18, 2008, the subsidiary Forsac Perú S.A. signed a finance lease contract with Banco Continental (BBVA) for the construction of new industrial premises and acquisition of a production line of Windmoller & Holscher multisheet paper sacks in a total amount of PEN 15,057,337 payable in 61 monthly installments at an annual interest rate of 6.7%. On October 25, 2010 this finance lease contract was restructured to ThUS\$ 3,779 payable in 43 monthly installments at an annual interest rate of 5.4%. Upon maturity of the contract and, through the payment of the final installment of the finance lease, Forsac Perú S.A. will exercise the purchase option, thus acquiring the title to the assets referred to above. The maturity date is May 2014. This contract is reflected in the assets, Buildings and Plants and Equipment of ThUS\$ 3,987 and in the liabilities, Other financial liabilities – current and non-current of ThUS\$ 3,451 (See Note 22.1).

Protisa Perú S.A.

On January 21, 2009, the subsidiary Protisa Perú S.A. signed a finance lease contract with Banco de Crédito del Perú for the acquisition of

a paper roll production line and packing machines, and two sanitary product machines totaling ThUS\$ 13,731. In January 2010 part of this operation (paper roll production line) of ThUS\$ 5,144 was paid, with the final contract remaining at PEN 24,825,306 payable in 72 monthly installments at an annual interest rate of 7.44%. Upon maturity of the contract, January 2016, and through the payment of the final installment of the finance lease, Protisa Perú S.A. will exercise the purchase option, thus acquiring the title to the assets referred to above. This contract is reflected in the assets, Plants and Equipment of ThUS\$ 12,374 and in the liabilities, Other financial liabilities – current and non-current of ThUS\$ 7,721 (See Note 22.1).

Papelera del Rimac S.A. – Perú

On February 2, 2010 the subsidiary Papelera del Rimac S.A. signed a finance lease contract with the BBVA Banco Continental for the acquisition of a RECARD Paper Production Machine and a PERINI Paper Roll Conversion Line in a total amount of PEN 34,640,534 payable in 35 monthly installments at an annual interest rate of 3.98%. Upon maturity of the contract, January 2013, and through the payment of the final installment of the finance lease, Papelera del Rimac S.A. will exercise the purchase option, thus acquiring the title to the assets referred to above. This contract is reflected in the assets, Plants and Equipment of ThUS\$ 11,843 and in the liabilities, Other financial liabilities – current and non-current of ThUS\$ 9,462 (See Note 22.1).

20.2. Operating leases

The main operating leases contracted by the Company, for an indefinite term or over one-year maturity, are the following:

- Lease of warehouses and other real estate
- Lease of cranes and loaders
- Lease of office equipment (computers, printers, photocopiers, etc.)
- Lease of vehicles, forest area (light trucks)

The composition of the future minimum payments of operating leases is as follows:

Future minimum payments outstanding	31/12/2010	31/12/2009
	ThUS\$	ThUS\$
No later than 1 year	14,876	15,593
Later than 1 year but no later than 5 years	48,381	48,567
Total	63,257	64,160

Certain contracts are for indefinite or automatically renewable terms, provided the parties do not express their intention to terminate the contract, which might result in payments beyond five years.

The operating lease payments recognized in the Income Statement are the following:

	Year	
	2010	2009
	ThUS\$	ThUS\$
Installment of leases and subleases recognized in the Income Statement	21,039	16,813

There are no special operating lease agreements that commit CMPC, to terms or conditions beyond those prevailing in the market.

NOTE 21 - DEFERRED TAXES

Deferred taxes correspond to the amount of income tax the Company will have to pay (liabilities) or recover (assets) in future fiscal years, relating to temporary differences between the tax basis and the book amount of certain assets and liabilities. The main deferred tax asset corresponds to the tax losses of subsidiaries pending recovery in future fiscal years. The main deferred tax liability payable in future fiscal years corresponds to the temporary differences arising from the restatement of Biological assets (forest plantations) and the restatement of Property, plant & equipment as of the date of transition to IFRS and from the application, for tax purposes, of accelerated depreciation.

As of December 31, 2010 and 2009, deferred tax assets related to the following items:

Items	31/12/2010	31/12/2009
	ThUS\$	ThUS\$
Tax losses	103,344	91,111
Provisions	24,794	17,519
Others	8,525	1,994
Total	136,663	110,624

The Company estimates that the recovery terms of deferred tax assets will be:

Items	31/12/2010		31/12/2009	
	Less than one year	More than one year	Less than one year	More than one year
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Tax losses	12,849	90,495	1,636	89,475
Provisions	6,367	18,427	7,243	10,276
Others	8,525	-	1,994	-
Total	27,741	108,922	10,873	99,751

As of December 31, 2010 and 2009, deferred tax liabilities were as follows:

Items	31/12/2010	31/12/2009
	ThUS\$	ThUS\$
Property, plant & equipment	530,197	554,417
Biological assets	377,088	369,764
Others	27,030	17,465
Total	934,315	941,646

Deferred taxes for the temporary differences between the tax and book value derived from the investments in related companies have not been recognized. Consequently, no deferred tax has been recognized for the Currency Translation Adjustments and Adjustments of Associates directly recorded in equity, disclosed in Other Comprehensive Income.

As of December 31, 2010 deferred tax assets derived from tax losses amount to ThUS\$ 103,344, losses that may be chargeable to profits generated in the future are as follows:

Subsidiaries	Country	Deferred tax from tax loss		Variation with effect on income credit (charge)	Variation without effect on income (exchange difference)
		31/12/2010	31/12/2009	31/12/2010	31/12/2010
		ThUS\$	ThUS\$	ThUS\$	ThUS\$
CMPC Maderas S.A.	Chile	35,359	28,044	7,315	-
Melhoramentos Papéis Ltda.	Brazil	25,932	22,630	2,283	1,019
Drypers Andina S.A.	Colombia	11,663	8,644	2,429	590
Forestal Coihueco S.A.	Chile	5,343	4,853	490	-
Forestal y Agrícola Monte Águila S.A.	Chile	3,880	4,553	(673)	-
Inversiones Protisa S.A.	Chile	3,865	2,956	647	262
Inmobiliaria y Forestal Maitenes S.A.	Chile	3,626	2,648	978	-
Envases Impresos S.A.	Chile	2,802	1,632	1,170	-
Grupo ABS Internacional S.A. de CV	México	2,430	9,980	(8,128)	578
Protisa Colombia S.A.	Colombia	2,169	840	1,272	57
CMPC Productos de Papel S.A.	Chile	1,757	387	1,370	-
CMPC Celulose Riograndense Ltda.	Brazil	1,542	-	1,542	-
Forsac S.A. (Ex Propa S.A.)	Chile	1,123	858	265	-
Forestal Bosques del Plata S.A.	Argentina	1,041	1,434	(393)	-
Productos Tissue del Ecuador S.A.	Ecuador	463	-	463	-
La Papelera del Plata S.A.	Argentina	272	-	272	-
Forsac México S.A.	México	28	-	28	-
Inmobiliaria Pinares S.A.	Chile	18	5	13	-
CMPC Inversiones de Argentina S.A.	Argentina	17	11	6	-
Naschel S.A.	Argentina	14	-	14	-
CMPC Celulosa S.A.	Chile	-	1,636	(1,636)	-
Total		103,344	91,111	9,727	2,506

Notes to the Consolidated Financial Statements

With regard to the prescription terms of the tax losses which can be recognized in future profits, we can point out that in the case of those generated in companies incorporated in Chile, Brazil and Colombia, they do not prescribe, as opposed to what occurs with the tax losses of the companies incorporated in México, where they prescribe within 10 years. In the case of the companies incorporated in Argentina and Ecuador, tax losses prescribe within 5 years.

The deferred taxes recorded for the effects of Cash flow hedges and disclosed in Other comprehensive income statement, were the following:

Items	Year	
	2010	2009
	ThUS\$	ThUS\$
Cash flow hedge, gross	18,692	(19,970)
Deferred tax	(3,178)	3,395
Cash flow hedge, net	15,514	(16,575)

The temporary differences that generated deferred tax assets and liabilities in 2010 and their effect on income were:

Type of temporary difference	Deferred taxes recognized with an effect on income		Deferred taxes recognized without effect on income (*)		Deferred tax profit (loss)
	Increase (decrease)	(Increase) decrease	Increase (decrease)	(Increase) decrease	
	Assets	Liabilities	Assets	Liabilities	
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Tax losses	9,727	-	2,506	-	9,727
Provisions	6,853	-	422	-	6,853
Other assets	6,594	-	(63)	-	6,594
Property, plant & equipment	-	26,714	-	(2,494)	26,714
Biological assets	-	(7,892)	-	568	(7,892)
Other liabilities	-	(9,262)	-	(303)	(9,262)
Sub-totals	23,174	9,560	2,865	(2,229)	32,734

(*) The deferred taxes recorded in 2010 without effect on income correspond to the positive effect from the fluctuation for foreign exchange difference of ThUS\$ 636, which has been allocated to the respective deferred tax items.

To reflect the effect of the legal modification of the income tax, which raises the income tax rate in Chile from 17% to 20% for year 2011, and to 18.5% for 2012, returning to 17% of 2013, a charge to income of ThUS\$ 6,864 has been recorded for deferred taxes from difference

For the years ended December 31, 2010 and 2009, the movement in deferred tax liabilities was as follows:

Change in deferred tax liabilities	31/12/2010	31/12/2009
	ThUS\$	ThUS\$
Deferred tax, opening balance as of January 1	941,646	953,229
Property, plant & equipment	(24,220)	(97)
Biological assets	7,324	(9,409)
Others	9,565	(2,077)
Closing balance	934,315	941,646

in the tax valuation versus financial valuation of Property, plant and equipment and Biological assets, in relation to that proportion of the difference which is reversed in the mentioned years. This effect is recorded in the items referred to above.

The temporary differences that generated deferred tax assets and liabilities in 2009 and their effect on income were:

Type of temporary difference	Deferred taxes recognized with an effect on income		Deferred taxes recognized without effect on income (*)		Deferred tax/profit (loss)
	Increase (decrease) Assets	(Increase) decrease Liabilities	Increase (decrease) Assets	(Increase) decrease Liabilities	
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	
Tax losses	36,103	-	21,417	-	36,103
Provisions	(3,385)	-	9,450	-	(3,385)
Other assets	(5,120)	-	-	-	(5,120)
Property, plant & equipment	-	50,023	-	(49,926)	50,023
Biological assets	-	7,510	-	1,899	7,510
Other liabilities	-	2,321	-	(245)	2,321
Sub-totals	27,598	59,854	30,867	(48,272)	87,452

(*) The deferred taxes recorded in 2009 without effect on income correspond to the inclusion of an asset from tax losses of ThUS\$ 22,630, miscellaneous provisions of ThUS\$ 9,771 and a property, plant & equipment liability of ThUS\$ 45,386 for the acquisition of Melhoramentos Papéis Ltda. and to the incorporation of a property, plant & equipment liability of ThUS\$ 4,979 and biological assets amounting to ThUS\$ 1,983 of CMPC Celulose Riograndense Ltda. (ex CMP Celulose do Brasil Ltda.) acquired in December 2009. Similarly, a positive effect from the fluctuation for foreign exchange difference of ThUS\$ 2,542 is included, which has been allocated to the respective deferred tax items.

NOTE 22 – OTHER FINANCIAL LIABILITIES

As of December 31, 2010 and 2009, other financial liabilities were as follows:

Items	31/12/2010	31/12/2009
	ThUS\$	ThUS\$
Interest-bearing loans, current	467,885	443,476
Swap and Cross Currency Swap Operations - current	23,416	22,406
Operations forwards of currency	9,899	5,027
Hedging liabilities, current	176	2,064
Subtotal Other financial liabilities – current	501,376	472,973
Interest-bearing loans, non-current	2,516,211	2,509,438
Hedging liabilities, non-current	226	7,502
Subtotal Other financial liabilities – non-current	2,516,437	2,516,940
Total	3,017,813	2,989,913

Notes to the Consolidated Financial Statements

22.1. Composition of the balance and maturities

a) Interest-bearing loans, current - non-current

The interest-bearing loans grouped by maturities were the following:

Balances as of December 31, 2010														
Tax No. debtor	Debtor name	Currency	Creditor name	Amount of class loans exposed to liquidity risk (ThUS\$)						Type of amortization	Effective rate %	Nominal value obligation	Nominal rate %	Practical explanation risk management
				Up to one month	Two to three months	Three to twelve months	Two to five years	Six years or more	Total					
Bank obligations and obligations with the public														
79,818,600-0	CMPC Papeles S.A.	US\$	BancoEstado - Chile RUT 97,030,000-7	-	-	2,132	149,670	-	151,802	Maturity	3.60%	150,000	Libor+3.0%	
96,532,330-9	CMPC Celulosa S.A.	US\$	Banco BBVA - Chile RUT 97,032,000-8	-	-	20,000	-	-	20,000	Maturity	0.30%	20,000	0.30%	
96,532,330-9	CMPC Celulosa S.A.	US\$	BancoEstado - Chile RUT 97,030,000-7	-	-	50,004	-	-	50,004	Maturity	1.30%	50,000	Libor+0.55%	
96,532,330-9	CMPC Celulosa S.A.	US\$	BancoEstado - Chile RUT 97,030,000-7	-	-	15,002	-	-	15,002	Maturity	1.20%	15,000	Libor+0.6%	
96,532,330-9	CMPC Celulosa S.A.	US\$	BancoEstado - Chile RUT 97,030,000-7	-	-	15,002	-	-	15,002	Maturity	1.20%	15,000	Libor+0.6%	
96,532,330-9	CMPC Celulosa S.A.	US\$	BancoEstado - Chile RUT 97,030,000-7	-	-	20,006	-	-	20,006	Maturity	1.30%	20,000	Libor+0.55%	
96,532,330-9	CMPC Celulosa S.A.	US\$	BancoEstado - Chile RUT 97,030,000-7	-	-	1,324	99,785	-	101,109	Maturity	3.56%	100,000	Libor+3.0%	
96,596,540-8	Inversiones CMPC S.A.	US\$	Banco J.P. Morgan Chase Bank - United States	-	63	96,000	48,000	-	144,063	Half-yearly	0.59%	144,000	Libor+0.275%	Swap
96,596,540-8	Inversiones CMPC S.A.	US\$	Bank of Tokyo-Mitsubishi UFJ, Ltd. - United States	-	80	83,334	124,405	-	207,819	Quarterly	0.99%	208,333	Libor+0.55%	Cross currency swap
96,596,540-8	Inversiones CMPC S.A.	US\$	Obligations with the public, abroad Rule 144-A	-	-	488	283,786	-	284,274	Maturity	4.89%	300,000	4.88%	
96,596,540-8	Inversiones CMPC S.A.	US\$	Obligations with the public, abroad Rule 144-A	-	-	4,678	-	493,464	498,142	Maturity	6.25%	500,000	6.13%	
96,596,540-8	Inversiones CMPC S.A.	CLP-UF	Obligations with the public, abroad series A, Reg. 413 SVS	-	-	2,869	314,508	-	317,377	Maturity	3.22%	308,860	2.70%	Cross currency swap
96,596,540-8	Inversiones CMPC S.A.	CLP-UF	Obligations with the public, abroad series B, Reg. 456 SVS	-	-	2,520	-	178,544	181,064	Maturity	4.43%	176,491	4.20%	
96,596,540-8	Inversiones CMPC S.A.	CLP-UF	Obligations with the public, abroad series D, Reg. 569 SVS	-	-	1,067	135,929	-	136,996	Maturity	3.25%	132,368	2.90%	Cross currency swap
96,596,540-8	Inversiones CMPC S.A.	CLP-UF	Obligations with the public, abroad series F, Reg. 570 SVS	-	-	3,679	-	310,476	314,155	Maturity	4.55%	308,860	4.30%	
Foreign	Fabi Bolsas Industriales S.A.	ARS	Banco Galicia - Argentina	11	-	-	-	-	11	Daily	14.00%	11	14.00%	
Foreign	Fabi Bolsas Industriales S.A.	ARS	Banco Provincia Buenos Aires - Argentina	44	-	-	-	-	44	Daily	14.00%	44	14.00%	
Foreign	Fabi Bolsas Industriales S.A.	ARS	Banco Santander Río - Argentina	299	-	-	-	-	299	Daily	14.00%	299	14.00%	
Foreign	La Papelera del Plata S.A.	ARS	Banco BBVA - Argentina	-	-	1,886	-	-	1,886	Half-yearly	24.50%	1,886	24.50%	
Foreign	La Papelera del Plata S.A.	ARS	Banco BBVA - Argentina	-	-	4,119	-	-	4,119	Half-yearly	17.75%	3,773	17.75%	
Foreign	La Papelera del Plata S.A.	ARS	Banco BBVA - Argentina	-	-	3,144	9,432	-	12,576	Quarterly	16.75%	12,575	16.75%	
Foreign	La Papelera del Plata S.A.	ARS	Banco BBVA - Argentina	611	-	-	-	-	611	Daily	11.00%	611	11.00%	
Foreign	La Papelera del Plata S.A.	ARS	Banco Galicia - Argentina	-	1,421	-	-	-	1,421	Maturity	15.00%	1,258	15.00%	
Foreign	La Papelera del Plata S.A.	ARS	Banco Galicia - Argentina	2,471	-	-	-	-	2,471	Daily	11.50%	2,471	11.50%	
Foreign	La Papelera del Plata S.A.	ARS	Banco HSBC - Argentina	-	-	2,515	-	-	2,515	Quarterly	15.00%	2,515	15.00%	
Foreign	La Papelera del Plata S.A.	ARS	Banco HSBC - Argentina	-	4,991	-	-	-	4,991	Maturity	14.25%	4,991	14.25%	
Foreign	La Papelera del Plata S.A.	ARS	Banco Macro - Argentina	-	-	2,514	-	-	2,514	Quarterly	17.75%	2,515	17.75%	
Foreign	La Papelera del Plata S.A.	ARS	Banco Macro - Argentina	-	-	1,258	-	-	1,258	Quarterly	17.75%	1,258	17.75%	
Foreign	La Papelera del Plata S.A.	ARS	Banco Macro - Argentina	-	1,324	-	-	-	1,324	Quarterly	15.00%	1,258	15.00%	
Foreign	La Papelera del Plata S.A.	ARS	Banco Patagonia - Argentina	-	1,844	-	-	-	1,844	Maturity	14.00%	1,761	14.00%	
Foreign	La Papelera del Plata S.A.	ARS	Banco Patagonia - Argentina	2,126	-	-	-	-	2,126	Daily	12.50%	2,126	12.50%	
Foreign	La Papelera del Plata S.A.	ARS	Banco Santander Río - Argentina	65	-	2,138	-	-	2,203	Half-yearly	18.25%	2,138	18.25%	

Balances as of December 31, 2010

Tax No. debtor	Debtor name	Currency	Creditor name	Amount of class loans exposed to liquidity risk (ThUS\$)						Total	Type of amortization	Effective rate %	Nominal value obligation	Nominal rate %	Practical explanation risk management
				Up to one month	Two to three months	Three to twelve months	Two to five years	Six years or more							
Bank obligations and obligations with the public, continuation															
Foreign	La Papelera del Plata S.A.	ARS	Banco Santander Río - Argentina	-	-	755	-	-	755	Half-yearly	16.50%	755	16.50%		
Foreign	La Papelera del Plata S.A.	ARS	Banco Santander Río - Argentina	-	72	2,515	2,515	-	5,102	Quarterly	16.85%	5,030	16.85%		
Foreign	La Papelera del Plata S.A.	ARS	Banco Santander Río - Argentina	33	-	1,006	-	-	1,039	Quarterly	16.00%	1,006	16.00%		
Foreign	La Papelera del Plata S.A.	ARS	Banco Santander Río - Argentina	-	-	1,033	-	-	1,033	Half-yearly	16.00%	1,006	16.00%		
Foreign	La Papelera del Plata S.A.	ARS	Banco Santander Río - Argentina	1,154	-	-	-	-	1,154	Daily	12.00%	1,154	12.00%		
Foreign	La Papelera del Plata S.A.	ARS	Banco Citibank - Argentina	-	20	1,258	-	-	1,278	Maturity	18.50%	1,258	18.50%		
Foreign	La Papelera del Plata S.A.	ARS	Banco Citibank - Argentina	-	2,667	-	-	-	2,667	Maturity	15.00%	2,515	15.00%		
Foreign	La Papelera del Plata S.A.	ARS	Banco Citibank - Argentina	-	1,305	-	-	-	1,305	Maturity	15.25%	1,258	15.25%		
Foreign	La Papelera del Plata S.A.	ARS	Banco Citibank - Argentina	-	-	1,303	-	-	1,303	Maturity	15.25%	1,258	15.25%		
Foreign	La Papelera del Plata S.A.	ARS	Banco Citibank - Argentina	615	-	-	-	-	615	Daily	12.50%	615	12.50%		
Foreign	Protisa Perú S.A.	PEN	Banco de Crédito del Perú	-	-	6,099	-	-	6,099	Maturity	3.60%	5,963	3.60%		
Foreign	Protisa Perú S.A.	PEN	Banco de Crédito del Perú	10,251	-	-	-	-	10,251	Maturity	7.44%	10,251	7.44%		
Foreign	Protisa Perú S.A.	PEN	Banco de Crédito del Perú	-	-	1,961	-	-	1,961	Maturity	3.81%	1,925	3.81%		
Foreign	Protisa Perú S.A.	PEN	Banco de Crédito del Perú	-	-	2,722	-	-	2,722	Maturity	3.81%	2,674	3.81%		
Foreign	Protisa Perú S.A.	PEN	BBVA Banco Continental - Perú	-	-	2,090	-	-	2,090	Maturity	4.00%	2,090	4.00%		
Foreign	Protisa Perú S.A.	PEN	BBVA Banco Continental - Perú	-	-	627	-	-	627	Maturity	6.30%	627	6.30%		
Foreign	Ipusa S.A.	US\$	Banco Citibank - Uruguay	-	-	1,450	-	-	1,450	Monthly	3.40%	1,450	3.40%		
Foreign	Ipusa S.A.	US\$	Banco Citibank - Uruguay	-	-	1,900	-	-	1,900	Monthly	4.00%	1,900	4.00%		
Foreign	Ipusa S.A.	US\$	Banco Citibank - Uruguay	-	1,244	-	-	-	1,244	Half-yearly	7.50%	1,244	7.50%		
Foreign	Ipusa S.A.	US\$	Banco Credit - Uruguay	-	-	1,741	-	-	1,741	Monthly	4.50%	1,741	4.50%		
Foreign	Ipusa S.A.	US\$	Banco Credit - Uruguay	-	152	-	-	-	152	Monthly	4.00%	150	4.00%		
Foreign	Ipusa S.A.	US\$	Banco Credit - Uruguay	-	30	-	-	-	30	Monthly	4.00%	30	4.00%		
Foreign	Ipusa S.A.	US\$	Banco Credit - Uruguay	1,069	-	-	-	-	1,069	Monthly	4.00%	1,050	4.00%		
Foreign	Ipusa S.A.	US\$	Banco Credit - Uruguay	1,800	-	-	-	-	1,800	Monthly	4.50%	1,800	4.50%		
Foreign	Ipusa S.A.	UYU	Banco Credit - Uruguay	2,618	-	-	-	-	2,618	Monthly	7.50%	2,454	7.50%		
Foreign	Ipusa S.A.	US\$	Banco HSBC - Uruguay	1,215	-	-	-	-	1,215	Monthly	4.44%	1,200	4.44%		
Foreign	Ipusa S.A.	UYU	Banco HSBC - Uruguay	-	-	1,232	-	-	1,232	Half-yearly	7.65%	1,201	7.65%		
Foreign	Ipusa S.A.	UYU	Banco Itaú - Uruguay	-	-	1,641	-	-	1,641	Half-yearly	8.00%	1,641	8.00%		
Foreign	Ipusa S.A.	UYU	Banco Lloyd's - Uruguay	-	796	-	-	-	796	Half-yearly	8.00%	796	8.00%		
Foreign	Ipusa S.A.	UYU	Banco Lloyd's - Uruguay	-	2,014	-	-	-	2,014	Half-yearly	6.75%	1,969	6.75%		
Foreign	Ipusa S.A.	US\$	Banco Santander - Uruguay	-	2,656	-	-	-	2,656	Half-yearly	4.58%	2,656	4.58%		
Foreign	Ipusa S.A.	UYU	Banco Santander - Uruguay	-	-	5,034	-	-	5,034	Half-yearly	8.50%	4,986	8.50%		

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Balances as of December 31, 2010

Tax No. debtor	Debtor name	Currency	Creditor name	Amount of class loans exposed to liquidity risk (ThUS\$)					Total	Type of amortization	Effective rate %	Nominal value obligation	Nominal rate %	Practical explanation risk management
				Up to one month	Two to three months	Four to twelve months	Two to five years	Six years or more						
Bank obligations and obligations with the public, continuation														
Foreign	Drypers Andina S.A.	COP	Banco Santander - Colombia	-	1,341	-	-	-	1,341	Half-yearly	5.00%	1,341	5.00%	
Foreign	Drypers Andina S.A.	COP	Banco Santander - Colombia	-	4,218	-	-	-	4,218	Half-yearly	4.90%	4,218	4.90%	
Foreign	Drypers Andina S.A.	COP	Banco Santander - Colombia	-	945	-	-	-	945	Half-yearly	5.00%	945	5.00%	
Foreign	Drypers Andina S.A.	COP	Banco Santander - Colombia	-	393	-	-	-	393	Half-yearly	4.00%	393	4.00%	
Foreign	Drypers Andina S.A.	COP	Bancolombia	-	3,144	-	-	-	3,144	Half-yearly	5.28%	3,144	5.28%	
Foreign	Drypers Andina S.A.	COP	Bancolombia	211	-	-	-	-	211	Half-yearly	6.16%	211	6.16%	
Foreign	Drypers Andina S.A.	COP	Bancolombia	3,920	-	-	-	-	3,920	Half-yearly	5.17%	3,920	5.17%	
Foreign	Drypers Andina S.A.	US\$	Santander - Overseas Bank Inc. - Puerto Rico	45	-	-	-	-	45	Half-yearly	0.75%	45	Libor+0.45%	Cross currency swap
Foreign	Drypers Andina S.A.	US\$	Santander - Overseas Bank Inc. - Puerto Rico	99	-	-	-	-	99	Half-yearly	1.05%	99	Libor+0.75%	Cross currency swap
Foreign	Drypers Andina S.A.	US\$	Santander - Overseas Bank Inc. - Puerto Rico	7,000	-	-	-	-	7,000	Quarterly	0.75%	8,335	Libor+0.45%	Cross currency swap
Foreign	Drypers Andina S.A.	US\$	Santander - Overseas Bank Inc. - Puerto Rico	4,000	-	-	-	-	4,000	Quarterly	1.05%	4,748	Libor+0.75%	Cross currency swap
Foreign	Protisa Colombia S.A.	US\$	Banco BBVA - Chile	-	-	2	40,000	-	40,002	Maturity	1.95%	40,002	Libor+1.62%	
Foreign	Protisa Colombia S.A.	COP	Banco BBVA - Colombia	976	-	-	-	-	976	Monthly	5.56%	976	5.56%	
Foreign	Protisa Colombia S.A.	US\$	Banco Santander - Chile	1,500	-	-	-	-	1,500	Monthly	1.86%	1,500	1.86%	
Foreign	Protisa Colombia S.A.	US\$	Banco Santander - Chile	-	-	-	44,000	-	44,000	Maturity	1.95%	44,000	Libor+1.62%	
Foreign	Protisa Colombia S.A.	US\$	Banco Santander - Chile	-	-	12	-	-	12	Half-yearly	2.08%	12	2.08%	
Foreign	Protisa Colombia S.A.	US\$	Banco Santander - Chile	-	-	1	-	-	1	Half-yearly	2.08%	1	2.08%	
Foreign	Protisa Colombia S.A.	US\$	Banco Santander - Colombia	-	1,066	-	-	-	1,066	Monthly	6.00%	1,066	6.00%	
Foreign	Protisa Colombia S.A.	US\$	Banco Santander - Colombia	-	-	462	-	-	462	Monthly	2.96%	462	2.96%	
Foreign	Protisa Colombia S.A.	US\$	Banco Santander - Colombia	-	-	409	-	-	409	Monthly	2.96%	409	2.96%	
Foreign	Protisa Colombia S.A.	US\$	Banco Santander - Colombia	-	-	330	-	-	330	Monthly	2.96%	330	2.96%	
Foreign	Protisa Colombia S.A.	COP	Banco Santander - Puerto Rico	-	1,387	-	-	-	1,387	Monthly	5.00%	1,387	5.00%	
Foreign	Protisa Colombia S.A.	COP	Bancolombia	578	-	-	-	-	578	Monthly	6.16%	578	6.16%	
Foreign	CMPC Celulose Riograndense Ltda.	US\$	Banco Santander e Itaú - GB/Nassau	-	-	11,810	138,461	-	150,271	Maturity	2.96%	150,000	Libor+2.50%	
Foreign	Melhoramentos Papéis Ltda.	BRL	Banco Itaú/BBVA - Brazil	-	-	39	-	18,700	18,739	Monthly	4.50%	18,700	4.50%	
Foreign	Melhoramentos Papéis Ltda.	BRL	Banco Itaú/BBVA - Brazil	-	-	17	-	1,671	1,688	Monthly	4.50%	1,671	4.50%	
Foreign	Melhoramentos Papéis Ltda.	BRL	Banco Itaú/BBVA - Brazil	-	-	1	-	273	274	Monthly	4.50%	273	4.50%	
Foreign	Melhoramentos Papéis Ltda.	BRL	Banco Itaú/BBVA - Brazil	-	-	5	-	609	614	Monthly	4.50%	609	4.50%	
Foreign	Melhoramentos Papéis Ltda.	BRL	Banco Itaú/BBVA - Brazil	-	-	4	-	597	601	Monthly	5.50%	597	5.50%	
Foreign	Melhoramentos Papéis Ltda.	BRL	Banco Itaú/BBVA - Brazil	-	-	7	-	595	602	Monthly	5.50%	595	5.50%	
Foreign	Melhoramentos Papéis Ltda.	BRL	Banco Itaú/BBVA - Brazil	-	-	-	-	616	616	Monthly	5.50%	616	5.50%	
Foreign	Grupo ABS Int. S.A. de CV	COP	Banco Santander - México	-	-	-	50,000	-	50,000	Half-yearly	1.09%	50,000	Libor+0.80%	Cross currency swap
Total bank obligations and obligations with the public				42,711	33,173	383,145	1,440,491	1,005,545	2,905,065					

Balances as of December 31, 2010

Tax No. debtor	Debtor name	Currency	Creditor name	Amount of class loans exposed to liquidity risk (ThUS\$)						Total	Type of amortization	Effective rate	Nominal value obligation	Nominal rate	Practical explanation risk management
				Up to one month	Two to three months	Four to twelve months	Two to five years	Six years or more							
Finance lease obligations															
Foreign	Forsac Perú S.A.	USD	BBVA Banco Continental - Perú	88	176	639	2,548	-	3,451	Monthly	5.40%	3,451	5.40%		
Foreign	Protisa Perú S.A.	PEN	Banco de Crédito del Perú	105	212	988	6,416	-	7,721	Monthly	7.44%	7,721	7.44%		
Foreign	Protisa Perú S.A.	PEN	Banco de Crédito del Perú	-	-	-	4,122	-	4,122	Monthly	6.15%	3,620	6.15%		
Foreign	Protisa Perú S.A.	PEN	Banco BBVA Continental - Perú	-	-	-	1,320	-	1,320	Monthly	6.30%	1,320	6.30%		
Foreign	Papelera del Rimac S.A.	PEN	Banco BBVA Continental - Perú	364	731	3,350	5,017	-	9,462	Monthly	3.98%	9,462	3.98%		
Total finance lease obligations				557	1,119	4,977	19,423	-	26,076						
Other Obligations															
96,532,330-9	CMPC Celulosa S.A.	US\$	Comercial e Industrial ERCO Chile Ltda. RUT 76,163,730-4	130	260	1,174	-	41,519	43,083	Monthly	7.80%	43,083	7.80%		
96,532,330-9	CMPC Celulosa S.A.	US\$	Comercial e Industrial ERCO Chile Ltda. RUT 76,163,730-4	51	103	485	-	9,233	9,872	Monthly	9.96%	9,872	9.96%		
Total Other obligations				181	363	1,659	-	50,752	52,955						
Total interest-bearing loans				43,449	34,655	389,781	1,459,914	1,056,297	2,984,096						
Total interest-bearing loans at fair value				43,449	34,655	389,781	1,459,914	1,056,297	2,984,096						

Notes to the Consolidated Financial Statements

Balances as of December 31, 2009

Tax No. debtor	Debtor name	Currency	Creditor name	Amount of class loans exposed to liquidity risk (ThUS\$)						Total	Type of amortization	Effective rate %	Nominal value obligation	Nominal rate %	Practical explanation risk management
				Up to one month	Two to three months	Four to twelve months	Two to five years	Six years or more							
Bank obligations and obligations with the public															
79,818,600-0	CMPC Papeles S.A.	US\$	BancoEstado - Chile RUT 97,030,000-7	-	-	2,302	149,580	-	151,882	Maturity	3.89%	150,000	Libor+3.00%		
96,532,330-9	CMPC Papeles S.A.	US\$	BancoEstado - Chile RUT 97,030,000-7	-	-	20,563	-	-	20,563	Quarterly	3.78%	20,000	3.78%		
96,532,330-9	CMPC Papeles S.A.	US\$	BancoEstado - Chile RUT 97,030,000-7	-	-	50,651	-	-	50,651	Quarterly	2.58%	50,000	2.58%		
96,532,330-9	CMPC Papeles S.A.	US\$	BancoEstado - Chile RUT 97,030,000-7	-	-	30,284	-	-	30,284	Quarterly	2.29%	30,000	2.29%		
96,532,330-9	CMPC Papeles S.A.	US\$	BancoEstado - Chile RUT 97,030,000-7	-	-	1,420	99,725	-	101,145	Maturity	3.81%	100,000	Libor+3.00%		
96,596,540-8	Inversiones CMPC S.A.	US\$	Bank of Tokyo - Mitsubishi UFJ, Ltd. - United States	-	41,762	-	207,495	-	249,257	Quarterly	0.86%	250,000	Libor+0.55%	Cross currency swap	
96,596,540-8	Inversiones CMPC S.A.	CLP	Trade effect	-	-	29,297	-	-	29,297	Maturity	2.48%	27,255	2.48%		
96,596,540-8	Inversiones CMPC S.A.	US\$	Banco J.P. Morgan Chase Bank - United States	-	96,110	-	144,000	-	240,110	Quarterly	0.59%	144,000	Libor+0.275%	Swap	
96,596,540-8	Inversiones CMPC S.A.	CLP-UF	Obligations with the public, abroad series A, Reg. 413 SVS	-	-	2,563	-	282,055	284,618	Maturity	3.22%	264,992	2.70%	Cross currency swap	
96,596,540-8	Inversiones CMPC S.A.	CLP-UF	Obligations with the public, abroad series B, Reg. 456 SVS	-	-	2,270	-	160,668	162,938	Maturity	4.43%	151,424	4.20%		
96,596,540-8	Inversiones CMPC S.A.	CLP-UF	Obligations with the public, abroad series F, Reg. 570 SVS	-	-	3,314	-	279,192	282,056	Maturity	4.55%	264,992	4.30%		
96,596,540-8	Inversiones CMPC S.A.	CLP-UF	Obligations with the public, abroad series D, Reg. 569 SVS	-	-	961	122,001	-	122,962	Maturity	3.25%	113,568	2.90%	Cross currency swap	
96,596,540-8	Inversiones CMPC S.A.	US\$	Obligations with the public, abroad Rule 144-A	-	488	-	285,696	-	286,184	Maturity	4.89%	300,000	4.88%		
96,596,540-8	Inversiones CMPC S.A.	US\$	Obligations with the public, abroad Rule 144-A	-	4,679	-	-	492,909	497,588	Maturity	6.25%	500,000	6.13%		
96,731,890-6	Cartulinas CMPC S.A.	US\$	Banco Itaú - Chile - RUT 76,645,030-k	-	-	20,661	-	-	20,661	Half-yearly	4.13%	20,000	4.13%		
Foreign	Drypers Andina S.A.	COP	Banco Santander - Colombia	-	1,472	-	-	-	1,472	Half-yearly	9.20%	1,472	9.20%		
Foreign	Drypers Andina S.A.	COP	Banco Santander - Colombia	-	1,585	-	-	-	1,585	Half-yearly	9.20%	1,585	9.20%		
Foreign	Drypers Andina S.A.	COP	Banco Santander - Colombia	-	4,164	-	-	-	4,164	Half-yearly	9.00%	4,164	9.00%		
Foreign	Drypers Andina S.A.	COP	Banco Santander - Colombia	-	589	-	-	-	589	Half-yearly	9.00%	589	9.00%		
Foreign	Drypers Andina S.A.	US\$	Santander - Overseas Bank Inc. - Puerto Rico	-	-	-	7,040	-	7,040	Half-yearly	0.62%	7,000	Libor+0.45%	Cross currency swap	
Foreign	Drypers Andina S.A.	US\$	Santander - Overseas Bank Inc. - Puerto Rico	-	-	-	4,090	-	4,090	Half-yearly	0.91%	4,000	Libor+0.75%	Cross currency swap	
Foreign	Drypers Andina S.A.	COP	Bancolombia	2,991	-	-	-	-	2,991	Half-yearly	8.53%	2,991	8.53%		
Foreign	Drypers Andina S.A.	COP	Bancolombia	2,482	-	-	-	-	2,482	Half-yearly	8.53%	2,482	8.53%		
Foreign	Protisa Colombia S.A.	COP	Banco BBVA - Colombia	-	-	10,871	-	-	10,871	Half-yearly	10.01%	10,871	10.01%		
Foreign	Protisa Colombia S.A.	COP	Banco BBVA - Colombia	-	-	4,578	-	-	4,578	Half-yearly	10.01%	4,578	10.01%		
Foreign	Protisa Colombia S.A.	COP	Banco BBVA - Colombia	-	-	3,213	-	-	3,213	Half-yearly	8.84%	3,213	8.84%		
Foreign	Protisa Colombia S.A.	US\$	Banco BBVA - Colombia	-	-	4,923	-	-	4,923	Half-yearly	6.00%	4,923	6.00%		
Foreign	Protisa Colombia S.A.	US\$	Banco Santander - Colombia	-	-	7,428	-	-	7,428	Half-yearly	10.01%	7,428	10.01%	Cross currency swap	
Foreign	Protisa Colombia S.A.	US\$	Banco Santander - Colombia	-	-	6,146	-	-	6,146	Half-yearly	10.01%	6,146	10.01%	Cross currency swap	
Foreign	Protisa Colombia S.A.	US\$	Banco Santander - Colombia	462	-	-	-	-	462	Half-yearly	4.65%	462	4.65%		

Balances as of December 31, 2009

Tax No. debtor	Debtor name	Currency	Creditor name	Amount of class loans exposed to liquidity risk (ThUS\$)						Total	Type of amortization	Effective rate %	Nominal value obligation	Nominal rate %	Practical explanation risk management
				Up to one month	Two to three months	Four to twelve months	Two to five years	Six years or more							
Bank obligations and obligations with the public, continuation															
Foreign	Protisa Colombia S.A.	US\$	Banco Santander - Colombia	417	-	-	-	-	417	Half-yearly	4.47%	462	4.47%		
Foreign	Protisa Colombia S.A.	US\$	Banco Santander - Colombia	350	-	-	-	-	350	Half-yearly	4.49%	350	4.49%		
Foreign	Protisa Colombia S.A.	US\$	Banco Santander - Colombia	-	-	280	-	-	280	Half-yearly	6.00%	280	6.00%		
Foreign	Protisa Colombia S.A.	US\$	Banco Santander - Colombia	-	-	78	-	-	78	Half-yearly	6.00%	78	6.00%		
Foreign	Grupo ABS Int. S.A. de CV	US\$	Banco Santander - México	-	-	-	50,000	-	50,000	Half-yearly	0.91%	50,000	Libor+0.80%	Cross currency swap	
Foreign	Ipusa S.A.	US\$	Banco HSBC - Uruguay	-	-	1,523	-	-	1,523	Half-yearly	5.00%	1,523	5.00%		
Foreign	Ipusa S.A.	US\$	Banco Santander - Uruguay	-	-	306	-	-	306	Half-yearly	5.50%	306	5.50%		
Foreign	Ipusa S.A.	US\$	Banco Santander - Uruguay	-	-	3,441	-	-	3,441	Monthly	4.50%	3,441	4.50%		
Foreign	Ipusa S.A.	US\$	Banco Santander - Uruguay	-	1,765	-	-	-	1,765	Monthly	4.96%	1,765	4.96%		
Foreign	Ipusa S.A.	UYU	Banco Santander - Uruguay	4,449	-	-	-	-	4,449	Monthly	9.50%	4,449	9.50%		
Foreign	Ipusa S.A.	UYU	Banco Santander - Uruguay	-	-	547	-	-	547	Monthly	6.00%	547	6.00%		
Foreign	Ipusa S.A.	US\$	Banco Citibank - Uruguay	-	-	1,166	-	-	1,166	Monthly	5.50%	1,166	5.50%		
Foreign	Ipusa S.A.	US\$	Banco Citibank - Uruguay	-	-	1,351	-	-	1,351	Monthly	17.00%	1,351	17.00%		
Foreign	Ipusa S.A.	US\$	Banco Citibank - Uruguay	1,417	-	-	-	-	1,417	Monthly	10.00%	1,417	10.00%		
Foreign	Ipusa S.A.	US\$	Banco Citibank - Uruguay	-	-	1,403	-	-	1,403	Monthly	4.07%	1,403	4.07%		
Foreign	Ipusa S.A.	US\$	Banco Credit - Uruguay	-	-	1,519	-	-	1,519	Half-yearly	4.90%	1,519	4.90%		
Foreign	Ipusa S.A.	US\$	Banco Credit - Uruguay	-	-	311	-	-	311	Monthly	6.50%	1,519	6.50%		
Foreign	Ipusa S.A.	UYU	Banco Credit - Uruguay	-	-	2,000	-	-	2,000	Monthly	4.00%	2,000	4.00%		
Foreign	Ipusa S.A.	US\$	Banco Credit - Uruguay	-	1,003	-	-	-	1,003	Monthly	4.00%	2,000	4.00%		
Foreign	Ipusa S.A.	UYU	Banco Credit - Uruguay	-	-	639	-	-	639	Monthly	5.50%	639	5.50%		
Foreign	Ipusa S.A.	UYU	Banco Credit - Uruguay	-	1,962	-	-	-	1,962	Monthly	8.50%	639	8.50%		
Foreign	Ipusa S.A.	UYU	Banco Lloyd's - Uruguay	-	948	-	-	-	948	Half-yearly	9.25%	1,969	9.25%		
Foreign	Fabi Bolsas Industriales S.A.	ARS	HSBC - Argentina	94	-	-	-	-	94	Daily	11.00%	94	11.00%		
Foreign	Fabi Bolsas Industriales S.A.	ARS	Banco Santander - Argentina	-	195	-	-	-	195	Quarterly	32.23%	195	19.63%		
Foreign	Fabi Bolsas Industriales S.A.	ARS	Banco Santander Río - Argentina	542	-	-	-	-	542	Daily	18.25%	541	18.25%		
Foreign	Forestal Bosques del Plata S.A.	ARS	Banco Macro - Argentina	51	-	-	-	-	51	Daily	16.00%	51	16.00%		
Foreign	La Papelera del Plata S.A.	ARS	ABN - Amro Bank - Argentina	1,504	-	-	-	-	1,504	Daily	10.50%	1,504	10.50%		
Foreign	La Papelera del Plata S.A.	ARS	Banco BBVA - Argentina	-	-	661	-	-	661	Quarterly	11.20%	658	11.20%		
Foreign	La Papelera del Plata S.A.	ARS	Banco BBVA - Argentina	-	-	4,007	1,974	-	5,981	Half-yearly	24.50%	5,981	24.50%		
Foreign	La Papelera del Plata S.A.	ARS	Banco BBVA - Argentina	-	-	4,005	3,947	-	7,952	Half-yearly	17.75%	7,895	17.75%		
Foreign	La Papelera del Plata S.A.	ARS	Banco Galicia - Argentina	-	-	1,317	-	-	1,317	Monthly	21.00%	1,316	21.00%		
Foreign	La Papelera del Plata S.A.	ARS	HSBC - Argentina	1,461	-	-	-	-	1,461	Daily	11.00%	1,461	11.00%		
Foreign	La Papelera del Plata S.A.	ARS	Banco Itaú - Argentina	91	-	-	-	-	91	Daily	24.00%	789	24.00%		
Foreign	La Papelera del Plata S.A.	ARS	Banco Itaú - Argentina	3,421	-	321	-	-	3,742	Daily	25.00%	2,632	25.00%		
Foreign	La Papelera del Plata S.A.	ARS	Banco Macro - Argentina	-	-	37	2,632	-	2,669	Quarterly	17.75%	2,632	17.75%		

Notes to the Consolidated Financial Statements

Balances as of December 31, 2009

Tax No. debtor	Debtor name	Currency	Creditor name	Amount of class loans exposed to liquidity risk (ThUS\$)						Total	Type of amortization	Effective rate %	Nominal value obligation	Nominal rate %	Practical explanation risk management
				Up to one month	Two to three months	Four to twelve months	Two to five years	Six years or more							
Bank obligations and obligations with the public, continuation															
Foreign	La Papelera del Plata S.A.	ARS	Banco Macro - Argentina	-	-	15	1,314	-	1,329	Quarterly	17.75%	1,316	17.75%		
Foreign	La Papelera del Plata S.A.	ARS	Banco Patagonia - Argentina	-	1,844	-	-	-	1,844	Maturity	14.00%	1,842	14.00%		
Foreign	La Papelera del Plata S.A.	ARS	Banco Patagonia - Argentina	633	-	-	-	-	633	Daily	10.50%	633	10.50%		
Foreign	La Papelera del Plata S.A.	ARS	Banco Santander Río - Argentina	-	-	1,054	-	-	1,054	Half-yearly	11.10%	1,053	11.10%		
Foreign	La Papelera del Plata S.A.	ARS	Banco Santander Río - Argentina	-	-	2,210	1,053	-	3,263	Half-yearly	16.00%	3,158	16.00%		
Foreign	La Papelera del Plata S.A.	ARS	Banco Santander Río - Argentina	-	-	2,414	2,237	-	4,651	Half-yearly	18.25%	4,474	18.25%		
Foreign	La Papelera del Plata S.A.	ARS	Banco Santander Río - Argentina	-	-	264	789	-	1,053	Half-yearly	16.50%	1,053	16.50%		
Foreign	La Papelera del Plata S.A.	ARS	Citibank - Argentina	-	-	1,336	-	-	1,336	Monthly	19.50%	1,316	19.50%		
Foreign	La Papelera del Plata S.A.	ARS	Citibank - Argentina	-	-	1,334	-	-	1,334	Monthly	19.50%	1,316	19.50%		
Foreign	La Papelera del Plata S.A.	ARS	Citibank - Argentina	-	24	-	1,316	-	1,340	Maturity	18.50%	1,316	18.50%		
Foreign	Protisa Perú S.A.	PEN	Banco de Crédito del Perú	9,888	-	-	-	-	9,888	Monthly	7.44%	9,888	7.44%		
Foreign	Protisa Perú S.A.	PEN	Banco de Crédito del Perú	371	742	3,339	5,562	-	10,014	Monthly	6.51%	5,554	6.51%		
Foreign	Protisa Perú S.A.	PEN	BBVA Banco Continental - Perú	-	-	5,665	-	-	5,665	Annually	5.50%	5,665	5.50%		
Foreign	Melhoramentos Papéis Ltda.	BRL	Banco Safra - Brazil	70	-	-	-	-	70	Monthly	3.00%	60	3.00%		
Foreign	Protisa do Brasil Ltda.	BRL	Banco Santander and Itau Brazil	-	-	-	-	150,000	150,000	Half-yearly	2.96%	150,000	Libor+2.50%		
Total bank obligations and obligations with the public				30,694	159,332	243,988	1,090,451	1,364,824	2,889,289						
Finance lease obligations															
Foreign	Drypers Andina S.A.	COP	Leasing Bolívar - Colombia	-	-	657	-	-	657	Half-yearly	18.23%	657	18.23%		
Foreign	Forsac Perú S.A.	PEN	Banco BBVA Continental - Perú	-	-	1,022	3,578	-	4,600	Monthly	6.70%	4,600	6.70%		
Foreign	Protisa Perú S.A.	PEN	Banco de Crédito del Perú	-	-	6,229	-	7,502	13,731	Monthly	7.44%	13,731	7.44%		
Total finance lease obligations				-	-	7,908	3,578	7,502	18,988						
Other obligations															
96,532,330-9	CMPC Celulosa S.A.	US\$	Comercial e Industrial ERCO Chile Ltda. RUT 76,163,730-4	-	-	1,554	6,664	36,419	44,637	Monthly	7.80%	44,637	7.80%		
Total other obligations				-	-	1,554	6,664	36,419	44,637						
Total interest-bearing loans				30,694	159,332	253,450	1,100,693	1,408,745	2,952,914						
Total interest-bearing loans at fair value				30,694	159,332	253,450	1,100,693	1,408,745	2,952,914						

b) Swaps and Cross Currency Swaps operations – current

This liability represent the cumulative result of derivatives contracts subscribed in order to properly manage the risk of exchange rate and interest rate of Company.

Balances as of December 31, 2010									
Entities	Rights			Obligations			Fair value of net liability	Effect on income profit (loss)	Maturity
	Currency	Interest rate	Amount	Currency	Interest rate	Amount			
		%	ThUS\$		%	ThUS\$			
Banco Santander - Colombia	US\$	Libor+4.05	7,000	COP	11.79	8,631	1,631	(830)	12/12/2012
Banco Santander - Colombia	US\$	Libor+0.75	4,000	COP	12.28	4,917	917	(519)	24/01/2013
Banco Santander - Chile	US\$	Libor+0.55	62,799	CLP-UF	2.19	65,770	2,971	(335)	01/03/2015
J.P. Morgan Chase Bank N.A. - United States	US\$	0.30	62,500	US\$	1.99	63,653	1,153	(1,241)	15/06/2013
J. Aron & Company - Unites States	US\$	0.51	50,000	US\$	4.72	56,548	6,548	(2,118)	01/03/2015
J. Aron & Company - United States	US\$	0.50	50,000	US\$	4.57	56,225	6,225	(2,262)	01/03/2015
Banco Santander - Chile	US\$	0.47	60,000	US\$	4.53	62,358	2,358	(3,463)	04/06/2012
Banco Santander - Chile	US\$	0.47	42,000	US\$	4.43	43,613	1,613	(2,362)	04/06/2012
Total			338,299			361,715	23,416	(13,130)	

Balances as of December 31, 2009									
Entities	Rights			Obligations			Fair value of net liability	Effect on income profit (loss)	Maturity
	Currency	Interest rate	Amount	Currency	Interest rate	Amount			
		%	ThUS\$		%	ThUS\$			
Banco Santander - Colombia	US\$	Libor+4.05	7,000	COP	12.41	9,158	2,158	(2,158)	31/03/2010
Banco Santander - Colombia	US\$	Libor+3.90	5,800	COP	12.41	7,588	1,788	(1,788)	31/03/2010
Banco Santander - Colombia	US\$	Libor+0.45	7,000	COP	11.25	7,500	500	(500)	12/12/2012
Banco Santander - Colombia	US\$	Libor+0.75	4,000	COP	12.25	4,286	286	(286)	24/01/2013
J.P. Morgan Chase Bank N.A. - United States	US\$	0.25	75,000	US\$	1.99	75,466	466	(580)	15/06/2013
J. Aron & Company - United States	US\$	0.77	50,000	US\$	4.72	54,665	4,665	(1,540)	01/03/2015
J. Aron & Company - United States	US\$	0.77	50,000	US\$	4.57	54,282	4,282	(1,466)	01/03/2015
Banco Santander - Chile	US\$	1.27	100,000	US\$	4.53	104,919	4,919	(2,784)	04/06/2012
Banco Santander - Chile	US\$	1.27	70,000	US\$	4.43	73,342	3,342	(1,880)	04/06/2012
Total			368,800			391,206	22,406	(12,982)	

Notes to the Consolidated Financial Statements

c) Forward exchange contract operations

Balances as of December 31, 2010							
Entities	Rights		Obligations		Fair value of net liability	Effect on income profit (loss)	Maturity
	Currency	Amount	Currency	Amount			
		ThUS\$		ThUS\$			
Banco de Chile	US\$	49,104	CLP-UF	50,778	1,674	(1,674)	02/06/2011
Banco de Chile	US\$	10,610	CLP-UF	10,947	337	(337)	05/05/2011
Banco de Chile	US\$	10,196	CLP-UF	10,500	304	(304)	04/05/2011
Banco de Chile	US\$	5,005	CLP	5,187	182	(182)	03/01/2011
Banco de Chile	US\$	10,103	CLP	10,293	190	(190)	14/06/2011
Banco de Chile	US\$	10,132	CLP-UF	10,203	71	(71)	13/07/2011
Banco de Chile	US\$	11,851	CLP	11,943	92	(92)	28/01/2011
Banco de Chile	US\$	3,022	CLP-UF	3,115	93	(93)	05/01/2011
Banco de Chile	US\$	10,195	CLP-UF	10,470	275	(275)	26/01/2011
Banco de Chile	US\$	16,176	CLP-UF	16,753	577	(577)	13/01/2011
Banco de Chile	US\$	6,824	CLP-UF	6,861	37	(37)	24/03/2011
Banco Santander - Chile	US\$	868	EUR	892	24	60	15/03/2011
Banco Santander - Chile	US\$	861	EUR	884	23	60	15/06/2011
Banco Santander - Chile	US\$	861	EUR	884	23	60	15/09/2011
Banco Santander - Chile	US\$	853	EUR	875	22	60	15/12/2011
Banco Santander - Chile	US\$	868	EUR	890	22	62	15/03/2012
Banco Santander - Chile	US\$	861	EUR	883	22	63	15/06/2012
Banco Santander - Chile	US\$	861	EUR	883	22	64	17/09/2012
Banco Santander - Chile	US\$	853	EUR	875	22	65	17/12/2012
Banco Santander - Chile	US\$	868	EUR	891	23	67	15/03/2013
Banco Santander - Chile	US\$	861	EUR	884	23	67	17/06/2013
Banco Santander - Chile	US\$	861	EUR	884	23	67	16/09/2013
Banco Santander - Chile	US\$	853	EUR	876	23	68	16/12/2013
Banco Santander - Chile	US\$	16,345	CLP-UF	16,710	365	(365)	02/06/2011
Banco Santander - Chile	US\$	10,011	CLP	10,420	409	(409)	19/01/2011
Banco Santander - Chile	US\$	8,009	CLP	8,230	221	(221)	14/01/2011
Banco Santander - Chile	US\$	10,151	CLP-UF	10,269	118	(118)	05/07/2011
Banco Santander - Chile	US\$	4,825	CLP-UF	4,958	133	(133)	13/01/2011
Banco Santander - Chile	US\$	3,048	CLP-UF	3,129	81	(81)	27/05/2011
Banco BCI - Chile	US\$	10,007	CLP	10,410	403	(403)	10/01/2011
Banco BCI - Chile	US\$	8,008	CLP	8,330	322	(322)	21/01/2011
Banco BCI - Chile	US\$	3,008	CLP	3,054	46	(46)	02/02/2011
Banco BCI - Chile	US\$	8,018	CLP	8,136	118	(118)	28/01/2011
Banco BCI - Chile	US\$	5,010	CLP	5,083	73	(73)	26/01/2011
Banco BCI - Chile	US\$	5,514	CLP	5,600	86	(86)	04/02/2011
Banco BCI - Chile	US\$	7,084	CLP	7,175	91	(91)	17/06/2011
Banco BCI - Chile	US\$	3,009	CLP	3,048	39	(39)	03/02/2011
Banco BCI - Chile	US\$	3,005	CLP	3,036	31	(31)	18/01/2011
Banco BCI - Chile	US\$	3,008	CLP	3,037	29	(29)	07/02/2011
Banco BCI - Chile	US\$	4,713	CLP	4,758	45	(45)	09/02/2011
Banco BCI - Chile	US\$	5,013	CLP	5,045	32	(32)	15/02/2011
Banco BCI - Chile	US\$	2,005	CLP	2,018	13	(13)	16/02/2011
Banco BCI - Chile	US\$	20,276	CLP	20,338	62	(62)	13/07/2011
Banco BCI - Chile	US\$	8,412	CLP	8,438	26	(26)	13/07/2011
Banco BCI - Chile	US\$	20,090	CLP	20,130	40	(40)	29/03/2011
Banco BCI - Chile	US\$	6,083	CLP-UF	6,093	10	(10)	13/07/2011
Banco BCI - Chile	US\$	2,010	CLP-UF	2,077	67	(67)	22/01/2011
Subtotal		330,209		337,173	6,964	(5,929)	

Entities	Rights		Obligations		Fair value of net liability	Effect on income profit (loss)	Maturity
	Currency	Amount	Currency	Amount			
		ThUS\$		ThUS\$	ThUS\$	ThUS\$	
Banco HSBC - Chile	US\$	6,003	CLP	6,050	47	(47)	05/01/2011
Banco HSBC - Chile	US\$	6,314	CLP	6,360	46	(46)	11/02/2011
Banco HSBC - Chile	US\$	6,009	CLP	6,053	44	(44)	18/02/2011
Banco HSBC - Chile	US\$	6,013	CLP	6,023	10	(10)	23/02/2011
Banco HSBC - Chile	US\$	2,505	CLP	2,579	74	(74)	05/01/2011
J.P. Morgan Chase Bank - United States	US\$	1,737	EUR	1,784	47	121	15/03/2011
J.P. Morgan Chase Bank - United States	US\$	1,723	EUR	1,768	45	120	15/06/2011
J.P. Morgan Chase Bank - United States	US\$	1,723	EUR	1,767	44	120	15/09/2011
J.P. Morgan Chase Bank - United States	US\$	1,707	EUR	1,750	43	120	15/12/2011
J.P. Morgan Chase Bank - United States	US\$	1,737	EUR	1,781	44	124	15/03/2012
J.P. Morgan Chase Bank - United States	US\$	1,723	EUR	1,766	43	126	15/06/2012
J.P. Morgan Chase Bank - United States	US\$	1,723	EUR	1,766	43	128	17/09/2012
J.P. Morgan Chase Bank - United States	US\$	1,707	EUR	1,750	43	129	17/12/2012
J.P. Morgan Chase Bank - United States	US\$	1,737	EUR	1,780	43	133	15/03/2013
J.P. Morgan Chase Bank - United States	US\$	1,723	EUR	1,766	43	134	17/06/2013
Banco ScotiaBank - Chile	US\$	3,009	CLP	3,047	38	(38)	04/02/2011
Banco ScotiaBank - Chile	US\$	3,008	CLP	3,047	39	(39)	31/01/2011
Banco ScotiaBank - Chile	US\$	3,007	CLP	3,046	39	(39)	24/01/2011
Banco ScotiaBank - Chile	US\$	2,005	CLP	2,023	18	(17)	11/02/2011
Banco ScotiaBank - Chile	CLP-UF	6,126	CLP	6,126	-	-	13/07/2011
Banco ScotiaBank - Chile	US\$	1,106	CLP-UF	1,138	32	(32)	26/01/2011
BancoEstado - Chile	US\$	17,336	CLP-UF	17,950	614	(614)	14/06/2011
BancoEstado - Chile	US\$	16,308	CLP-UF	16,911	603	(603)	14/06/2011
BancoEstado - Chile	US\$	13,007	CLP	13,452	445	(445)	07/01/2011
BancoEstado - Chile	US\$	5,003	CLP	5,175	172	(172)	12/01/2011
BancoEstado - Chile	US\$	5,035	CLP	5,102	67	(67)	04/05/2011
BancoEstado - Chile	US\$	11,173	CLP-UF	11,328	155	(155)	05/07/2011
BancoEstado - Chile	US\$	4,006	CLP	4,060	54	(54)	14/01/2011
Total		464,422		474,321	9,899	(7,170)	

Notes to the Consolidated Financial Statements

Balances as of December 31, 2009

Entities	Rights		Obligations		Fair value of net liability	Effect on income profit (loss)	Maturity
	Currency	Amount	Currency	Amount			
		ThUS\$		ThUS\$			
Banco BBVA - Chile	CLP	13,227	CLP-UF	13,233	6	(6)	17/05/2010
Banco BBVA - Chile	CLP	13,227	CLP-UF	13,233	6	(6)	17/05/2010
Banco BBVA - Chile	US\$	8,022	CLP	8,023	1	(1)	12/02/2010
Banco de Chile	CLP	1,986	US\$	2,000	14	(14)	15/01/2010
Banco HSBC - Chile	US\$	1,870	EUR	2,013	143	(143)	15/03/2010
Banco HSBC - Chile	CLP	994	US\$	1,000	6	(6)	15/01/2010
Banco Itaú - Chile	CLP	999	US\$	1,000	1	(1)	15/01/2010
Banco Santander - Chile	EUR	7,174	US\$	7,199	25	(25)	06/01/2010
Banco Santander - Chile	US\$	10,019	CLP	10,031	12	(12)	01/02/2010
Banco Santander - Chile	US\$	11,021	CLP	11,034	13	(13)	01/02/2010
Banco Santander - Chile	US\$	868	EUR	955	87	(87)	15/03/2010
Banco Santander - Chile	US\$	861	EUR	946	85	(85)	15/06/2010
Banco Santander - Chile	US\$	861	EUR	946	85	(85)	15/09/2010
Banco Santander - Chile	US\$	853	EUR	936	83	(83)	15/12/2010
Banco Santander - Chile	US\$	880	EUR	955	75	(75)	15/03/2010
Banco Santander - Chile	EUR	1,909	US\$	1,986	77	(77)	15/03/2010
Banco Santander - Chile	EUR	1,432	US\$	1,489	57	(57)	15/03/2010
Banco Santander - Chile	US\$	868	EUR	952	84	(84)	15/03/2011
Banco Santander - Chile	US\$	861	EUR	944	83	(83)	15/06/2011
Banco Santander - Chile	US\$	861	EUR	944	83	(83)	15/09/2011
Banco Santander - Chile	US\$	853	EUR	935	82	(82)	15/12/2011
Banco Santander - Chile	US\$	868	EUR	953	85	(85)	15/03/2012
Banco Santander - Chile	US\$	861	EUR	946	85	(85)	15/06/2012
Banco Santander - Chile	US\$	861	EUR	947	86	(86)	17/09/2012
Banco Santander - Chile	US\$	853	EUR	939	86	(86)	17/12/2012
Banco Santander - Chile	US\$	868	EUR	957	89	(89)	15/03/2013
Banco Santander - Chile	US\$	861	EUR	950	89	(89)	17/06/2013
Banco Santander - Chile	US\$	861	EUR	951	90	(90)	16/09/2013
Banco Santander - Chile	US\$	853	EUR	943	90	(90)	16/12/2013
J.P. Morgan Chase Bank N.A. - United States	EUR	7,170	US\$	7,182	12	(12)	06/01/2010
J.P. Morgan Chase Bank N.A. - United States	EUR	1,432	US\$	1,488	56	(56)	15/03/2010
J.P. Morgan Chase Bank N.A. - United States	EUR	1,432	US\$	1,488	56	(56)	15/03/2010
J.P. Morgan Chase Bank N.A. - United States	EUR	1,909	US\$	1,984	75	(75)	15/03/2010
J.P. Morgan Chase Bank N.A. - United States	EUR	2,149	US\$	2,221	72	(72)	15/03/2010
J.P. Morgan Chase Bank N.A. - United States	US\$	3,344	EUR	3,438	94	(94)	15/03/2010
J.P. Morgan Chase Bank N.A. - United States	US\$	1,737	EUR	1,909	172	(172)	15/03/2010
J.P. Morgan Chase Bank N.A. - United States	US\$	1,723	EUR	1,893	170	(170)	15/06/2010
J.P. Morgan Chase Bank N.A. - United States	US\$	1,723	EUR	1,891	168	(168)	15/09/2010
J.P. Morgan Chase Bank N.A. - United States	US\$	1,707	EUR	1,873	166	(166)	15/12/2010
J.P. Morgan Chase Bank N.A. - United States	US\$	2,035	EUR	2,149	114	(114)	15/03/2010
J.P. Morgan Chase Bank N.A. - United States	US\$	1,737	EUR	1,905	168	(168)	15/03/2011
J.P. Morgan Chase Bank N.A. - United States	US\$	1,723	EUR	1,889	166	(166)	15/06/2011
J.P. Morgan Chase Bank N.A. - United States	US\$	1,723	EUR	1,888	165	(165)	15/09/2011
J.P. Morgan Chase Bank N.A. - United States	US\$	1,707	EUR	1,870	163	(163)	15/12/2011
J.P. Morgan Chase Bank N.A. - United States	US\$	1,737	EUR	1,905	168	(168)	15/03/2012
J.P. Morgan Chase Bank N.A. - United States	US\$	1,723	EUR	1,892	169	(169)	15/06/2012
J.P. Morgan Chase Bank N.A. - United States	US\$	1,723	EUR	1,894	171	(171)	17/09/2012
J.P. Morgan Chase Bank N.A. - United States	US\$	1,707	EUR	1,879	172	(172)	17/12/2012
J.P. Morgan Chase Bank N.A. - United States	US\$	1,737	EUR	1,914	177	(177)	15/03/2013
J.P. Morgan Chase Bank N.A. - United States	US\$	1,723	EUR	1,900	177	(177)	17/06/2013
Wachovia Bank N.A. - United States	US\$	1,852	EUR	2,005	153	(153)	15/03/2010
Wachovia Bank N.A. - United States	US\$	1,862	EUR	1,998	136	(136)	15/03/2010
Wachovia Bank N.A. - United States	EUR	2,005	US\$	2,084	79	(79)	15/03/2010
Total		135,852		140,879	5,027	(5,027)	

d) Hedging liabilities-current and non-current

Nature of hedged risks	Rights		Obligations		Fair value of net liabilities	Maturity	
	Currency	Amount	Currency	Amount			
		ThUS\$		ThUS\$	ThUS\$		
Current							
Balances as of December 31, 2010							
HSBC Bank USA, N.A. - United States	Flows from sales of cardboard and wood to Europe	US\$	7,212	EUR	7,251	39	Quarterly
Banco Santander - Chile	Flows from sales of cardboard and wood to Europe	US\$	3,489	EUR	3,535	46	Quarterly
Wachovia Bank N.A. - United States	Flows from sales of cardboard and wood to Europe	US\$	14,324	EUR	14,415	91	Quarterly
			25,025		25,201	176	
Balances as of December 31, 2009							
J.P. Morgan Chase Bank N.A. - United States	Flows from sales of cardboard and wood to Europe	US\$	16,973	EUR	17,601	628	Quarterly
HSBC Bank USA, N.A. - United States	Flows from sales of cardboard and wood to Europe	US\$	5,342	EUR	5,745	403	Quarterly
Wachovia Bank N.A. - United States	Flows from sales of cardboard and wood to Europe	US\$	10,611	EUR	11,425	814	Quarterly
Banco Santander - Chile	Flows from sales of cardboard and wood to Europe	US\$	2,611	EUR	2,830	219	Quarterly
			35,537		37,601	2,064	
Non-current							
Balances as of December 31, 2010							
HSBC Bank USA, N.A. - United States	Flows from sales of cardboard and wood to Europe	US\$	9,349	EUR	9,391	42	Quarterly
Banco Santander - Chile	Flows from sales of cardboard and wood to Europe	US\$	6,979	EUR	7,065	86	Quarterly
Wachovia Bank N.A. - United States	Flows from sales of cardboard and wood to Europe	US\$	18,568	EUR	18,666	98	Quarterly
			34,896		35,122	226	
Balances as of December 31, 2009							
J.P. Morgan Chase Bank N.A. - United States	Flows from sales of cardboard and wood to Europe	US\$	78,002	EUR	79,758	1,756	Quarterly
HSBC Bank USA, N.A. - United States	Flows from sales of cardboard and wood to Europe	US\$	16,560	EUR	17,818	1,258	Quarterly
Wachovia Bank N.A. - United States	Flows from sales of cardboard and wood to Europe	US\$	32,891	EUR	35,431	2,540	Quarterly
Banco Santander - Chile	Flows from sales of cardboard and wood to Europe	US\$	12,630	EUR	13,532	902	Quarterly
Banco BNP Paribas - France	Flows from sales of cardboard and wood to Europe	US\$	30,934	EUR	31,980	1,046	Quarterly
			171,017		178,519	7,502	

Notes to the Consolidated Financial Statements

22.2 Additional information over the main financial liabilities

a) Interest-bearing loans

The main loans contracted by the subsidiaries are as follows:

i) CMPC Papeles S.A. with BancoEstado de Chile: On August 11, 2009, the subsidiary entered into a 5-year loan of US\$ 150 million payable in one installment. This loan will accrue interest at a 180-day Libor rate plus 3.00% throughout the effective period. Interest will be paid on semi-annual basis from February 11, 2010.

ii) CMPC Celulosa S.A. with BancoEstado de Chile: On July 30, 2010 the subsidiary contracted two 432-day loans of US\$ 15 million each, amortizable in one installment on October 5, 2011. This loan will accrue interest at a 5-month Libor plus 0.6% throughout the effective period. Interest will be paid every five months from December 27, 2010. On August 19, 2009, the subsidiary entered into a 5-year loan of US\$ 100 million with the payable in one installment. This loan will accrue interest at a 180-day Libor rate plus 3.00% throughout the effective period. Interest will be paid semi-annual from February 19, 2010.

iii) Inversiones CMPC S.A. with The Bank of Tokyo – Mitsubishi UFJ, Ltd. of the United States (which acts as Administrative Agent): In June 2008, the subsidiary, through its agency in the Cayman Islands, entered into a 5-year syndicated loan of US\$ 250 million, with 6 equal quarterly installments, at a Libor rate plus 0.55% throughout the effective period of the loan. The first payment will be made from December 2010, continuing through June 2013.

iv) Inversiones CMPC S.A. with JP Morgan Chase Bank N.A. of the United States (which acts as Administrative Agent): On May 25, 2006, through its agency in the Cayman Islands, extended the syndicated loan incurred in June 2005, by a total amount of US\$ 140 million, maintaining the term and rates of the original loan. The original loan signed in June 2005, was for an amount of US\$ 100 million at a Libor rate plus a spread of 0.225%, which is increased to 0.25% from the second half of 2007 and to 0.275% from the second half of 2010. Its amortization comprises 5 installments June 2010 until June 2012. The resources coming from the original signing were used to pay the debt derived from the bond issued abroad amounting to US\$ 250 million, maturing on that same date.

v) La Papelera del Plata S.A. with the BBVA Bank of Argentina: In June 2009, the subsidiary incurred a loan of ARS 30 million (US\$ 7.53 million) at a 24.5% fixed interest rate, with semi-annual principal payments from June 2009 until June 2011, whose outstanding balance is ARS 7.5 million (US\$ 1.89 million). In December 2009, the subsidiary incurred a loan of ARS 30 million (US\$ 7.58 million) at a 17.75% fixed interest rate, with semi-annual principal payments from July 2010 until December 2011, whose outstanding amount is ARS 15 million (US\$ 3.78 million). In December 2009, the subsidiary incurred a loan of ARS 50 million (US\$ 12.56 million) at a 16.75% fixed interest rate, with semi-annual principal payments from July 2011 until June 2014.

vi) La Papelera del Plata S.A. with the Santander Río Bank of Argentina: In April 2008, the subsidiary entered into a loan of ARS 20 million (US\$ 5.03 million) at a 16% fixed interest rate, with semi-annual principal payments from April 2009 until April 2011, whose outstanding balance is ARS 4 million (US\$ 1.01 million). In October 2009, the subsidiary incurred a loan of ARS 17 million (US\$ 4.27 million) at a 18.25% fixed interest rate, with semi-annual principal payments from April 2010 until October 2011, whose outstanding balance is ARS 8.51 million (US\$ 2.14 million). In October 2009, the subsidiary incurred a loan of ARS 4 million (US\$ 1.01 million) at a 16.50% fixed interest rate, with quarterly principal payments from December 2010 until December 2011, whose outstanding balance is ARS 3.00 million (US\$ 0.76 million). In June 2010 the subsidiary incurred a loan of ARS 20 million (US\$ 5.03 million) at a 16.85% fixed interest rate, with quarterly principal payments from June 2011 until May 2013. In October 2010 the subsidiary incurred a loan of ARS 4 million (US\$ 1.00 million) at a 16% fixed interest rate, with principal amortization upon maturity in April 2011.

vii) La Papelera del Plata S.A. with the Citibank of Argentina: In July 2009, the subsidiary incurred a loan of ARS 5 million (US\$ 1.26 million) at a 18.5% fixed interest rate, with principal amortization upon maturity in November 2011. In July 2009, the subsidiary incurred a loan of ARS 10 million (US\$ 2.52 million) at a 15% fixed interest rate, with principal amortization upon maturity in February 2011. In October 2010, the subsidiary incurred two loans of ARS 5 million (US\$ 1.26 million) each, at a 15.25% fixed interest rate, with principal amortization upon maturity, in March 2011 and April 2011, respectively.

viii) La Papelera del Plata S.A. with the Patagonia Bank of Argentina: In August 2010, the subsidiary incurred a loan of ARS 7 million (US\$ 1.76 million) at a 14% fixed interest rate, which principal amortization upon maturity in February 2011.

ix) La Papelera del Plata S.A. with the Galicia Bank of Argentina: In February 2010, the subsidiary incurred a loan of ARS 5 million (US\$ 1.26 million) at a 15% fixed interest rate, which principal amortization upon maturity in February 2011.

x) La Papelera del Plata S.A. with the Macro Bank of Argentina: In December 2009, the subsidiary incurred a long-term loan of ARS 10 million (US\$ 2.52 million) at a 17.75% fixed interest rate, which principal quarterly payments from March 2011 until December 2011; on the same date, the subsidiary incurred a loan of ARS 5 million (US\$ 1.26 million) at a 17.75% fixed interest rate, which principal quarterly payments from March 2011 until December 2011. In February 2010, the subsidiary incurred a loan of ARS 10 million (US\$ 2.51 million) at a 15% fixed interest rate, which principal quarterly payments from February 2010 until February 2011, whose outstanding balance is ARS 5 million (US\$ 1.26 million).

xi) La Papelera del Plata S.A. with the HSBC Bank of Argentina: In August 2010, the subsidiary incurred an overdraft agreement at a 14.25% fixed interest rate, which principal amortization upon maturity in February 2011. In October 2010, the subsidiary incurred a loan of ARS 10 million (US\$ 2.51 million) at a 15% fixed interest rate, which principal quarterly payments from October 2010 until April 2011.

xii) Protisa Perú S.A. with the Banco de Crédito del Perú: In May 2010, the subsidiary incurred a loan of PEN 16.75 million (US\$ 5.96 million) at a 3.6% fixed interest rate, with principal amortization upon maturity in May 2011. In July 2010, the subsidiary incurred a loan of PEN 5.41 million (US\$ 1.93 million) at a 3.81% fixed interest rate, with principal amortization upon maturity in July 2011. In July 2010, the subsidiary incurred a loan of PEN 7.51 million (US\$ 2.67 million) at a 3.81% fixed interest rate, with principal amortization upon maturity in July 2011. In July 2010, the subsidiary incurred a loan of PEN 7.51 million (US\$ 2.67 million) at a 3.81% fixed interest rate, with principal amortization upon maturity in July 2011. In October 2010, the subsidiary incurred a loan of PEN 29.75 million (US\$ 10.25 million) at a 7.44% fixed interest rate, with principal amortization upon maturity in January 2011.

xiii) Protisa Perú S.A. with the BBVA Banco Continental del Perú: In December 2010, the subsidiary incurred a loan of PEN 5.87 million (US\$ 2.09 million) at a 4.0% fixed interest rate, with principal amortization upon maturity in June 2011. In December 2010, the subsidiary incurred a loan of PEN 1.76 million (US\$ 0.63 million) at a 6.30% fixed interest rate, with principal amortization upon maturity in December 2015.

These loans of the subsidiaries La Papelera del Plata S.A. and Protisa Perú S.A. require compliance with certain covenants based on their financial statements, referred to maintain a minimum equity, a maximum leverage and a minimum level of expense hedge. At the closing of this period, the Company complied with these covenants.

xiv) Drypers Andina S.A. with the Santander Overseas Bank, Inc. of Puerto Rico: In December 2007, the subsidiary entered into a long-term loan of US\$ 7 million at a 3-month Libor rate plus a 0.45% annual spread, with principal amortization upon maturity in January 2011. In January 2008, the subsidiary entered into a long-term loan of US\$ 4 million at a 3-month Libor rate plus a 0.75% annual spread, with principal amortization upon maturity in January 2011.

xv) Protisa Colombia S.A. with the BBVA Bank of Chile: In December 2010, the subsidiary entered into a loan of US\$ 40 million at a 180-day Libor rate plus a 1.62%, with principal amortization upon maturity in December 2015.

xvi) Protisa Colombia S.A. with the Santander Bank of Chile: In December 2010, the subsidiary entered into a loan (rollover) of US\$ 44 million at a 180-day Libor rate plus a 1.62%, with principal amortization upon maturity in December 2015.

xvii) CMPC Celulose Riograndense Ltda., (ex Protisa do Brasil Ltda.) with the Santander and Itaú Banks of Great Britain/Nassau: On December 14, 2009, the subsidiary incurred a 3-year loan of US\$ 150 million. This loan will accrue and pay interest at a 180-day Libor rate plus 2.5% throughout the effective period and will have 13 amortizations from December 5, 2011, to conclude with payments on November 28, 2012.

xviii) Melhoramentos Papéis Ltda. with the Itaú Bank / BBVA of Brazil: In June 2010, the subsidiary undersigned long-term loans in local currency (reais) for suppliers (Voith and Perini) at a 4.5% fixed interest rate annually. From the total of loans undersigned, as of December 31, 2010 the following amounts have been used: BRL 3.24 million (US\$ 1.94 million) with maturity of principal and interest in June 2020; BRL 28.42 million (US\$ 17.07 million) with maturity of principal and interest in June 2020; BRL 3.83 million (US\$ 2.30 million) with maturity of principal and interest in July 2020; BRL 1.00 million (US\$ 0.60 million) with maturity of principal and interest in August 2020 and BRL 2.04 million (US\$ 1.22 million) with maturity of principal and interest in October 2020.

xix) Grupo ABS Internacional S.A. de CV with the Banco Santander de México: In September 2008, the subsidiary signed a long-term loan of US\$ 50 million, of which US\$ 45 million was granted in September 2008 and US\$ 5 million in January 2009, at a monthly Libor rate plus a 0.8% spread, with principal being paid in September 2013.

All these loans are payable in advance on the interest payment date with no penalty.

The total financial liabilities include liabilities guaranteed with mortgages on buildings amounting to ThUS\$ 5,618 (ThUS\$ 5,752 as of December 31, 2009).

The loans received as export advance payments (PAE) by the subsidiaries of CMPC Celulosa S.A. and Cartulinas CMPC S.A., do not have additional financial costs at the nominal interest rate. The rest of the loans accrue interest and, where the nominal rate appears as equal to the effective rate, they did not have significant additional financial costs that justify the determination of an effective rate.

b) Obligations with the public (bonds)

i) On October 29, 2009 Empresas CMPC S.A. has acted as guarantor and several joint debtor of a subsidiary "Inversiones CMPC S.A.", agency in the Cayman Islands, in relation to the bond issue it has performed in the United States of America, on the same date.

The issue had recourse to Rule 144A of the United States Securities Act. and reached an amount of US\$ 500 million. The bonds expire within 10 years. The effective interest rate is 6.245% with a 2.75% spread over the 10-year Treasury bond. The principal is payable as of the bonds' maturity date, while the respective interest is payable on a half-yearly basis. BNP Paribas, J.P. Morgan and Santander acted as underwriting banks.

The issue's proceeds were earmarked to partially pay the price of the acquisition of the forest and industrial assets of the Guaíba unit of the Brazilian company Aracruz Celulose e Papel S.A. by CMPC, as reported to the market as Material Fact on September 23, 2009.

ii) On March 24, 2009 the subsidiary Inversiones CMPC S.A. placed two bonds in Chile amounting to 10 million unidades de fomento (UF), equivalent to US\$ 441.2 million in two series: a) A 5-year series "D" bond registered under No. 569 in the Securities Register of the SVS, amounting to 3 million unidades de fomento (UF), at a 3.25% placement rate with a spread of 125 basis points over the bonds of the Central Bank of Chile (BCU) with a similar maturity. The bond was issued at a 2.9% nominal rate with quarterly interest payment and principal amortization in one installment upon maturity. B) A 21-year series "F" bond registered under No. 570 in the Securities Register of the SVS, amounting to 7 million unidades de fomento (UF), at a 4.55% placement rate with a spread of 135 basis points over the bonds of the General Treasury of the Republic (BTU) with a similar maturity. The bond was issued at a 4.3% nominal rate with half-yearly interest payment and principal amortization in one installment upon maturity.

iii) On April 20, 2006 the subsidiary Inversiones CMPC S.A. issued series-B bonds registered under No. 456 in the Securities Register of the SVS, amounting to 4 million unidades de fomento (UF) equivalent to US\$ 176.5 million. This obligation contemplates the interest payment on a half-yearly basis at a 4.2% annual compound interest rate and with the total payment of principal in 2027. Furthermore, the bond was placed at a discount so that the effective placement rate was

4.43% in UF. The company will amortize the discount over the effective period of the instrument. This bond is payable in advance at par value from the fifth year.

iv) On June 15, 2005 the subsidiary Inversiones CMPC S.A. issue a series-B bond registered under No. 413 in the Securities Register of the SVS, amounting to 7 million unidades de fomento (UF) equivalent to US\$ 308.9 million. This obligation contemplates the interest payment on a half-yearly basis at a 2.70% compound interest rate half-yearly and with the total payment of principal in March 2015. This bond was placed at a discount so that the effective placement rate was 3.22% in UF. On June 15, 2005, the subsidiary Inversiones CMPC S.A. entered into a swap contract whereby it redenominated 50% of the Series-A bond amounting to UF 7 million to a liability of US\$ 100 million, at a variable interest rate based on Libor plus spread. Likewise, the company entered into an interest rate swap contract whereby the Libor rate was fixed, so that the effective cost of the dollar portion (US\$ 100 million) amounts to 5.2%. This bond is payable in advance from the fifth year.

v) On June 11, 2003 the subsidiary Inversiones CMPC S.A., through its agency in the Cayman Islands, issued a Bond abroad in the amount of US\$ 300 million, according to Rule 144a of the United States Securities Act. This obligation requires the payment of interest on a semi-annual basis at a 4.875% annual interest rate, with full payment of the principal in June 2013.

This obligation is payable in advance on any interest payment, after payment of a premium determined taking into account the treasury rate plus 50 basis points.

These obligations require compliance with certain covenants based on the consolidated Financial Statements of Empresas CMPC S.A. and subsidiaries. At the closing of this period the Company complied with such covenants and, which require maintaining a minimum equity, a maximum leverage and a minimum level of interest expense hedge.

c) Net effect of derivative contracts entered into Chile

i) On May 7, 2010 the subsidiary Inversiones CMPC S.A. entered into a cross currency swap contract with the Santander Bank – Chile which redenominated one million UF of the series-A bond issued in the amount of 7 million UF at a liability of US\$ 39.5 million and a 2.7% interest rate for the right in UF and 3.87% for the obligation in dollars, respectively. As of December 31, 2010 the fair value is presented in Other financial assets.

ii) On May 14, 2010 the subsidiary Inversiones CMPC S.A. entered into a cross currency swap contract with the Corpbanca Bank – Chile whereby it redenominated one million UF of the series-A bond issued

in the amount of 7 million UF to a liability of US\$ 39.4 million and a 2.68202% fixed interest rate for the right in UF and 3.87% for the obligation in dollars, respectively. As of December 31, 2010 the fair value is presented in Other financial assets

iii) On June 15, 2005 Inversiones CMPC S.A. entered into a swap contract with J.P. Morgan Chase Bank N.A. – United States whereby it redenominated 50% of the series-A bond issued in the amount of 7 million UF to a liability of US\$ 100 million with a Libor-based variable interest rate plus a spread, whose fair value as of December 31, 2010 is presented in Other financial assets. Likewise, the Company entered into two interest rate swap contracts with J. Aron & Company – United States, whereby the Libor rate was fixed, so that the effective cost of the dollar portion (US\$ 100 million) amounts to 4.64%, whose fair value is presented in Other financial liabilities.

iv) In December 2007, derivatives contracts with the Santander Bank – Chile, amounting to US\$ 70 million and US\$ 100 million came into effect. Through those contracts, the interest rate of part of the syndicated loans signed in May 2006 by Inversiones CMPC S.A. amounting to US\$ 100 million and US\$ 140 million, respectively, was fixed. As of December 31, 2010 positions of US\$ 42 million and US\$ 60 million, respectively, are maintained, whose fair value is presented in Other financial liabilities.

v) In June 2008, Inversiones CMPC S.A. signed a cross currency swap with the Santander Bank - Chile to redenominate 60% of the syndicated loan of US\$ 250 million, to a liability of UF 3,386,847.20, with an average fixed interest rate of 2.1825%. As of December 31, 2010 this swap contract was reduced to 30% of the loan and to a liability amounting to UF 1,411,186.33, with the same interest rate, whose fair value is presented in Other financial liabilities.

vi) In June 2009, Inversiones CMPC S.A. entered into a *swap* contract with the J.P. Morgan Chase Bank N.A. – United States, for 30% of the syndicated loan amounting to US\$ 250 million, whereby it fixed the interest rate at 1.986 %, whose fair value is presented in Other financial liabilities. As of December 31, 2010 the balance of this loan amounts to US\$ 208 million.

vii) In March 2009, Inversiones CMPC S.A. entered into a cross currency swap contract with the Banco de Chile to redenominate 50% of the CMPC Series-D bond amounting to UF 3 million, to a liability of US\$ 56.62 million at a Libor rate plus 1.82%. On the same date, it signed another cross currency swap contract with the Banco de Chile to redenominate the remaining 50% of the Series-D bond amounting to UF 3 million, at a liability of US\$ 57,96 million, at a Libor rate plus 1.81%. As of December 31, 2010 the fair value of both contracts is presented in Other financial assets.

d) Net effect of derivatives contracts taken in foreign countries

i) In September 2008 and in January 2009, the ABS Internacional Group entered into interest rate swap contracts with the Santander Bank - México, to hedge a loan of US\$ 50 million. Through this contract the rate was swapped from TIIE to Libor and the debt was redenominated to Mexican pesos (6.71%). As of December 31, 2010 the fair value of this contract is presented in Other financial assets.

ii) During December 2007, the subsidiary Drypers Andina S.A., signed an interest rate swap and cross currency swap contract with the Santander Bank - Colombia, to hedge a loan amounting to US\$ 7 million. Through this contract, the interest rate was fixed (11.79%) and the debt was redenominated to Colombian pesos, establishing maturity dates similar to those fixed in the contract of the related loan. As of December 31, 2010 the fair value of this contract is presented in Other financial liabilities.

iii) During January 2008, Drypers Andina S.A. signed an interest rate swap and cross currency swap contract with the Santander Bank - Colombia, to hedge a loan amounting to US\$ 4 million. Through this contract, the interest rate was fixed (12.28%) and the debt was redenominated to Colombian pesos, establishing maturity dates similar to those fixed in the contract of the related loan. As of December 31, 2010 the fair value of this contract is presented in Other financial liabilities.

e) Covenants

CMPC maintains a policy of liquidity, whose purpose is that the leverage does not put at risk its capability to pay obligations, thus generating an adequate performance for its investors.

The subsidiary Inversiones CMPC S.A. maintains currently certain debt instruments, in which Empresas CMPC S.A. (as a guarantor) is subject to compliance with certain covenants. As of December 31, 2010 all the ratios are amply complied.

The covenants Empresas CMPC S.A. is subject to and their respective calculations (with the accounts and balances current as of December 31, 2010 and 2009) are detailed below:

1.- Financial debt with third parties / Tangible equity < or equal to 0.8 times.

For the calculation of this restriction the following accounts are taken:

Financial debt with third parties/Tangible equity < or equal to 0.8 times	31/12/2010	31/12/2009
	ThUS\$	ThUS\$
i) Financial debt with third parties:		
Interest-bearing loans – current (Note 22)	467,885	443,476
Interest-bearing loans – non-current (Note 22)	2,516,211	2,509,438
Hedging liabilities current (Note 22)	176	2,064
Hedging liabilities non-current (Note 22)	226	7,502
Less: Other obligations (Note 22)	(52,955)	(44,637)
Market value, swap and cross currency swap operations (Notes 8 and 22)	(85,659)	(48,629)
Hedging assets current (Note 8)	(4,026)	(1,619)
Hedging assets non-current (Note 8)	(7,378)	(1,678)
Total financial debt with third parties	2,834,480	2,865,917
ii) Tangible equity		
Equity attributable to owners of the parent (Classified Statement of Financial Position)	7,665,410	7,100,445
Less: Intangible assets other than goodwill (Classified Statement of Financial Position)	(11,712)	(113,499)
Goodwill (Classified Statement of Financial Position)	(164,866)	(161,800)
Total tangible Equity	7,488,832	6,825,146
Financial Debt with third parties/Tangible equity	0.38	0.42

The limit of this covenant is 0.80 and is, therefore, complied.

2.- Interest expense hedge of last 12 moving months > or equal to 3.25 times.

Interest expense hedge of last 12 moving months > or equal to 3.25 times	31/12/2010	31/12/2009
	ThUS\$	ThUS\$
i) Ebitda (last 12 moving months):		
Revenue (Income Statement by function of expense)	4,219,172	3,123,609
Cost of sales (Income Statement by function of expense)	(3,129,754)	(2,521,426)
Plus: Depreciation and amortization expense (Indirect Statement of Cash Flows)	324,821	276,845
Cost of formation of harvested plantations (Note 12)	61,905	49,985
Higher cost of the harvested and sold part of the plantations derived from revaluation for natural growths (Note 12)	170,987	128,731
Less: Distribution costs (Income Statement by function of expense)	(197,812)	(159,790)
Administrative expenses (Income Statement by function of expense)	(166,385)	(141,829)
Other expenses, by function (Income Statement by function of expense)	(145,156)	(112,570)
Total Ebitda of last twelve moving months	1,137,778	643,555
ii) Dividends Associates: Dividends received classified as investment (Indirect Statement of Cash Flows)	6,937	3,115
iii) Finance income (Income Statement by function of expense)	14,080	10,677
iv) Finance costs (Income Statement by function of expense)	134,672	97,252
Interest Expense Hedge of last 12 moving months ((i+ii+iii)/iv)	8.60	6.76

The limit of this covenant is 3.25 and is, therefore, complied

3.- Tangible equity > or equal to UF 71,580,000

Tangible equity > or equal to UF 71,580,000	31/12/2010 ThUS\$	31/12/2009 ThUS\$
i) Tangible equity required, denominated in thousands of dollars:		
Value of the Unidad de Fomento (UF) in thousands of dollars, as of December 31	0.0458	0.0413
Tangible equity required, denominated in thousands of dollars	3,281,514	2,956,205
ii) Tangible equity:		
Equity attributable to owners of the parent (Classified Statement of Financial Position)	7,665,410	7,100,445
Less: Intangible assets other than goodwill (Classified Statement of Financial Position)	(11,712)	(113,499)
Goodwill (Classified Statement of Financial Position)	(164,866)	(161,800)
Total tangible equity as of December 31, higher than required	7,488,832	6,825,146

f) Fair value of Interest-bearing loans

Considering that the average term of the consolidated debt of CMPC is 6.3 years and that the average rate those loans accrue today is 4.4% annually, the CMPC management considers that the Company could finance its operations with liabilities, in the form and market conditions similar to those agreed in its current financial liabilities. Consequently, it determined that the fair value of the financial

liabilities is approximately (+/-1%) or equivalent to its amortized cost recorded in the books.

g) Maturity of contracted flows

A liquidation analysis of Other financial liabilities, current and non-current recorded as of December 31, 2010 and 2009, expressed in final amounts as of the respective payment dates, is shown below:

	Maturity of contracted flows						
	Book value ThUS\$	Up to 90 days ThUS\$	91 days up to 1 year ThUS\$	More than 1 year up to 3 years ThUS\$	More than 3 years up to 5 years ThUS\$	Over 5 years ThUS\$	Total ThUS\$
Balance as of December 31, 2010							
Financial liabilities							
Bank loans	1,173,057	138,373	360,272	460,099	337,805	16,602	1,313,151
Obligations with the public	1,732,008	16,922	62,172	458,187	577,136	1,412,430	2,526,847
Finance leases	79,031	1,858	9,933	19,521	12,915	82,949	127,176
Swaps and Cross currency swaps	23,416	4,752	10,064	14,151	6,210	-	35,177
Forward exchange contracts	9,899	4,492	4,968	439	-	-	9,899
Hedging liabilities	402	27	149	226	-	-	402
Total	3,017,813	186,424	447,558	952,623	934,066	1,511,981	4,012,852

	Maturity of contracted flows						
	Book value ThUS\$	Up to 90 days ThUS\$	91 days up to 1 year ThUS\$	More than 1 year up to 3 years ThUS\$	More than 3 years up to 5 years ThUS\$	Over 5 years ThUS\$	Total ThUS\$
Balance as of December 31, 2009							
Financial liabilities							
Bank loans	1,223,196	90,432	316,157	535,323	350,409	-	1,292,321
Obligations with the public	1,666,093	15,322	90,435	143,031	559,266	1,640,520	2,448,574
Finance leases	63,625	100	5,262	11,126	11,427	91,514	119,429
Swaps and Cross currency swaps	22,406	1,935	4,850	19,912	8,088	1,935	36,720
Forward exchange contracts	5,027	-	2,299	2,728	-	-	5,027
Hedging liabilities	9,566	-	2,064	7,502	-	-	9,566
Total	2,989,913	107,789	421,067	719,622	929,190	1,733,969	3,911,837

The flows at the maturity date of the financial liabilities were calculated at the exchange rates and interest rates as of the year-end of the current financial statements.

h) Hierarchies of fair value

The financial and hedged liabilities accounted for at fair value in the statement of financial position, have been measured on the basis of methodologies set forth in IAS 39. For the purpose of the application of criteria in the determination of the fair values of the financial liabilities have been considered as parameters:

Level I: Quotation values or prices in active markets for identical assets and liabilities.

Level II: Information from sources other than the quotation values of Level I, but observable in markets for assets and liabilities either directly (prices) or indirectly (derived from prices).

Level III: Information for assets and liabilities that are not based on observable market data.

The following table presents the financial liabilities and hedged liabilities that are measured at fair value as of December 31, 2010 and 2009:

Financial instruments measured at fair value	Hierarchy used to determine the fair value		
	Level I ThUS\$	Level II ThUS\$	Level III ThUS\$
Balances as of December 31, 2010			
Operation swaps and cross currency swaps	-	23,416	-
Forward exchange contract operations	-	9,899	-
Hedged liabilities	-	402	-
Total financial liabilities at fair value	-	33,717	-
Balances as of December 31, 2009			
Operation swaps and cross currency swaps	-	22,406	-
Forward exchange contract operations	-	5,027	-
Hedged liabilities	-	9,566	-
Total financial liabilities at fair value	-	36,999	-

NOTE 23 -

Trade and other payables are detailed below:

Balances as of December 31, 2010							
Creditor type	Currency	Amount of class of liabilities exposed to liquidity risk				Total ThUS\$	Amortization type
		Up to one month ThUS\$	Two to three months ThUS\$	Four to twelve months ThUS\$			
Suppliers	CLP	147,132	17,265	1,631	166,028	Monthly	
Suppliers	US\$	160,663	16,150	1,250	178,063	Monthly	
Suppliers	EUR	6,602	534	-	7,136	Monthly	
Suppliers	ARS	38,972	1,807	66	40,845	Monthly	
Suppliers	MXN	2,152	34,527	-	36,679	Monthly	
Suppliers	SEK	63	3	-	66	Monthly	
Suppliers	COB	11,769	613	100	12,482	Monthly	
Suppliers	BRL	40,007	6,031	3,026	49,064	Monthly	
Suppliers	PEN	4,318	158	-	4,476	Monthly	
Suppliers	UYU	6,170	944	621	7,735	Monthly	
Notes payable	CLP	174	-	273	447	Monthly	
Notes payable	US\$	1,016	41	-	1,057	Monthly	
Notes payable	EUR	25	-	35	60	Monthly	
Notes payable	MXN	-	1,279	324	1,603	Monthly	
Notes payable	UYU	18	-	-	18	Monthly	
Other payables	CLP	23,815	13,025	4,540	41,380	Monthly	
Other payables	US\$	2,074	-	642	2,716	Monthly	
Other payables	MXN	377	2,405	-	2,782	Monthly	
Other payables	COP	833	-	-	833	Monthly	
Other payables	BRL	8,300	-	17,557	25,857	Monthly	
Other payables	UYU	1,156	-	-	1,156	Monthly	
Other payables	EUR	228	-	-	228	Monthly	
Other payables	JPY	2	-	-	2	Monthly	
Other payables	PEN	3,010	-	-	3,010	Monthly	
		458,876	94,782	30,065	583,723		

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Balances as of December 31, 2009							
Creditor type	Currency	Amount of class of liabilities exposed to liquidity risk				Total ThUS\$	Amortization type
		Up to one month ThUS\$	Two to three months ThUS\$	Four to twelve months ThUS\$			
Suppliers	CLP	123,896	15,564	21,180	160,640	Monthly	
Suppliers	US\$	93,281	7,854	3,994	105,129	Monthly	
Suppliers	EUR	16,068	121	184	16,373	Monthly	
Suppliers	ARS	11,655	14,601	99	26,355	Monthly	
Suppliers	MXN	14,520	1,608	-	16,128	Monthly	
Suppliers	SEK	22	5	1	28	Monthly	
Suppliers	COB	7,965	332	-	8,297	Monthly	
Suppliers	BRL	37,028	14,548	-	51,576	Monthly	
Suppliers	PEN	6,523	11,336	140	17,999	Monthly	
Suppliers	UYU	8,564	1,310	-	9,874	Monthly	
Notes payable	CLP	461	7	-	468	Monthly	
Notes payable	US\$	-	1,868	-	1,868	Monthly	
Notes payable	GBP	258	-	-	258	Monthly	
Notes payable	MXN	560	122	-	682	Monthly	
Notes payable	BRL	144	-	-	144	Monthly	
Notes payable	UYU	4	-	-	4	Monthly	
Other payables	CLP	20,557	86	827	21,470	Monthly	
Other payables	US\$	1,132	-	-	1,132	Monthly	
Other payables	MXN	710	-	-	710	Monthly	
Other payables	BRL	14,590	-	-	14,590	Monthly	
Other payables	PEN	-	19	-	19	Monthly	
Other payables	UYU	2	-	-	2	Monthly	
		357,940	69,381	26,425	453,746		

The value of depreciated cost of commercial accounts receivable and other accounts receivable appropriately represent the fair value of those entries.

NOTE 24 - ACCOUNTS PAYABLE TO RELATED ENTITIES

The accounts payable to related entities as of December 31, 2010 and 2009 are detailed below:

Tax No. related party	Name of related party	Nature of relationship with related party	Country of origin	Detail of account payable	Balances outstanding		Currency	Maturity dates of transaction with related party	Explanation of the nature of the consideration fixed to settle a transaction
					31/12/2010	31/12/2009			
					ThUS\$	ThUS\$			
99,520,000-7	Cía. de Petróleos de Chile S.A.	Key personnel from the management of the entity or controlling party	Chile	Fuel buying	5,790	5,418	CLP	60 days	Monetary
96,505,760-9	Colbún S.A.	Key personnel from the management of the entity or controlling party	Chile	Energy and power buying	2,772	3,101	US\$	30 days	Monetary
97,080,000-K	Banco Bice	Key personnel from the management of the entity or controlling party	Chile	Financial operations	1,704	1,977	CLP	30 days	Monetary
96,565,750-9	Aserraderos Arauco S.A.	Key personnel from the management of the entity or controlling party	Chile	Lumber buying	985	1,861	US\$	Between 30 and 60 days	Monetary
82,777,100-7	Puerto de Lirquén S.A.	Key personnel from the management of the entity or controlling party	Chile	Services buying	387	308	US\$	30 days	Monetary
92,580,000-7	Entel Chile S.A.	Key personnel from the management of the entity or controlling party	Chile	Services buying	268	86	CLP	60 days	Monetary
99,301,000-6	Seguros Vida Security Previsión S.A.	Key personnel from the management of the entity or controlling party	Chile	Insurance buying	226	77	CLP	30 days	Monetary
96,806,980-2	Entel PCS Comunicaciones S.A.	Key personnel from the management of the entity or controlling party	Chile	Services buying	186	75	CLP	60 days	Monetary
Foreign	Alto Paraná S.A.	Key personnel from the management of the entity or controlling party	Argentina	Cellulose buying	121	1,121	US\$	60 days	Monetary
96,657,900-5	Controladora de Plagas Forestales S.A.	Entities under joint control or significant influence over the entity	Chile	Services buying	93	13	US\$	30 days	Monetary
99,513,400-4	CGE Distribución S.A.	Key personnel from the management of the entity or controlling party	Chile	Electricity buying	82	5	US\$	30 days	Monetary
96,697,410-9	Entel Telefonía Local S.A.	Key personnel from the management of the entity or controlling party	Chile	Services buying	79	42	CLP	60 days	Monetary
91,806,000-6	Abastecedora de Combustibles S.A.	Key personnel from the management of the entity or controlling party	Chile	Services buying	58	-	CLP	30 days	Monetary
96,560,720-K	Portuaria Lirquén S.A.	Key personnel from the management of the entity or controlling party	Chile	Services buying	8	-	US\$	30 days	Monetary
96,563,570-K	Entel Call Center S.A.	Key personnel from the management of the entity or controlling party	Chile	Services buying	2	-	CLP	60 days	Monetary
96,677,280-8	Bice Factoring S.A.	Key personnel from the management of the entity or controlling party	Chile	Financial operations	-	2,636	CLP	30 days	Monetary
93,458,000-1	Celulosa Arauco y Constitución S.A.	Key personnel from the management of the entity or controlling party	Chile	Lumber buying	-	1,339	US\$	30 days	Monetary
Total current liabilities					12,761	18,059			

NOTE 25 - PROVISIONS AND CONTINGENT LIABILITIES

25.1. The detail of concepts and provisioned amounts is the following:

Provisions	31/12/2010	31/12/2009
	ThUS\$	ThUS\$
Provision for actions under labor and tax laws	3,504	2,098
Total	3,504	2,098
Provision for actions under labor and tax laws	56,858	29,923
Total	56,858	29,923

The provisions for lawsuits –current and non-current- correspond to estimates made according to the policy agreed in this regard by the Board of CMPC, intended to cover eventual effects that might derive from the resolution of lawsuits in which the Company is involved. Said lawsuits derive from transactions which are part of the normal course of the CMPC business and whose details and scopes are not of full public knowledge. Consequently, the detailed disclosure might affect the interests of the Company and the progress of the resolution of these lawsuits, according to the legal reserves of each administrative and judicial proceeding. Therefore, based on the regulations of IAS 37, paragraph 92, even though the amounts provisioned are indicated, no further detail about them is disclosed at the closing of these financial statements.

The movement in provisions was as follows:

	31/12/2010	31/12/2009
	ThUS\$	ThUS\$
Current		
Opening balance	2,098	2,756
Increases for the period	2,060	41
Increases through business combinations	-	227
Provision used	(572)	(674)
Decrease on foreign exchange differences	(82)	(252)
Closing balance	3,504	2,098
Non-current		
Opening balance	29,923	-
Increases for the period	25,587	-
Increases through business combinations	-	29,923
Decrease on foreign exchange differences	1,348	-
Closing balance	56,858	29,923

In the period ended December 31, 2010 an increase in provisions for legal claims of ThUS\$ 27,647 was recorded, whose effect was recognized as expense for the year in other profit (loss) under the income statement. In 2009 no significant effects were recorded for this item.

25.2. Contingent liabilities include the following contingencies and restrictions:

a) Direct guarantees

For guaranteeing compliance with every and any of the current and future obligations of Empresas CMPC S.A. and its subsidiaries, Empresas CMPC S.A. has set up a first mortgage, in favor of the Banco Bice, over the mezzanine and floors 2, 3, 4 and 5 of the building located at 1343 Agustinas Street in Santiago. The value assigned for these purposes is ThUS\$ 5,618, as per public deed dated March 16, 2001 witnessed by the Notary public Enrique Morgan, digest N° 1290.

b) Special guarantees

Empresas CMPC S.A. has granted the following guarantees and special guarantees:

(1) The credits and bond issue outstanding that the subsidiary Inversiones CMPC S.A. subscribed through its agency in the Cayman Islands.

(2) The issues of bonds in UF and commercial paper performed in Chile by the subsidiary Inversiones CMPC S.A.

In the case of special guarantees, the creditor of the collateral guaranteed by Empresas CMPC S.A. is the holder of the instrument, since those instruments are transferable.

(3) Compliance by Grupo ABS Internacional S.A. de CV (subsidiary in México), with the loans this company signed with the Banco Santander - México.

(4) Compliance by Drypers Andina S.A. (subsidiary in Colombia) with the loans this company signed with the Banco Santander - Colombia.

(5) Compliance by Forsac Perú S.A. with the lease contract over machinery this company signed with the Banco Continental de Perú.

(6) Compliance by Protisa Colombia S.A. (subsidiary in Colombia) with the loans this company signed with Santander – Chile and BBVA - Chile Banks.

c) Restrictions

Empresas CMPC S.A., as a result of certain debt contracts signed by subsidiaries and guaranteed by the Company, must comply with certain covenants based on the consolidated financial statements, which include maintaining a minimum equity, a maximum leverage and a minimum level of interest expense hedge. As of December 31, 2010, the Company complied with these covenants.

With regard to the loans signed by La Papelera del Plata S.A. in Argentina, and Protisa Perú S.A. in Perú, compliance with covenants have been established, calculated based on the financial statements of these companies, which include maintaining a minimum equity, a maximum leverage and a minimum hedge over expenses and debt service. At the closing of these financial statements the Company complied with these covenants.

d) Lawsuits

Following are the most significant lawsuits in which CMPC is involved, including those legal actions that present a likelihood of occurrence, at least, a minimum likelihood, and whose claimed amounts exceed ThUS\$ 100. Those lawsuits in which the amounts claimed are not specified are also included.

(1) There is a legal action brought against Empresas CMPC S.A. for damages derived from contractual liability for an amount close to ThUS\$ 630. The term to reply the demand is pending. In the opinion of our lawyers, the result is expected to be favorable for the Company.

(2) The subsidiaries Forestal Mininco S.A. and Forestal Crecex S.A. have joined as a party in several lawsuits, basically with sharecroppers and farmers, related to marking of boundaries and other disputes. In the opinion of our lawyers, the result is expected to be favorable for the Company.

(3) There is a legal action brought against Forestal Mininco S.A. for damages derived from non-contractual liability. The demand against the company was rejected from first instance. The plaintiff has appealed and the recourse is being handled. The amount claimed is ThUS\$ 168, approximately.

(4) There is a lawsuit for labor accident benefits brought by a contractor of Forestal Mininco S.A., in which the company is severally sued. The lawsuit is in the probatory stage. The amount claimed is ThUS\$ 200.

(5) There are two lawsuits against the subsidiary CMPC Maderas S.A. relating to salary collection for alleged liability in solidum of the subsidiary (subcontracting act). Further, compensation is claimed for alleged anti-trade union practice by a contractor company. Both legal actions are currently in the stage of evidence. The amount claimed totals ThUS\$ 200 plus remuneration until the ratification of an alleged null dismissal. Both legal actions are under cases No.16122 and 16123 and are being prosecuted in the 2nd Court of First Instance of Los Ángeles. In the opinion of the Company's counsels, a result favorable to the subsidiary is expected.

(6) There is a suit for secondary labor liability against the subsidiary CMPC Maderas S.A., prosecuted in the Court of Nacimiento under case 98-08. In this legal action the breach of legal rights of organized labor is claimed. As of December 31, 2010 the amount claimed is estimated at ThUS\$ 130. The complaint was rejected in all its parts by final judgment and the resolution was appealed by the plaintiff before the Court of Appeals of Concepción, an appeal that is being handled. In the opinion of the Company's counsels, a result favorable to the subsidiary is expected.

(7) CMPC Celulosa S.A. is facing an action under tax laws for a claim over a tax assessment derived from an appraisal of the value in an internal transfer of shares performed by the Servicio de Impuestos Internos (Chilean tax authority) on April 30, 2003. Due to defects in the procedure, the Company brought a legal action in the Supreme Court (Case N° 1767-3) which was accepted on August 5, 2005, and which resulted in the voidance of the pending lawsuit. The proceeding returned to the assessment stage, which is in process of claim and resolution. In the opinion of our counsels, this action should not be successful.

(8) In May 2003, CMPC Celulosa S.A. (Celulosa) held an energy supply contract (the "Energy Contract") with Endesa S.A. (Endesa), which covers the supply of all the energy required by industrial plants of Celulosa (currently 4 cellulose plants in Chile), subsidiaries of CMPC (now Inforsa, the sawmill Nacimiento and plywood plant of CMPC Maderas S.A.), and parts related to them, and contractors of any of the foregoing, at any time during the term of the Contract Energy are connected to the transmission system located in the eighth and ninth region of Chile.

The Energy Contract rules for the period between January 1, 2004 and December 31, 2013, as CMPC exercised the option to extend the term for a period of 2 years from December 31, 2011, in accordance with the contract.

Under the Energy Contract, the energy has a price of approximately US\$38 per MWh (adjustable every six months for producer price index US).

In November 2006, Endesa commenced arbitration procedure against CMPC relating to the Energy Contract, before an arbitral tribunal of three members. In March 2009 the court ruled, in split decision 2-1 that, in other subjects, Endesa is not obliged to provide Celulosa: (i) the volumes of power and energy required for the sodium chlorate plant Comercial e Industrial ERCO (Chile) Limitada ("ERCO"), a manufacturer of sodium chlorate exclusively for CMPC's cellulose plants, from the date Endesa reported the arbitration claim (November 2006), Celulosa must pay Endesa a compensation for this consumption (about 600 GWh/year), to be determined at a new trial, (ii) and the volumes of power and energy, as of the date on which the decision became final, that the industrial plants demand existing at the date of the holding of the Energy Contract, in the part that such volumes exceed more than 50% of the informed requirements for the same when hiring.

On January 18, 2011 an arbitral tribunal of three members was established at the request of Endesa, with the aim of determining the execution of the decision referred to in the preceding paragraph.

(9) In a lawsuit CMPC Celulosa S.A. has filed against the Central Bank of Chile, dated May 5, 2009, the Court of Appeals of Santiago accepted an appeal filed by CMPC. In that order the specific criteria for the determination of the amount owed to the Company by the Central Bank were established, in connection with the final judgment by the Supreme Court of August 2001, which ordered the bank to pay the promissory Notes issued by that public agent, according to the calculation rules contained in those instruments upon issuance, and not according to a new calculation formula established by the debtor afterwards. With regards to that order, both the Central Bank and CMPC filed appeals of dismissal, in form and substance, before the Supreme Court, which are pending resolution.

(10) On March 24, 2010 the court of first instance of Angol declared the bankruptcy of the companies Sociedad Bosques Santa Elena S.A. and Sociedad Forestal, Transporte y Constructora Santa Elena Ltda. In 2007, the subsidiary CMPC Celulosa S.A. entered into two eucalyptus wood supply contracts, which are in force and comprise the debtor's obligation to deliver CMPC the quantity of cubic meters of that stucked timber set forth therein. Compliance with said obligation was guaranteed by the debtor with collateral over the trees and soils.

(11) As of December 31, 2010 Industrias Forestales S.A. is facing legal actions for damages of civil nature. In the opinion of the Company's counsels, they do not represent any contingency.

(12) There is a claim for damages and collection of benefit payments against CMPC Tissue S.A. given that a worker claims to have been the object of an alleged labour accident and different harassment situations. The lawsuit is awaiting judgment from first instance. The amount claimed is ThUS\$ 220, plus interest, readjustments and court costs.

(13) In April 2006, the subsidiary Inversiones Protisa S.A. received a tax assessment amounting to ThUS\$ 32,517, based on the discrepancy of the Servicio de Impuestos Internos in relation to the approach of tax valuation and price-level restatement used by the Company in connection with its investments abroad. The reply has been submitted before the Servicio de Impuestos Internos, ratifying the approach used by the Company and delivering the legal and administrative documentation that supports such approach. Our counsels have a favorable opinion of the Company's position and the mentioned assessments are expected to be revoked or annulled.

(14) Subsidiaries of the Company have filed an appeal in the Court of the Argentine Nation to suspend or annul official determinations by the Administración Federal de Ingresos Públicos (Argentine tax authority) over taxes and interest on financial transactions of years 1998 and 2003 which reach ARS 14,883,689.95 (ThUS\$ 3,917), plus penalties and interest. In the opinion of the Company and its counsels, the Argentine tax authority should not be successful since the financial transactions have been legally and administratively carried out in conformity with the current legislation.

(15) As of December 31, 2010, the subsidiary Forestal Bosques del Plata S.A. (Argentine subsidiary), is facing lawsuits for labor and civil cases in several Argentine courts, which amount to ThUS\$ 205.

(16) The subsidiary La Papelera del Plata S.A. of Argentina is facing actions under labor and tax laws in several Argentine courts, which amount to a total of ThUS\$ 1,340.

(17) As of December 31, 2010 the subsidiary Forsac S.A. of Argentina is facing actions under labor laws whose claimed amount is ThUS\$ 115. In our counsels' opinion, results favorable to the Company are expected.

(18) The subsidiary CMPC Riograndense Ltda. is facing actions under labor and civil laws, which have been treated in an administrative and judicial manner. The company has made payments through judicial deposits amounting to ThUS\$ 196.

Considering the opinion of the Company's counsels, in year 2010 CMPC has made provisions of ThUS\$ 27,647 to cover the eventual disbursements that might derive from any of the contingencies referred to above (contingencies (1) to (18)).

e) Provisions and contingencies added by business combinations

The subsidiary Melhoramentos Papéis Ltda. is facing some actions under labor and fiscal laws, which are being treated in an administrative and judicial manner. These legal actions amount to a total of ThUS\$ 46,328, of which ThUS\$ 14,470 has been already paid in a judicial account. Likewise, the subsidiary CMPC Participacoes Ltda. (absorbed by Melhoramentos in 2010) signed a contract of QPA (Quota Purchase Agreement) with Melpaper (former controlling company of the subsidiary Melhoramentos Papéis Ltda.) whereby it received guarantees over the lawsuits which originated from facts prior to the purchase date. Some of those lawsuits took place and CMPC Participacoes Ltda. will receive the equivalent of the amount through the execution of those guarantees. Accordingly, the guarantees related to those lawsuits were recorded in Other non-financial assets – non-current, and it is understood that these contingencies do not generate any risk over the CMPC's equity. Furthermore, there are some

complaints brought by employees that are in their initial stage of the administrative or judicial proceedings, whose amounts have not been determined yet, since they are in the initial stage of discussion of the claim; consequently, they have neither been quantified nor assessed yet.

f) Others

Certain subsidiaries maintain liability with the Central Bank of Chile for the export repatriation of proceeds relating the shipments made on consignment amounting to ThUS\$ 115,347 as of December 31, 2010 (ThUS\$ 48,442 as of December 31, 2009). This value represents the market price determined as of the shipment date.

Empresas CMPC S.A. has a guarantee over compliance with derivatives contracts amounting to ThUS\$ 681,556, signed by Inversiones CMPC S.A. and certain subsidiaries with J.P. Morgan Chase Bank N.A., BBVA, Santander, Goldman Sachs and others, in connection with the interest rates applied at nominal value.

g) Investments abroad

The Company's financial statements include the effect on the financial and economic position of the CMPC's companies located in countries such as Argentina, Uruguay, Perú, México, Ecuador, Brazil and Colombia, derived from the economic environment where they operate. The actual future results will mostly depend on the evolution of those economies.

NOTE 26 – POST-EMPLOYMENT BENEFIT OBLIGATION

Post-employment benefit obligation	31/12/2010		31/12/2009	
	Current	Non-current	Current	Non-current
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Severance indemnities	3,031	69,115	2,353	57,853
Medical assistance benefits	1,148	24,843	1,400	29,901
Staff vacation	28,046	-	23,391	-
Other benefits	11,440	-	5,582	-
Totals	43,665	93,958	32,726	87,754

26.1 Data and movements

a) Severance indemnities

The amounts charged to income relating to severance indemnities, as of December 31, 2010 and 2009, as described in Note 2.19, are the following:

Items	Year	
	2010	2009
	ThUS\$	ThUS\$
Cost of services for the current year	1,233	269
Cost of opening balance	12,838	9,143
Effect of any liquidation	451	(1,308)
Total charged to income	14,522	8,104

The balance of severance indemnities is recorded in Post-employment obligation under current and non-current liabilities according to the likelihood of payment before or after 12 months from the date of the Statement of Financial Position of the Company.

The movement in this liability in each year is as follows:

Items	31/12/2010	31/12/2009
	ThUS\$	ThUS\$
Opening balance	60,206	54,364
Cost of services for the current year	1,233	269
Cost of opening balance	12,838	9,143
Severance indemnities paid in the period	(6,100)	(13,104)
Exchange difference adjustment	4,688	10,842
Other adjustments	(719)	(1,308)
Closing balance	72,146	60,206
Current liabilities balance	3,031	2,353
Non-current liabilities balance	69,115	57,853

The main variables used in the valuation of the obligations with the Company's employees comprise the discount rate according to the base of the Central Bank in UF.

The expectations used with regard to the annual inflation rate at December 2009 amounted to 3% the same as at December 2010. Thus, an annual nominal discount rate of 6.78%, on a compound basis, is obtained.

As described in Note 2.19, the effects of the update of the actuarial variables incorporated to the model, are recorded in the income for the year.

A salary growth rate and demographic assumptions for the universe of the personnel of CMPC and subsidiaries is considered to determine the variables of retirements, dismissals and pension, according to tables and standards used for this valuation methodology.

b) Medical assistance benefits

The subsidiary Melhoramentos Papéis Ltda. signed in 1997 a commitment with the trade union referring to provide medical assistance for its retired employees until that date. This medical assistance is provided by a health institution formed by the paper companies of Sao Paulo, Brazil called SEPACO.

The amount of the provisions refers to the actuarial calculation of the present value of the obligation derived from this commitment and which considers the costs of medical assistance for this group, considering the employee and his wife along his life and children until 21 years old (until 24 years old if they are studying). An actuarial methodology is used for the calculation, with an average term of payment of 20 years.

c) Staff vacation

The staff vacation balance corresponds to the value of the vacation days accrued by the Company's personnel and which are pending use, determined according to the labor legislation prevailing in each country.

26.2 Employee expenses

The expenses relating to employees, charged to income as of December 31, 2010 and 2009, are as follows:

	Year	
	2010	2009
	ThUS\$	ThUS\$
Wages & salaries	312,417	237,899
Short-term benefits to employees (annual and similar bonuses)	64,119	42,120
Other long-term benefits (severance indemnities)	14,522	8,104
Other personnel expenses	39,883	16,023
Total charged to income	430,941	304,146

The variation is mostly explained by the start of operation of the Tissue, Forest, Cellulose and Paper business in Brazil, the first one from mid-2009, and the others by the end of 2009.

NOTE 27 –

	31/12/2010	31/12/2009
	ThUS\$	ThUS\$
Current		
Dividends provisioned according to policy and payable	92,418	50,964
Accounts payable for acquisition of companies	-	69,699
Deferred income	13,521	13,548
Other	5,669	7,959
Total	111,608	142,170
Non-current		
Tax obligations in Brazil	129,385	128,604
Others	2,821	2,013
Total	132,206	130,617

NOTE 28 - ISSUED CAPITAL

The capital of Empresas CMPC S.A. is represented by 220,000,000 single-series issued, subscribed and paid-in shares, no par value, officially quoted in the continuous market in the Chilean stock exchanges.

The Extraordinary Shareholder's Meeting held on October 9, 2009 agreed to increase the share capital from ThUS\$ 192,358, divided into 200,000,000 no-par value common stock, each of equal value, fully subscribed and paid, to ThUS\$ 692,358, divided into 220,000,000 shares. The Company's current capital corresponded to that fixed by the Fiftieth Extraordinary Shareholder's Meeting of Empresas CMPC S.A., held on March 27, 2009, which agreed to change the currency in which the share capital is denominated to United States dollars, in order to adapt to the requirements of International Financial Reporting Standards (IFRS).

Completion of the capital increase was achieved through the issuance of 20,000,000 paid-in shares of common stock with characteristics equal to the existing ones, for ThUS\$ 500,000, to be issued by the board of Directors on a one-time basis, and offered on a preferential basis to the shareholders and its assignees at the times it might agree in conformity with the law. Those shares must be fully subscribed and paid within the maximum period of three years from the date of the meeting referred to above.

The placement price of the paid-in shares was agreed at Ch\$ 13,800 per share. For information purposes, it was put on record that the price is equivalent to the value of US\$ 25 per share, in accordance with an exchange rate of CLP 552 per dollar.

Likewise, it was proposed that the price of the shares representative of the capital increase be paid in one single payment upon subscription, either in cash, check, banker's draft, electronic transfer of funds or any instrument or paper representative of money payable at sight.

Also, it was agreed to provide the Company's Board of Directors with full powers, in order to enforce compliance with the points described above, as well as to (i) carry out all the formalities necessary for the registering of the paid-in shares representative of the capital increase in the Securities Register of the SVS and in one or more authorized stock exchanges in the country; and (ii) establish a procedure to exercise the legal preferred option to subscribe new shares of stock.

In compliance with the instructions contained in Circular No. 1,370 issued by the SVS, the shareholders were advised that the issuance and placement costs of the shares representative of the proposed capital increase would be deducted from the share premium account that might be produced.

The subscription and payment process of the capital increase ended December 18, 2009 with the subscription and payment of 100% of the issued shares, leading to a capital in excess of par value amounting ThUS\$ 13,620. This capital in excess of par value is shown as the net of placement costs.

NOTE 29 -

Retained earnings as of December 31, 2010, as compared to December 31, 2009, increased by the profit of 2010 and decreased by cash dividends declared.

	31/12/2010	31/12/2009
	ThUS\$	ThUS\$
Retained earnings as of January 1	6,227,506	6,032,169
Profit for the year	637,546	260,618
Dividend provision	(178,642)	(65,281)
Complement paid dividend	(825)	-
Retained earnings	6,685,585	6,227,506

As required by Circular No. 1,945 of September 29, 2009 issued by the SVS, the adjustments of first-time application of IFRS recorded with a credit to retained earnings, pending realization are shown below:

Items		2008		2009		2010	
		Balance pending realization as of December 31, 2008	Realized amount in 2009	Balance pending realization as of December 31, 2009	Realized amount in 2010	Balance pending realization as of December 31, 2010	
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Property, plant & equipment	(1)	1,028,555	(39,233)	989,322	(39,233)	950,089	
Severance indemnities	(2)	8,541	(803)	7,738	(803)	6,935	
Deferred taxes	(3)	(271,755)	10,366	(261,389)	10,366	(251,023)	
Investments in associates	(4)	(1,524)	-	(1,524)	-	(1,524)	
Total		763,817	(29,670)	734,147	(29,670)	704,477	

(1) Property, plant & equipment: The methodology used to quantify the realization of this item, corresponded to the application of useful lives by class of assets used for the depreciation process at the restatement amount determined as of the adoption date.

(2) Severance indemnities: IFRS requires that the long-term benefits granted to ex-employees are determined on the basis of the application of an actuarial calculation model, generating differences in respect of the prior methodology which was based on current values. This actuarial calculation methodology considered within its variables an average tenure of employees of 12 years, approximately, a datum used for the quantification of the realized annual balance.

(3) Deferred taxes: The adjustments in the valuation of the assets and liabilities arising from the application of IFRS have resulted in new temporary differences, which were recorded against retained earnings within equity. The realization of this item has been determined in the same proportion as the items which gave rise to this concept.

(4) Investments in associates: These balances originate from the recognition of the equity differences of associates upon applying the equity method as of the closing date of the financial statements adapted to IFRS. This balance will be realized to the extent that the investment that generates the balance is disposed of.

The retained earnings available to distribute as dividends is the following:

	31/12/2010	31/12/2009
	ThUS\$	ThUS\$
Retained earnings as of December 31	6,685,585	6,227,506
Adjustments for IFRS adoption	(704,477)	(734,147)
Revaluation of biological assets net of deferred taxes, pending realization	(1,689,481)	(1,634,635)
Retained earnings available to distribute	4,291,627	3,858,724

NOTE 30 - OTHER RESERVES

The reserves forming part of the Company's equity are the following:

Currency translation reserves: (Reserve of ThUS\$ 66,067 as of December 31, 2010 and negative reserve of ThUS\$ 15,594 as of December 31, 2009). The currency translation reserve basically arises from the translation of the financial statements of the local and foreign subsidiaries whose functional currency is different from the presentation currency of the consolidated financial statements.

The variation with regard to the balance as of December 31, 2009 reflects fundamentally the variation in the exchange rates in the functional currency of the company that owns the investment with regard to the functional currency of the subsidiary.

Hedging reserves: (Reserve of ThUS\$ 9,245 as of December 31, 2010 and negative reserve of ThUS\$ 6,269 as of December 31, 2009). The hedging reserve arises from the application of the hedge accounting with certain financial assets. This reserve is transferred to the income for the year either upon expiration of contracts or when the operation ceases qualifying as hedge accounting, whichever occurs first.

The variation with regard to the balance as of December 31, 2009 corresponds to the changes observed in the fair value of the financial instruments used.

Other miscellaneous reserves: (ThUS\$ 198,535 as of December 31, 2010 and ThUS\$ 188,824 as of December 31, 2009). The balance of other miscellaneous reserves corresponds to the following items:

- Reserve for future capital increases
- Reserve for equity variations in the associates, Bicecorp S.A. and Inversiones El Raulí S.A.
- Price-level restatement of the paid-in capital recorded as set forth in Official Memorandum No. 456 issued by the SVS.

The variation with regard to the balance as of December 31, 2009 basically refers to the equity adjustment of the investment in related entities.

NOTE 31 - EARNINGS PER SHARE AND NET PROFIT DISTRIBUTABLE

31.1 Earnings per share

	US\$/Share
Earnings per share, year 2010	2.8979
Earnings per share, year 2009	1.2977

31.2 Distributable net profit

The dividend policy for year 2010 consisted of the payment of two interim dividends payable in the months of September and December 2010 or January 2011 and a final dividend, which must be agreed by the annual shareholder meeting, payable on the date agreed in that meeting, only if with the interim dividends an amount equivalent to 30% of the net profit for year 2010 has not been completed.

As stated in Circular No. 1945 issued by the SVS, dated September 29, 2010, the Board session held on November 26, agreed to establish as a general policy that the net profit, for purposes of the payment of the 30% minimum mandatory dividend, set forth by article 79 of law 18046, will be determined on the basis of the adjusted profit, which excludes those relevant changes in the fair value of the assets and liabilities not realized, which must be incorporated into the calculation of the net profit for the year in which such changes are realized.

The additional dividends will be determined on the basis of the referred principles, according to the agreement adopted by the shareholder meeting in this regard.

Consequently, it was agreed that for the purposes of determining the Company's distributable net profit, that is, the net profit to consider for the calculation of the minimum mandatory dividend in which concerns year 2010, the following items have been excluded from the income for the year:

I. The unrealized income corresponding to the variation of the fair value of the forest plantations. The main adjustments at fair value of the forest plantation correspond to the restatement for their natural growth. The valuation of those forest assets is regulated by the accounting standard IAS 41 (Biological Assets). This income will be incorporated into the net profit upon sale of the forest assets or their disposal through any other means.

II. The unrealized income originated from the acquisition of other entities or companies, at a value lower than the fair value of the net assets (net of liabilities) of the acquired entity and, in general, that unrealized income produced as a result of the application of paragraphs 34, 39, 42 and 58 of IFRS 3, revised, referred to the operations of business combinations, basically related to adjustments derived from the acquisition process and takeover.

This income will be also recycled to the net profit upon realization. For these purposes, the income will be understood as realized to the extent that the entities acquired generate profits after their acquisition, or when those entities or companies are disposed of.

III. The effects of deferred taxes that derive from the adjustments associated with the items described in the preceding points.

Net profit distributable of year 2010:

The determination of the net profit, the basis for the quantification of the dividends to be paid according to the dividend policy agreed for years 2010 and 2009 according to the profit attributable to majority interest, is shown below:

	31/12/2010	31/12/2009
	ThUS\$	ThUS\$
Profit attributable to majority interest	637,546	260,618
Variation of the fair value of forest plantations	(59,374)	(51,825)
Deferred taxes associated with the fair value of forest plantations	17,300	8,810
Net profit distributable	595,472	217,603
Application of dividend policy (30%)	178,642	65,281

The dividends paid during 2010 and 2009 were the following:

N° Dividend	US\$ per share	CLP per share	Payment date
Interim N° 244	0.0740	50	January 22, 2009
Final N° 245	0.1199	69	April 21, 2009
Interim N° 246	0.0908	50	September 3, 2009
Interim N° 247	0.0849	42	January 13, 2010
Final N° 248	0.1330	70	April 7, 2010
Interim N° 249	0.1611	80	September 8, 2010
Interim N° 250	0.2532	120	December 22, 2010

(1) For the translation to Chilean pesos (CLP) the exchange rate of the closing day of the share register was used.

(2) From Dividend N°247 a basis of 220 million shares is considered, instead of 200 million shares previously considered.

Consequently, the total amounts paid were as follows:

	31/12/2010	31/12/2009
	ThUS\$	ThUS\$
Dividends paid to ordinary shares, gross	139,084	56,940
Tax on ordinary shares dividends	-	-
Dividends paid holders of ordinary shares, Net	139,084	56,940

Under IFRS, the dividends agreed in the respective policy (30% of net profit) are recorded according to the accrual of the profit.

NOTE 32 -

As of December 31, 2010 and 2009, ordinary revenue is detailed as follows:

Items	Year	
	2010	2009
	ThUS\$	ThUS\$
Sales of products	4,212,222	3,115,627
Other ordinary revenue	6,950	7,982
Total	4,219,172	3,123,609

The start of operations in Brazil in the Tissue business in July 2009 and Cellulose and Paper from December 15, 2009 should be emphasized, which significantly increase the sales volumes in 2010.

NOTE 33 – OTHER PROFIT (LOSS)

The effects on income derived from various items additional to the operation are:

Items	Year	
	2010 ThUS\$	2009 ThUS\$
Income from compensation for damages due to temporary halt of industrial plants derived from the earthquake (see Note 41)	110,998	-
(Net) effect from physical damages of earthquake (see Note 41)	(49,672)	-
(Net) effect from forest and other losses	2,818	(10,861)
Profit (loss) from operations with financial derivatives	18,678	(36,544)
Provision for lawsuits and contingencies	(27,647)	(41)
Others	(2,183)	(12,056)
Total	52,992	(59,502)

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NOTE 34 – FINANCE COSTS

For the years ended December 31, 2010 and 2009, finance costs were as follows:

	Year	
	2010 ThUS\$	2009 ThUS\$
Bank loan interest	132,579	95,732
Finance lease interest	2,093	1,520
Total	134,672	97,252

Items	Year	
	2010 ThUS\$	2009 ThUS\$
Assets in foreign currency	60,921	140,781
Liabilities in foreign currency	(85,248)	(204,791)
Total	(24,327)	(64,010)

NOTE 35 - FOREIGN EXCHANGE DIFFERENCE

a) Exchange differences on translation recognized in income

For the years ended December 31, 2010 and 2009, the foreign exchange differences that originated from asset and liability balances in foreign currency, other than the functional currency, were credited (charged) to income for the period, as follows:

The effects relating to the changes in the fair values of the financial instruments including the forwards, forwards relating to synthetic investments, cross currency swaps and swaps, different from those under hedge accounting, are recorded in other profit (loss) in the Income statement.

b) Assets and liabilities in foreign currency

Assets in foreign currently (other than the functional currency) affected by the variation in the exchange rates are as follows:

Type of asset	Currency	31/12/2010 ThUS\$	31/12/2009 ThUS\$
Current assets			
Cash and cash equivalents	CLP	298,093	653,328
Cash and cash equivalents	EUR	5,068	2,002
Cash and cash equivalents	ARS	468	499
Cash and cash equivalents	UYU	305	43
Cash and cash equivalents	PEN	11,664	3,645
Cash and cash equivalents	COP	1,324	4,202
Cash and cash equivalents	MXN	7,535	1,791
Cash and cash equivalents	BRL	8,403	41,667
Cash and cash equivalents	YEN	-	251
Cash and cash equivalents	GBP	1,067	1,330
Subtotal Cash and cash equivalents		333,927	708,758
Other financial assets, current	CLP	92,075	3,137
Other financial assets, current	CLP-UF	294,942	82,635
Other financial assets, current	EUR	208	22
Subtotal Other financial assets, current		387,225	85,794
Other non-financial assets, current	CLP	17,563	598
Other non-financial assets, current	ARS	940	853
Other non-financial assets, current	UYU	1,137	836
Other non-financial assets, current	PEN	1,233	1,199
Other non-financial assets, current	COP	958	439
Other non-financial assets, current	BRL	1,729	420
Other non-financial assets, current	MXN	477	-
Other non-financial assets, current	GBP	5	-
Subtotal Other non-financial assets, current		24,042	4,345
Trade and other receivables, current	CLP	213,738	168,466
Trade and other receivables, current	EUR	28,994	20,934
Trade and other receivables, current	ARS	47,955	59,468
Trade and other receivables, current	UYU	14,213	17,666
Trade and other receivables, current	PEN	19,148	14,869
Trade and other receivables, current	COP	27,128	14,829
Trade and other receivables, current	MXN	39,051	27,269
Trade and other receivables, current	BRL	77,949	65,620
Trade and other receivables, current	GBP	9,024	3,592
Subtotal Trade and other receivables, current		477,200	392,713
Accounts receivable from related entities, current	CLP	2,311	2,610
Subtotal Accounts receivable from related entities, current		2,311	2,610
Inventories	CLP	88,359	60,841
Inventories	ARS	74,446	59,667
Inventories	UYU	28,212	20,104
Inventories	PEN	42,428	23,029
Inventories	COP	22,557	9,786
Inventories	MXN	39,839	19,409
Inventories	BRL	89,820	35,163
Subtotal Inventories		385,661	227,999
Biological assets, current	BRL	38,833	-
Subtotal Biological assets, current		38,833	-
Tax assets, current	CLP	69,404	73,944
Tax assets, current	ARS	11,993	5,838
Tax assets, current	UYU	2,535	2,547
Tax assets, current	PEN	4,191	5,534
Tax assets, current	COP	2,838	1,122
Tax assets, current	MXN	9,022	27,122
Tax assets, current	BRL	37,261	3,646
Tax assets, current	GBP	6	4
Subtotal Tax assets, current		137,250	119,757
Total assets current		1,786,449	1,541,976

Type of asset	Currency	31/12/2010 ThUS\$	31/12/2009 ThUS\$
Non-current assets			
Other non-financial assets, current	CLP	5,884	3,477
Other non-financial assets, current	COP	-	186
Other non-financial assets, current	BRL	37,317	49,017
Other non-financial assets, current	PEN	161	-
Other non-financial assets, current	UYU	10	-
Subtotal Other non-financial assets, non-current		43,372	52,680
Rights receivable, non-current	BRL	12,556	4,261
Rights receivable, non-current	CLP	6,940	-
Rights receivable, non-current	ARS	4,674	-
Subtotal Rights receivable, non-current		24,170	4,261
Investments in associates	CLP	113,628	95,714
Subtotal Investment in associates		113,628	95,714
Intangible assets other than goodwill	CLP	1,117	369
Intangible assets other than goodwill	BRL	2,015	109,158
Intangible assets other than goodwill	MXN	1,079	-
Intangible assets other than goodwill	COP	1,327	-
Intangible assets other than goodwill	UYU	537	-
Subtotal Intangible assets other than goodwill		6,075	109,527
Goodwill	ARS	14,800	15,484
Goodwill	MXN	760	718
Goodwill	BRL	80,452	76,744
Subtotal Goodwill		96,012	92,946
Property, plant & equipment	CLP	171,231	157,880
Property, plant & equipment	ARS	133,991	132,059
Property, plant & equipment	UYU	43,998	47,338
Property, plant & equipment	PEN	91,525	91,200
Property, plant & equipment	COP	94,280	49,157
Property, plant & equipment	MXN	149,681	100,493
Property, plant & equipment	BRL	1,091,896	1,024,843
Subtotal Property, plant & equipment		1,776,602	1,602,970
Biological assets, non-current	BRL	498,904	388,470
Subtotal Biological assets, non-current		498,904	388,470
Deferred tax assets	CLP	80,606	54,909
Deferred tax assets	ARS	1,106	3,704
Deferred tax assets	UYU	404	43
Deferred tax assets	PEN	188	39
Deferred tax assets	COP	13,832	9,485
Deferred tax assets	MXN	2,458	10,044
Deferred tax assets	BRL	37,606	32,400
Subtotal Deferred tax assets		136,200	110,624
Total assets, non-current		2,694,963	2,457,192

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Liabilities in foreign currency (other than the functional currency) affected by the variation in the exchange rate are as follows:

Type of liabilities	Currency	December 31, 2010			December 31, 2009		
		Up to 90 days	90 days up to 1 year	Total	Up to 90 days	90 days up to 1 year	Total
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Current liabilities							
Other financial liabilities, current	CLP	3,207	436	3,643	26	29,297	29,323
Other financial liabilities, current	CLP-UF	18,136	29,594	47,730	11,472	20,365	31,837
Other financial liabilities, current	EUR	98	349	447	3,038	3,485	6,523
Other financial liabilities, current	ARS	24,561	24,286	48,847	9,860	18,975	28,835
Other financial liabilities, current	COP	21,442	1,724	23,166	17,617	20,377	37,994
Other financial liabilities, current	UYU	8,001	6,879	14,880	8,776	4,537	13,313
Other financial liabilities, current	PEN	12,339	17,885	30,224	11,001	16,255	27,256
Other financial liabilities, current	BRL	-	-	-	70	-	70
Subtotal Other financial liabilities, current		87,784	81,153	168,937	61,860	113,291	175,151
Trade and other payables, current	CLP	201,411	6,444	207,855	160,571	22,007	182,578
Trade and other payables, current	EUR	7,389	35	7,424	16,189	184	16,373
Trade and other payables, current	ARS	40,779	66	40,845	26,256	99	26,355
Trade and other payables, current	COP	13,215	100	13,315	8,297	-	8,297
Trade and other payables, current	UYU	8,288	621	8,909	9,880	-	9,880
Trade and other payables, current	PEN	7,486	-	7,486	17,878	140	18,018
Trade and other payables, current	MXN	40,740	324	41,064	17,520	-	17,520
Trade and other payables, current	BRL	54,338	20,583	74,921	66,310	-	66,310
Trade and other payables, current	GBP	-	-	-	258	-	258
Trade and other payables, current	SEK	66	-	66	27	1	28
Trade and other payables, current	JPY	2	-	2	-	-	-
Subtotal Trade and other payables		373,714	28,173	401,887	323,186	22,431	345,617
Accounts payable to related entities, current	CLP	8,313	-	8,313	10,311	-	10,311
Subtotal Accounts payable to related entities, current		8,313	-	8,313	10,311	-	10,311
Other short-term provisions	CLP	-	1,520	1,520	-	-	-
Other short-term provisions	ARS	-	1,616	1,616	-	2,098	2,098
Other short-term provisions	BRL	-	368	368	-	-	-
Subtotal Other short-term provisions		-	3,504	3,504	-	2,098	2,098
Tax liabilities, current	CLP	63,405	-	63,405	7,387	-	7,387
Tax liabilities, current	ARS	181	-	181	630	-	630
Tax liabilities, current	UYU	272	-	272	92	-	92
Tax liabilities, current	PEN	456	-	456	1,096	-	1,096
Tax liabilities, current	BRL	-	-	-	954	-	954
Tax liabilities, current	YEN	-	-	-	645	-	645
Subtotal Tax liabilities, current		64,314	-	64,314	10,804	-	10,804
Post-employment benefit obligation, current	CLP	-	30,541	30,541	-	24,246	24,246
Post-employment benefit obligation, current	ARS	-	1,641	1,641	-	1,703	1,703
Post-employment benefit obligation, current	PEN	-	311	311	-	326	326
Post-employment benefit obligation, current	BRL	-	11,855	11,855	-	6,451	6,451
Subtotal Post-employment benefit obligation, current		-	44,348	44,348	-	32,726	32,726
Other non-financial liabilities, current	CLP	-	111,608	111,608	-	72,471	72,471
Other non-financial liabilities, current	BRL	-	-	-	-	69,699	69,699
Subtotal Other non-financial liabilities, current		-	111,608	111,608	-	142,170	142,170
Total liabilities, current		534,125	288,786	802,911	406,161	312,716	718,877

Type of liabilities	Currency	December 31, 2010				December 31, 2009			
		1 year up to 3 year	More than 3 year up to 5 year	More than 5 year	Total	1 year up to 3 year	More than 3 year up to 5 year	More than 5 year	Total
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Non-current liabilities									
Other financial liabilities, non-current	CLP-UF	80,158	522,096	789,930	1,392,184	61,289	182,433	1,017,594	1,261,316
Other financial liabilities, non-current	EUR	665	-	-	665	7,502	-	-	7,502
Other financial liabilities, non-current	ARS	3,549	15,009	-	18,558	15,262	-	-	15,262
Other financial liabilities, non-current	COP	1,680	-	-	1,680	-	786	-	786
Other financial liabilities, non-current	PEN	13,838	4,256	150	18,244	9,140	7,502	-	16,642
Other financial liabilities, non-current	BRL	4,514	6,523	16,602	27,639	-	-	-	-
Subtotal Other financial liabilities, non-current		104,404	547,884	806,682	1,458,970	93,193	190,721	1,017,594	1,301,508
Other long-term provisions	CLP	25,000	-	-	25,000	-	-	-	-
Other long-term provisions	BRL	31,858	-	-	31,858	29,923	-	-	29,923
Subtotal Other long-term provisions		56,858	-	-	56,858	29,923	-	-	29,923
Deferred tax liabilities	CLP	13,399	-	752,838	766,237	-	-	789,822	789,822
Deferred tax liabilities	ARS	1,076	-	80,189	81,265	-	-	81,486	81,486
Deferred tax liabilities	UYU	-	-	1,801	1,801	-	-	4,749	4,749
Deferred tax liabilities	COP	-	-	122	122	-	-	-	-
Deferred tax liabilities	PEN	-	-	8,597	8,597	-	-	7,589	7,589
Deferred tax liabilities	MXN	30	-	4,127	4,157	-	-	5,643	5,643
Deferred tax liabilities	BRL	12,519	-	59,610	72,129	-	-	52,347	52,347
Subtotal Deferred tax liabilities		27,024	-	907,284	934,308	-	-	941,636	941,636
Post-employment benefit obligation, non-current	CLP	8,417	8,417	67,337	84,171	12,516	12,516	50,064	75,096
Post-employment benefit obligation, non-current	UYU	469	-	-	469	797	-	-	797
Post-employment benefit obligation, non-current	PEN	-	-	-	-	74	-	-	74
Post-employment benefit obligation, non-current	MXN	858	-	-	858	475	-	-	475
Post-employment benefit obligation, non-current	BRL	5,443	5,443	43,547	54,433	5,531	5,531	44,258	55,320
Subtotal Post-employment benefit obligation, non-current		15,187	13,860	110,884	139,931	19,393	18,047	94,322	131,762
Other non-financial liabilities, non-current	PEN	-	82	-	82	-	-	-	-
Other non-financial liabilities, non-current	CLP	-	2,739	-	2,739	2,013	-	-	2,013
Other non-financial liabilities, non-current	BRL	-	129,385	-	129,385	128,604	-	-	128,604
Subtotal Other non-financial liabilities, non-current		-	132,206	-	132,206	130,617	-	-	130,617
Total liabilities, non-current		203,473	693,950	1,824,850	2,722,273	273,126	208,768	2,053,552	2,535,446

NOTE 36 - INCOME TAX

As of December 31, 2010, Accumulated Taxable Profits of Empresas CMPC S.A. classified according to the respective tax credits were as follows:

	31/12/2010	31/12/2009
	ThUS\$	ThUS\$
Profits subject to taxes		
Profits with 17% credit	20,008	32,072
Profits with 16.5% credit	-	1,157
Profits with 16% credit	-	44
Profits with 15% credit	-	17,711
Profits without credit	2,561	40,533
Total accumulated taxable profits	22,569	91,517
Profits exempted from taxes		
Profits from income not subject to income tax	455,932	496,376
Total accumulated non-taxable profits	455,932	496,376

As of December 31, 2010 and 2009, the (charge) credit on income tax and deferred tax, was as follows:

	Year	
	2010	2009
	ThUS\$	ThUS\$
(Charge) credit on current income tax		
Current tax	(100,521)	(23,648)
Advance payments on carry back of tax losses	370	15,293
Adjustment prior period	(7,957)	2,455
Total current tax	(108,108)	(5,900)
Deferred tax (charge) credit		
Deferred tax credit from creation and reversal of temporary differences	32,734	87,452
Total deferred tax	32,734	87,452
Income tax (charge) credit	(75,374)	81,552

As of December 31, 2010 and 2009, the Income and deferred tax (charge) credit from foreign and domestic jurisdictions, was as follows:

Local and foreign (charge) credit	Year	
	2010 ThUS\$	2009 ThUS\$
Foreign current tax	(10,600)	(9,319)
Domestic current tax	(97,508)	3,419
Total current tax	(108,108)	(5,900)
Foreign deferred tax	(16,754)	5,713
Domestic deferred tax	49,488	81,739
Total deferred tax	32,734	87,452
Income tax (charge) credit	(75,374)	81,552

As of December 31, 2010 and 2009, the reconciliation of the tax charges using the legal rate to tax charges using the effective rate, was as follows:

	Year	
	2010 ThUS\$	2009 ThUS\$
Tax result using the legal rate	(121,617)	(31,733)
Tax effect of rates in other jurisdictions	(5,886)	(18,564)
Fluctuation of changes in the translation of tax assets and liabilities	37,170	91,466
Legal tax increase (decrease)	14,959	40,383
Tax (charge) credit using the effective rate	(75,374)	81,552

In accordance with International Financial Reporting Standards (IFRS) the Company records its operations in its functional currency, which is the United States dollar. However, for tax purposes, it maintains the accounting in local currency, whose asset and liability balances are translated to dollars at the closing of each period, for comparison to the balances under IFRS, and thus determine the deferred tax over the differences existing between both amounts. The effect of the variation in the exchange rate of the dollar on the deferred taxes has been taken to income in the line "income tax (charge) credit" (ThUS\$ 37,170 for the year ended December 2010 and ThUS\$ 91,466 for the year ended December 2009, both being income tax credit) and basically come from the foreign exchange fluctuation in the translation of the tax fixed assets and biological assets to dollars.

NOTE 37 - NATURE EXPENSE

The following is a detail of the main operation and administrative costs and expenses of the Company for 2010 and 2009:

Items	Year	
	2010 ThUS\$	2009 ThUS\$
Wood, chemicals and energy	1,990,141	1,624,889
Depreciation	324,821	276,845
Variable sales expenses	442,765	369,987
Personnel remuneration and others	430,941	304,146
Maintenance expenses	172,355	155,228
Administrative and marketing expenses	250,670	189,145
Other miscellaneous operation expenses	27,414	15,375
Total charged to income	3,639,107	2,935,615

The start of operations in the Tissue and Cellulose businesses from mid-2009 and by the end of that year, respectively, must be emphasized.

NOTE 38 -

There are commitments of future flows from investment activities corresponding to projects approved by the Company amounting to US\$ 600 million. As of December 31, 2010 the main projects and committed amounts to disburse in the period 2011-2012 are the following:

Approved projects	Millions of US\$
Modernization of Laja Cellulose plant	168
Enlargement Santa Fe II plant	115
New paper machine and conversion in Chile	73
Power plant for Santa Fe	71
Enlargement Maule plant	63
New paper machine and conversion in Brazil	28
Modernization paper mill in Perú (Tissue)	15
Purchase of forests and plantations	13

The amounts are expressed at current value of the disbursements projected for 2011 and 2012.

The investment flows committed correspond to projects intended to increase the productive capacity of the industrial plants, to maintenance and to improve the environmental performance.

In general, the relevant commitments as of the closing of the period have been recorded, with the commitment of fixed asset investment standing out.

NOTE 39 –

39.1. Identification of the main controlling parties

Considering the requirements of IAS 24, the shares of Empresas CMPC S.A., belonging to shareholders which control directly, or through any kind of relationship each other, 55.84% of the Company's capital with voting rights, are detailed below.

Shareholders	No. of shares
Forestal Cominco S.A.	43,179,884
Forestal Constructora y Com. del Pacífico Sur S.A.	42,275,572
Forestal O'Higgins S.A.	15,666,856
Forestal Bureo S.A.	8,875,476
Inmobiliaria Ñague S.A.	4,560,190
Coindustria Ltda.	3,934,723
Forestal y Minera Ebro Ltda.	875,087
Forestal y Minera Volga Ltda.	783,275
Viecal S.A.	577,189
Inmobiliaria y Forestal Chigualoco Ltda.	575,423
Forestal Peumo S.A.	456,423
Forestal Calle Las Agustinas S.A.	342,971
Forestal Choapa S.A.	207,044
Puerto de Lirquén S.A.	130,948
Eliodoro Matte Larraín	105,384
Bernardo Matte Larraín	85,345
Patricia Matte de Larraín	85,344
Agrícola e Inmobiliaria Rapel Ltda.	54,863
Jorge Bernardo Larraín Matte	13,200
Jorge Gabriel Larraín Matte	13,200
María Magdalena Larraín Matte	13,200
María Patricia Larraín Matte	13,200
Jorge Gabriel Larraín Bunster	11,971
María del Pilar Matte Capdevila	1,352
Totals	122,838,120
	55,84%

All these shareholders belonging to a same business group have not entered into any formal agreement of joint performance. The final controllers, in equal parts, are the following natural persons: Mr. Eliodoro Matte Larraín, tax No. 4,436,502-2, Ms. Patricia Matte Larraín, tax No. 4,333,299-6, and Mr. Bernardo Matte Larraín, tax No. 6,598,728-7

39.2. Twelve main shareholders

Shareholders	No. of shares	Ownership %
Forestal Cominco S.A.	43,179,884	19.63
Forestal Constructora y Compañía del Pacífico Sur S.A.	42,275,572	19.22
Forestal O'Higgins S.A.	15,666,856	7.12
Forestal Bureo S.A.	8,875,476	4.03
A.F.P. Provida S.A.	7,572,574	3.44
A.F.P. Hábitat S.A.	7,048,488	3.20
Banco de Chile for third party account	6,383,927	2.90
A.F.P. Capital S.A.	6,301,669	2.86
Banco Itaú Chile S.A. for foreign investing accounts	5,678,539	2.58
A.F.P. Cuprum S.A.	5,445,633	2.48
Inmobiliaria Ñague S.A.	4,560,190	2.07
Coindustria Ltda.	3,934,723	1.79
Total	156,923,531	71.32

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39.3. Commercial transactions with associates and other related entities

The commercial transactions with associates, as well as with companies of their group are the following:

Tax No. related party	Name of the related party	Relationship with related party	Country of origin	Detail of transaction with related party	Nature of transaction with related party	Transaction amount		Explanation of other information over transactions with related parties
						Year ended as of 31/12/2010	Year ended as of 31/12/2009	
						ThUS\$	ThUS\$	
97,080,000-K	Banco BICE	Entities with common control or significant influence over the entity	Chile	Dollar selling	Financial transaction	75,000	52,806	Effects on income were: 12/2010 loss of ThUS\$ 81; 12/2009 profit of ThUS\$ 11
				Dollar spot buying	Financial transaction	-	1,233	No effects on income
				Investment in time deposits	Financial transaction	19,685	-	Effects on income were: 12/2010 profit of ThUS\$ 49
96,514,410-2	BICE Inversiones Administradora General de Fondos S.A.	Entities with common control or significant influence over the entity	Chile	Average balance invested in mutual funds	Financial transaction	-	151,651	Effects on income were: 12/2009 profit of ThUS\$ 74
				Average balance invested in resale agreements	Financial transaction	-	1,391,480	Effects on income were: 12/2009 profit of ThUS\$ 1,929
79,532,990-0	BICE Inversiones Corredores de Bolsa S.A.	Entities with common control or significant influence over the entity	Chile	Forwards contracts	Financial transaction	-	156,243	Effects on income were: 12/2009 profit of ThUS\$ 81
				Average balance invested in repurchase agreements	Financial transaction	1,082,649	232,631	Effects on income were: 12/2010 profit of ThUS\$ 1,207; 12/2009 profit of US\$ 117

The significant commercial transactions with related entities through one or more Directors of CMPC, who are also involved in the management of these companies, are the following:

Tax No. related party	Name of the related party	Relationship with related party	Country of origin	Detail of transaction with related party	Nature of transaction with related party	Transaction amount		Explanation of other information over transactions with related parties
						Year ended as of 31/12/2010 ThUS\$	Year ended as of 31/12/2009 ThUS\$	
97,053,000-2	Banco Security	Key personnel for the management of the entity or its controlling company	Chile	Foreign currency buying	Financial transaction	-	1,550	No effects on income
				Time deposits	Financial transaction	114,236	48,544	Effects on income were: 12/2010 profit of ThUS\$ 126; 12/2009 profit of US\$ 19
				Dollar spot selling	Financial Transaction	14,800	-	Effects on income were: 12/2010 loss of ThUS\$ 13
91,806,000-6	Abastecedora de Combustibles S.A.	Key personnel for the management of the entity or its controlling company	Chile	Fuel buying	Commercial transaction	1,276	600	Inventory product
96,848,750-7	Aislantes Volcán S.A.	Key personnel for the management of the entity or its controlling company	Chile	Product selling	Commercial transaction	507	-	Effects on income were: 12/2010 profit of ThUS\$ 236
Foreign	Alto Paraná S.A.	Key personnel for the management of the entity or its controlling company	Argentina	Product selling	Commercial transaction	87	944	Effects on income were: 12/2010 profit of ThUS\$ 4; 12/2009 profit of ThUS\$ 47
				Product buying	Commercial transaction	5,120	6,756	Inventory product
96,565,750-9	Aserraderos Arauco S.A.	Key personnel for the management of the entity or its controlling company	Chile	Export collection services	Financial transaction	12,712	19,026	No effects on income
82,152,700-7	Bosques Arauco S.A.	Key personnel for the management of the entity or its controlling company	Chile	Wood selling	Commercial transaction	936	-	Effects on income were: 12/2010 profit of ThUS\$ 244
				Wood buying	Commercial transaction	711	-	Inventory product
93,458,000-1	Celulosa Arauco y Constitución S.A.	Key personnel for the management of the entity or its controlling company	Chile	Wood and cellulose buying	Commercial transaction	18,189	2,743	Inventory product
99,513,400-4	CGE Distribución S.A.	Key personnel for the management of the entity or its controlling company	Chile	Electricity buying	Commercial transaction	15,064	17,630	Effects on income were: 12/2010 loss of ThUS\$ 15,064; 12/2009 loss of ThUS\$ 17,630
90,209,000-2	Cía. Industrial El Volcán S.A.	Key personnel for the management of the entity or its controlling company	Chile	Product selling	Commercial transaction	4,489	3,286	Effects on income were: 12/2010 profit of ThUS\$ 1,284; 12/2009 profit of ThUS\$ 911
96,505,760-9	Colbún S.A.	Key personnel for the management of the entity or its controlling company	Chile	Electricity buying	Commercial transaction	55,000	35,256	Effects on income were: 12/2010 loss of ThUS\$ 55,000; 12/2009 loss of ThUS\$ 35,256
99,520,000-7	Compañía de Petróleos de Chile S.A.	Key personnel for the management of the entity or its controlling company	Chile	Fuel buying	Commercial transaction	59,653	64,810	Inventory product
92,580,000-7	Entel Chile S.A.	Key personnel for the management of the entity or its controlling company	Chile	Services buying	Commercial transaction	2,065	1,842	Effects on income were: 12/2010 loss of ThUS\$ 2,065; 12/2009 loss of ThUS\$ 1,842
96,806,980-2	Entel PCS Telecomunicaciones S.A.	Key personnel for the management of the entity or its controlling company	Chile	Services buying	Commercial transaction	1,741	1,535	Effects on income were: 12/2010 loss of ThUS\$ 1,741; 12/2009 loss of ThUS\$ 1,535
96,697,410-9	Entel Telefonía Local S.A.	Key personnel for the management of the entity or its controlling company	Chile	Services buying	Commercial transaction	744	833	Effects on income were: 12/2010 loss of ThUS\$ 744; 12/2009 loss of ThUS\$ 833
77,524,300-7	Fibrocementos El Volcán S.A.	Key personnel for the management of the entity or its controlling company	Chile	Spare parts selling	Commercial transaction	393	-	Effects on income were: 12/2010 profit of ThUS\$ 241

Notes to the Consolidated Financial Statements

Tax No. related party	Name of the related party	Relationship with related party	Country of origin	Detail of transaction with related party	Nature of transaction with related party	Transaction amount		Explanation of other information over transactions with related parties
						Year ended as of 31/12/2010	Year ended as of 31/12/2009	
						ThUS\$	ThUS\$	
85,805,200-9	Forestal Celco S.A.	Key personnel for the management of the entity or its controlling company	Chile	Wood selling	Commercial transaction	-	518	Effects on income were: 12/2009 profit of ThUS\$ 128
96,636,590-0	Melón Morteros S.A.	Key personnel for the management of the entity or its controlling company	Chile	Product selling	Commercial transaction	340	-	Effects on income were: 12/2010 profit of ThUS\$ 200
93,390,000-2	Melón S.A.	Key personnel for the management of the entity or its controlling company	Chile	Product selling	Commercial transaction	2,155	2,238	Effects on income were: 12/2010 profit of ThUS\$ 970; 12/2009 profit of ThUS\$ 1,320
96,722,460-K	Metrogas S.A.	Key personnel for the management of the entity or its controlling company	Chile	Gas buying	Commercial transaction	34,467	2,123	Effects on income were: 12/2010 loss of ThUS\$ 34,467; 12/2009 loss of ThUS\$ 2,123
93,628,000-5	Molibdeno y Metales S.A.	Key personnel for the management of the entity or its controlling company	Chile	Products buying	Commercial transaction	461	420	Inventory product
86,577,500-8	Pesquera Frío Sur S.A.	Key personnel for the management of the entity or its controlling company	Chile	Product selling	Commercial transaction	464	391	Effects on income were: 12/2010 profit of ThUS\$ 136; 12/2009 profit of ThUS\$ 186
82,777,100-7	Puerto de Lirquén S.A.	Key personnel for the management of the entity or its controlling company	Chile	Services buying	Commercial transaction	7,026	6,215	Effects on income were: 12/2010 loss of ThUS\$ 7,026; 12/2009 loss of ThUS\$ 6,215
99,301,000-6	Seguros de Vida Security Previsión S.A.	Key personnel for the management of the entity or its controlling company	Chile	Insurance buying	Commercial transaction	1,947	1,566	Effects on income were: 12/2010 loss of ThUS\$ 1,947; 12/2009 loss of ThUS\$ 1,566
96,569,760-8	Sociedad Industrial Pizarreño S.A.	Key personnel for the management of the entity or its controlling company	Chile	Products selling	Commercial transaction	1,593	1,221	Effects on income were: 12/2010 profit of ThUS\$ 1,000; 12/2009 profit of ThUS\$ 546
86,113,000-2	Sociedad Industrial Romeral S.A.	Key personnel for the management of the entity or its controlling company	Chile	Products selling	Commercial transaction	2,657	2,741	Effects on income were: 12/2010 profit of ThUS\$ 752; 12/2009 profit of ThUS\$ 817
78,023,030-4	Sofruco Alimentos Ltda.	Key personnel for the management of the entity or its controlling company	Chile	Products selling	Commercial transaction	496	577	Effects on income were: 12/2010 profit of ThUS\$ 187; 12/2009 profit of ThUS\$ 278

For disclosure purposes, all those transactions whose annual totals exceed ThUS\$ 300 have been considered as significant.

The financial transactions with related entities, such as that with the associate Bicecorp S.A. and with the Banco Security S.A. and the Administradora General de Fondos Security S.A., correspond to financial and exchange operations carried out with cash surpluses in market conditions. For purposes of presentation in the financial statements, the balances maintained at both year-end with the entities referred to above are disclosed in the statement of financial position which represents the nature of the investment (cash and cash equivalents and other financial assets), and its specific conditions agreed for each operation can be read in each respective Notes.

Since the effects and results of this kind of transaction depend on the due date and rates applicable to the invested amount, for the purposes of a better disclosure, the respective amounts of each kind of transaction shown in the accompanying table are averaged, using the daily invested average as approach for the calculation methodology. This demonstrates that the relationship between the interest accrued on a monthly basis and the averaged principal represent market conditions in each period.

In general, the products selling transactions with related entities correspond to business-related commercial operations, which are carried out at market value.

The transactions with Abastecedora de Combustibles S.A., basically refer to purchase of liquefied petroleum gas (LPG) for certain industrial plants, whose prices are indexed according to a formula which provides for the variation of the consumer price index and the ENAP prices. The invoiced values consider 45-day maturities.

The transactions with Alto Paraná S.A. refer to the cellulose buying made under market conditions, agreed in dollars. The invoiced values consider maturities within 60 days.

The wood buying and selling transactions between the subsidiaries of the Company and Celulosa Arauco y Constitución S.A. and Forestal Celco S.A. are basically business-related operations at market values and consider maturities between 30 and 60 days and prices observed in the market on the transaction date.

The transactions with CGE Distribución S.A. basically correspond to electric power buying contracts agreed in dollars. The invoiced values consider 30-day maturities.

The transactions with Compañía de Petróleos de Chile S.A. (fuel), are based on contracts indexed according to the Enap prices and consider 60-day maturities. The rest of the transactions are carried out mainly in non-indexed pesos.

The transactions with Colbún S.A. refer to electric power buying contracts agreed in dollars. The invoiced values consider 30-day maturities.

The transactions with Entel and its related companies basically refer to fixed-line and mobile telephone services, data transfer, perimeter security and electronic invoice and commerce. For these services, there are contracts which consider fixed values and variable rates in terms of volume; the invoiced values consider maturities within 60 days.

The transactions with Metrogas S.A. correspond to natural-gas buying contracts agreed in dollars and the invoiced values consider 30-day maturities.

The transactions with Puerto de Lirquén S.A. correspond to port services, which are based on agreements that consider fixed values and variable rates in terms of their volume (tons and cubic meters) denominated in dollars. The billed values consider maturities within 30 days.

The transactions with Seguros de Vida Security Previsión S.A. refer to health insurance contracts for the employees of Empresas CMPC S.A. and subsidiaries, which are agreed in unidades de fomento (Chile) whose billing considers monthly maturities.

The transactions with Molibdeno y Metales S.A. correspond to the purchase of industrial services and products performed under market conditions. The invoiced values consider maturities within 30 days.

The transactions and balances receivable from Compañía Industrial El Volcán S.A., Melón S.A., Pesquera Frío Sur S.A., Sociedad Industrial Pizarreño S.A., Sociedad Industrial Romeral S.A., Sofrucos Alimentos Ltda., Aislantes Volcán S.A. and Fribrocementos El Volcán S.A., correspond to products selling of the Company, which were carried out at market conditions.

The transactions with Aserraderos Arauco S.A. correspond to export collection services, which are performed at market values.

39.4. Wages and fees of the Board of Directors and Directors Committee and wages of key Executives

The Annual Shareholder Meeting held on March 26, 2010 established, the same as the prior year, that the Board of Directors' remuneration will be 1% over the ordinary dividends paid during 2010, being distributed in equal parts, a double amount being paid to the chairman.

The accrued provision for the Board of Directors' remuneration amounts to ThUS\$ 1,481, based on the dividends paid in the period ended December 31, 2010. As of December 31, 2009 a provision of ThUS\$ 663 was made for this item, equivalent to 1% of the dividends paid during that year.

The provision for the remuneration of the members of the Directors Committee amounts to ThUS\$ 181 as of December 31, 2010, which is equivalent to the remuneration accrued of a Director, considering an advance paid in the first quarter of 2010 amounting to ThUS\$ 4. The remuneration paid to the members of the Directors committee in 2009 amount to ThUS\$ 14.

The Executives have an incentive plan consisting of a variable annual bonus, which depends on the profits and other annual bonuses in the course of the year, according to compliance with a goal of each Business Area. The total gross remuneration received by the key executives of CMPC, that includes those incentives, reached ThUS\$ 3,001 as of December 31, 2010 (ThUS\$ 1,867 as of December 31, 2009).

NOTE 40 - THE ENVIRONMENT

The long-term policy of Empresas CMPC S.A. is the sustainable development of its forest and industrial activities, in keeping with the environment. Most of the subsidiaries and factories have obtained the international quality standard certification, ISO 9,001 and 14,001. In addition, vast soil areas are annually recovered and protected from erosion through forestation.

The investment that CMPC made in property, plant and equipment consider environmental improvements that contribute to mitigate the environmental impact of its operation. The projects which aim is primarily environmental involved expenditures during the year 2010 of MUS\$ 109,777 (MUS\$ 79,866 in 2009).

The main disbursements for the period detailed by subsidiary and project are as follows:

a) Company:	CMPC Celulosa S.A.
Project:	PROAMP Pacific Plant Environmental Project
Accounting recognition:	Non-current assets, Property, plant & equipment
Amount disbursed in the period:	ThUS\$ 10,970 (ThUS\$ 34,717 as of December 2009)
Committed amount, future periods:	ThUS\$ 697
Estimated end date for disbursements:	March 2011

Disbursement concept:

The PROAMP (Pacific Plant Environmental Project) project contemplates substantive improvements in recovery and management of liquid and air emissions. It includes the installation of a new liquid effluent treatment unit, a diluted non-condensable gas collection system and a concentrated non-condensable gas collection system. In addition, the project considers an increase in the capacity of evaporators and the construction of two pools for regulation of rain waters.

b) Company:	CMPC Celulosa S.A.
Project:	Environmental Improvements in Santa Fe
Accounting recognition:	Non-current assets, Property, plant & equipment
Amount disbursed in the period:	ThUS\$ 68,647 (ThUS\$ 34,573 as of December 2009)
Committed amount, future periods:	ThUS\$ 70,848
Estimated end date for disbursements:	December 2011

Disbursement concept:

The project includes environmental improvements in Santa Fe 1 Plant with the purpose to take the environmental performance of line 1 to the standards implemented in line 2. Its main measures are: close water circuits and recover refrigeration waters to reduce the volume of flow of the general effluent; improve efficiency of the electrostatic precipitators of the recovery boiler and biomass, and recovery of non-condensable gases to reduce odors. Furthermore, a new energy plant based on biomass is being built.

c) Company:	CMPC Celulosa S.A.
Project:	Hydrogen Burning in Lime Furnace
Accounting recognition:	Non-current assets, Property, plant & equipment
Amount disbursed in the period:	ThUS\$ 3,689 (ThUS\$ 0 as of December 2009)
Committed amount, future periods:	ThUS\$ 680
Estimated end date for disbursements:	June 2011

Disbursement concept:

The purpose of the Hydrogen Burning project is to end with the hydrogen gas venting and reduce the oil consumption in the boiler. Its main measures are: stop eliminating the hydrogen gases to the air and use them in the combustion of the boiler, thus obtaining a cleaner combustion as a result of the reduction in the oil use.

d) Company:	CMPC Celulosa S.A.
Project:	Environmental improvement of boiler n°5 of Laja Plant
Accounting recognition:	Non-current assets, Property, plant and equipment
Amount disbursed in the period:	MUS\$ 19,506 (MUS\$ 4,278 on December 2009)
Amount tied up for future periods:	MUS\$ 43,816
Estimated date of final payment:	April 2012

Disbursement concept:

The project is part of the modernization of the plant and includes the conversion of the recovery boiler n°5 for biomass, in order to improve the environmental performance of the plant.

e) Company:	Cartulinas CMPC S.A., Papeles Cordillera S.A., CMPC Tissue S.A. and Industrias Forestales S.A.
Project:	Treatment of effluents
Accounting recognition:	Non-current assets, Property, plant & equipment
Amount disbursed in the period:	ThUS\$ 6,965 (ThUS\$ 6,298 as of December 2009)
Committed amount, future periods:	ThUS\$ 0
Estimated end date for disbursements:	December 2010

Disbursement concept:

Cartulinas CMPC S.A., Papeles Cordillera S.A., CMPC Tissue S.A. and Industrias Forestales S.A. have primary and secondary treatment systems in their plants, designed to remove from the effluent the suspended solids such as: fibers, organic fines and colloidal material. The purpose of the projects included here is to optimize the performance of these plants in order to ensure compliance with the applicable standards.

All the projects detailed above are in process of development as of the date of these financial statements. In CMPC, there are also other projects associated with the development of new applied technologies to mitigate the impact on the environment.

NOTE 41 – EFFECTS OF THE EARTHQUAKE OCCURRED ON FEBRUARY 27, 2010

On February 27, 2010 an earthquake and subsequent tsunami occurred in Chile with significant effects on the Metropolitan Region and Regions of Maule, Bío-Bío and Araucanía. Most of the industrial assets of CMPC in Chile are located in the abovementioned regions.

An exhaustive evaluation of the productive industrial plants of the Company was conducted after the earthquake by technical staff to determine the effect of said seism on its buildings, fixtures and equipment, as well as quantify the damages and estimate the disbursements necessary for the restoration, repair and putting into operation.

The effects of damages in property, plant and equipment and inventories have been reflected as expense in the item “Other gains (losses)” under the Income statement. The physical damages to Property, plant & equipment and to Inventories represented, at the year-end, a net loss of US\$ 49.7 million. This amount considers the write-offs and expenses on repairs, net of reimbursements receivable from the insurance companies, whose liquidation process is in its final stage (see Note 33).

With regard to the losses due to the paralización of operations, as of December 31, 2010 the settlement process of these losses has concluded and the respective reports have been issued. From the liquidated total amount of US\$ 111.0 million, US\$ 97.1 million was already paid. The balance of compensation already settled and pending receipt reaches US\$ 13.9 million, which is expected to occur during the first quarter of 2011 (see Note 33).

The main physical damages for the Company, as a consequence of the earthquake are concentrated in the following industrial plants:

Forest segment:

Aserradero Las Cañas in Constitución, region of the Maule.

Cellulose segment:

- Laja plant in Laja, region of the Bío Bío.
- Santa Fe I and Santa Fe II plants in Nacimiento, region of the Bío-Bío.
- Pacífico plant in Mininco, region of the Araucanía.

Paper segment:

Newsprint paper plant of Inforsa in Nacimiento, region of the Bío Bío.

Paper Products segment:

Corrugated carboard plant of Envases Roble Alto S.A. in Quilicura, Metropolitan Region.

Other businesses:

Buildings El Arenal in Talcahuano, region of the Bío Bío.

The major losses due to the paralización of operations of the Company's industrial plants derive from the following losses in production volume estimated:

- 225,000 tons of cellulose.
- 22,000 tons of newsprint.
- 14,000 tons of carboard.
- 23,000 tons of paper for packaging, printing and writing.

NOTE 42 - EVENTS SUBSEQUENT TO THE DATE OF THE STATEMENT OF FINANCIAL POSITION

a) Placement of bond issued by the Company

On January 13, 2011 and as set forth in nine article and second subparagraph of article 10 of Law No. 18,045 and General Standard number 30 issued by the Superintendence of Securities and Insurance, that Superintendence was communicated that Empresas CMPC S.A. has acted as guarantor and several joint debtor of its subsidiary "Inversiones CMPC S.A." agency in the Cayman Islands, in relation to the bond issue it has performed in the United States of America.

The issue made use of rule 144A Regulation S, of the United States Securities Act. of 1993, and reached an amount of US\$ 500 million. The bonds expire within 7 years and will pay a nominal interest rate of 4.75%. The placement effective rate is 4.83% annually, with a spread of 2.2% over the 7-year Treasury bond. The principal is payable as of the maturity date of the bonds, while their interest is payable on a half-yearly basis. Banchile/Citi, Itaú and J.P. Morgan acted as underwriting banks.

The resources obtained from the issue will be earmarked for corporate general use.

b) Changes in CMPC Managements

The Board of Empresas CMPC S.A. in session held on January 6, 2011 made the following decisions:

- 1) Accept the resignation submitted by Mr. Arturo Mackenna Iñiguez to the position of General Manager of the Company. The resignation will take effect from next April 28, 2011. Along with appreciating the contribution and personal devotion of Arturo Mackenna from the time he joined CMPC in 1981 and, particularly, his successful management as General Manager during 24 years, the Board has asked him to continue linked to the Company as a Director of Empresas CMPC S.A. and its subsidiaries CMPC Tissue S.A. and CMPC Celulosa S.A.
- 2) Appoint Mr. Hernán Rodríguez Wilson, industrial civil engineer, as new General Manager of Empresas CMPC S.A. He joined CMPC in 1987 and currently holds the position of General Manager of Forestal Mininco S.A. He will assume his new job on April 28, 2011.
- 3) Accept the resignation submitted by Mr. Sergio Colvin Trucco to the position of General Manager of CMPC Celulosa S.A., which will take effect from next May 1, 2011. The Board recognizes and appreciates the significant contribution to the development of the Company and to the subsidiary he headed from 1995. In the future Mr. Sergio Colvin will continue delivering his experience as Director to the subsidiaries CMPC Celulosa S.A. and CMPC Papeles S.A. and will be the Chairman of the Board of CMPC Celulose Riograndense Ltda. of Brazil.

4) Together with the change in the General Management, the Company's Board has determined that from next May 1, the General Managements of the CMPC business areas will be held by the following persons:

CMPC Forestal: Mr. Francisco Ruiz Tagle Edwards, who performs as General Manager of CMPC Productos de Papel since 2007.

CMPC Celulosa S.A.: Mr. Washington Williamson Benaprés, who performs as General Manager of CMPC Papeles S.A. since 2006.

CMPC Papeles S.A.: Mr. Eduardo Serrano Spoerer, who performs as General Manager of CMPC Tissue Chile S.A. since 2002.

CMPC Tissue S.A.: Mr. Jorge Morel Bulicic continues in his positions, hold since year 2000.

CMPC Productos de Papel S.A.: Mr. Jorge Navarrete García, who performs as General Manager of Forsac S.A. since 2002.

5) Mr. Luis Llanos will hold the position of Manager of Finance and Corporate Development of the Company. In addition to his current duties in the finance area, he will have responsibility in the strategic development of the Company, management control and development of executives.

Furthermore, from May 1, 2011 Mr. Rodrigo Quiroga has been designated in the position of General Manager of the Tissue business in Chile; Mr. Luis Salinas C. has been appointed as General Manager of Forsac S.A. and Nicolás Moreno L., as General Manager of Edipac S.A.

No other events have occurred between the closing date and the presentation date of these Financial Statements which might significantly affect their interpretation.

DEFSA



Summarized Financial Statements

CMPC Subsidiaries
Classified Financial Statement - Summarized
(In thousands of US Dollars - MUS\$)

	INVERSIONES CMPC S.A. AND SUBSIDIARIES		FORESTAL MININCO S.A. AND SUBSIDIARIES		CMPC CELULOSA S.A. AND SUBSIDIARIES		CMPC PAPELES S.A. AND SUBSIDIARIES		CMPC TISSUE S.A. AND SUBSIDIARIES	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$
ASSETS										
Current Assets, Total	3,014,924	2,565,484	350,567	344,013	740,775	462,182	536,399	474,684	755,626	561,019
Property, Plant and Equipment	5,195,063	4,931,070	840,284	850,312	3,144,768	3,079,256	870,127	904,669	1,002,878	878,595
Biological Assets	1,136,986	1,056,577	1,704,510	1,657,091	498,904	452,381	446,387	482,531	191,695	185,578
Intangible Assets and Others	930,270	1,032,713	60,216	48,092	35,076	189,529	148,434	169,940	215,545	189,727
Noncurrent Assets, Total	7,262,319	7,020,360	2,605,010	2,555,495	3,678,748	3,721,166	1,464,948	1,557,140	1,410,118	1,253,900
Assets, Total	10,277,243	9,585,844	2,955,577	2,899,508	4,419,523	4,183,348	2,001,347	2,031,824	2,165,744	1,814,919
NET EQUITY AND LIABILITIES										
Current Liabilities, Total	1,139,923	1,161,541	335,507	384,490	647,168	1,222,660	195,196	135,901	776,502	506,197
Noncurrent Liabilities, Total	3,418,032	3,383,299	657,796	552,980	2,045,698	1,363,060	342,399	480,439	558,205	520,102
Equity attributable to shareholders of the controlling company	5,563,512	4,884,798	1,951,738	1,948,762	1,726,065	1,597,151	1,307,717	1,258,986	804,932	761,458
Equity instruments of the controlling company										
Minority Participations	155,776	156,206	10,536	13,276	592	477	156,035	156,498	26,105	27,162
Equity, Total	5,719,288	5,041,004	1,962,274	1,962,038	1,726,657	1,597,628	1,463,752	1,415,484	831,037	788,620
Equity and Liabilities, Total	10,277,243	9,585,844	2,955,577	2,899,508	4,419,523	4,183,348	2,001,347	2,031,824	2,165,744	1,814,919

Statement of Changes in Shareholders Equity – Summarized
(In thousands of US Dollars - MUS\$)

	INVERSIONES CMPC S.A. AND SUBSIDIARIES		FORESTAL MININCO S.A. AND SUBSIDIARIES		CMPC CELULOSA S.A. AND SUBSIDIARIES		CMPC PAPELES S.A. AND SUBSIDIARIES		CMPC TISSUE S.A. AND SUBSIDIARIES	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$
Share issued capital, ordinary shares	445,635	445,635	563,204	563,204	597,885	597,885	376,128	376,128	691,581	638,270
Conversion Reserves	6,606	(78,249)	765	786	37,016	(3,907)	-	-	(156,262)	(160,926)
Hedging Reserves	6,795	(6,269)	4,580	2,123	-	-	6,507	(6,479)	-	-
Other Reserves, various	(36,420)	(36,420)	113,383	113,383	-	-	10,076	10,076	-	-
Retained results	5,140,896	4,560,101	1,269,806	1,269,266	1,091,164	1,003,173	915,006	879,261	269,613	284,114
Equity attributable to shareholders of the controlling company	5,563,512	4,884,798	1,951,738	1,948,762	1,726,065	1,597,151	1,307,717	1,258,986	804,932	761,458
Equity instruments of the controlling company										
Minority Participations	155,776	156,206	10,536	13,276	592	477	156,035	156,498	26,105	27,162
Equity, Total	5,719,288	5,041,004	1,962,274	1,962,038	1,726,657	1,597,628	1,463,752	1,415,484	831,037	788,620

CMPC PRODUCTOS		INMOBILIARIA		FORESTAL Y AGRICOLA MONTE		FORESTAL		SERVICIOS COMPARTIDOS		PORTUARIA		COOPERATIVA FORESTAL Y AGRICOLA		INVERSIONES	
DE PAPEL S.A. AND SUBSIDIARIES		PINARES S.A.		AGUILA S.A.		COIHUECO S.A.		CMPC S.A.		CMPC S.A.		EL PROBOSTE LTDA.		CMPC CAYMAN LTD.	
2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$
179,599	128,790	1,534	1,491	12,974	22,546	7,103	6,494	8,530	6,494	1,082	2,738	1,429	296	349	361
177,172	170,805	203	203	77,585	77,793	41,868	41,970	11	16	107	120	1,369	1,368	-	-
-	-	-	-	150,595	138,130	133,613	120,690	-	-	-	-	16,615	18,018	-	-
40,152	38,257	3,459	2,919	7,975	8,756	13,187	11,841	469	200	1,997	33	-	-	497,653	496,928
217,324	209,062	3,662	3,122	236,155	224,679	188,668	174,501	480	216	2,104	153	17,984	19,386	497,653	496,928
396,923	337,852	5,196	4,613	249,129	247,225	195,771	180,995	9,010	6,710	3,186	2,891	19,413	19,682	498,002	497,289
161,020	92,127	666	65	32,241	1,443	14,916	12,303	6,848	4,219	694	553	116	277	791	6
171,107	168,911	2,646	2,443	84,003	123,672	47,772	43,773	2,672	2,110	950	754	3,426	2,808	-	-
64,706	76,716	1,884	2,105	132,885	122,110	132,623	124,440	(510)	381	1,542	1,584	15,871	16,597	497,211	497,283
90	98	-	-	-	-	460	479	-	-	-	-	-	-	-	-
64,796	76,814	1,884	2,105	132,885	122,110	133,083	124,919	(510)	381	1,542	1,584	15,871	16,597	497,211	497,283
396,923	337,852	5,196	4,613	249,129	247,225	195,771	180,995	9,010	6,710	3,186	2,891	19,413	19,682	498,002	497,289

CMPC PRODUCTOS		INMOBILIARIA		FORESTAL Y AGRICOLA MONTE		FORESTAL		SERVICIOS COMPARTIDOS		PORTUARIA		COOPERATIVA FORESTAL Y AGRICOLA		INVERSIONES	
DE PAPEL S.A. AND SUBSIDIARIES		PINARES S.A.		AGUILA S.A.		COIHUECO S.A.		CMPC S.A.		CMPC S.A.		EL PROBOSTE LTDA.		CMPC CAYMAN LTD.	
2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$
28,099	28,099	1,558	1,558	45,214	45,214	91,396	91,396	54	54	1,106	1,106	1,090	1,090	574,265	574,265
(310)	-	31	(9)	-	-	2	-	-	-	-	-	-	-	(6)	(6)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	(128)	(128)	-	-	-	-	(4)	(4)	-	-	-	-	(46,933)	(46,933)
36,917	48,617	423	684	87,671	76,896	41,225	33,044	(560)	331	436	478	14,781	15,507	(30,115)	(30,043)
64,706	76,716	1,884	2,105	132,885	122,110	132,623	124,440	(510)	381	1,542	1,584	15,871	16,597	497,211	497,283
90	98	-	-	-	-	460	479	-	-	-	-	-	-	-	-
64,796	76,814	1,884	2,105	132,885	122,110	133,083	124,919	(510)	381	1,542	1,584	15,871	16,597	497,211	497,283

Comprehensive Income Statement by Function of Expense - Summarized
(In thousands of US Dollars - MUS\$)

	INVERSIONES CMPC S.A. AND SUBSIDIARIES		FORESTAL MININCO S.A. AND SUBSIDIARIES		CMPC CELULOSA S.A. AND SUBSIDIARIES		CMPC PAPELES S.A. AND SUBSIDIARIES		CMPC TISSUE S.A. AND SUBSIDIARIES	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$
Gross Margin	1,126,635	658,874	42,176	(6,735)	547,754	150,790	155,191	151,557	359,770	297,170
Other results	(457,808)	(247,697)	(57,620)	(150,254)	(148,493)	(160,709)	(42,255)	(68,633)	(308,914)	(202,024)
Income before Tax	668,827	411,177	(15,444)	(156,989)	399,261	(9,919)	112,936	82,924	50,856	95,146
Income (expense) from Income Tax	(85,458)	21,594	12,851	53,909	(76,998)	20,682	(11,412)	7,387	(7,367)	9,283
Income	583,369	432,771	(2,593)	(103,080)	322,263	10,763	101,524	90,311	43,489	104,429
Income Attributable to Majority Interest	580,795	425,055	540	(92,866)	322,270	9,620	98,202	82,202	44,458	104,097
Income Attributable to Minority Interest	2,574	7,716	(3,133)	(10,214)	(7)	1,143	3,322	8,109	(969)	332
Income	583,369	432,771	(2,593)	(103,080)	322,263	10,763	101,524	90,311	43,489	104,429
Other Comprehensive Income Statement										
Income	583,369	432,771	(2,593)	(103,080)	322,263	10,763	101,524	90,311	43,489	104,429
Other income and expenses with charge to credit to equity, Total	97,919	(24,143)	2,436	(3,011)	0	0	12,986	(5,535)	-	-
Comprehensive Income (Expense) Results, Total	681,288	408,628	(157)	(106,091)	322,263	10,763	114,510	84,776	43,489	104,429
Comprehensive Income (expense) attributable to Majority Interest	678,714	400,912	2,976	(95,877)	322,270	9,620	114,510	84,776	44,458	104,097
Comprehensive Income (expense) attributable to Minority Interest	2,574	7,716	(3,133)	(10,214)	(7)	1,143	-	-	(969)	332
Comprehensive Income (Expense) Results, Total	681,288	408,628	(157)	(106,091)	322,263	10,763	114,510	84,776	43,489	104,429

Statement of Cash Flows - Summarized
(In thousands of US Dollars - MUS\$)

	INVERSIONES CMPC S.A. AND SUBSIDIARIES		FORESTAL MININCO S.A. AND SUBSIDIARIES		CMPC CELULOSA S.A. AND SUBSIDIARIES		CMPC PAPELES S.A. AND SUBSIDIARIES		CMPC TISSUE S.A. AND SUBSIDIARIES	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$
Cash Flows from Operations	672,558	705,355	105,705	49,140	578,577	333,007	129,232	177,141	(32,255)	81,096
Cash Flows used in Investment Activity	(918,368)	(1,571,959)	(70,993)	(80,151)	(375,418)	(1,359,110)	(80,285)	(13,733)	(186,625)	(114,154)
Cash Flows net of Financing Activity	(170,376)	1,326,799	(34,923)	30,403	(230,114)	1,057,593	(104,838)	(167,951)	212,360	45,997
NET INCREASE IN CASH AND CASH EQUIVALENTS	(416,186)	460,195	(211)	(608)	(26,955)	31,490	(55,891)	(4,543)	(6,520)	12,939
Effects of the Variations in Exchange Rates over Cash and Cash Equivalents	46,126	54,798	40	(20)	395	12	4,087	6,336	1,017	4,392
Cash and Cash Equivalents - Initial Balance	733,103	218,110	1,353	1,981	34,821	3,319	85,263	83,470	31,538	14,207
CASH AND CASH EQUIVALENTS - FINAL BALANCE	363,043	733,103	1,182	1,353	8,261	34,821	33,459	85,263	26,035	31,538

CMPC PRODUCTOS DE PAPEL S.A. AND SUBSIDIARIES		INMOBILIARIA PINARES S.A.		FORESTAL Y AGRICOLA MONTE AGUILA S.A.		FORESTAL COIHUECO S.A.		SERVICIOS COMPARTIDOS CMPC S.A.		PORTUARIA CMPC S.A.		COOPERATIVA FORESTAL Y AGRICOLA EL PROBOSTE LTDA.		INVERSIONES CMPC CAYMAN LTD.	
2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$
62,290	61,517	-	-	(1,623)	(6,574)	(836)	(2,610)	(920)	(238)	543	462	1	(163)	-	-
(72,020)	(88,219)	(294)	(476)	13,871	(12,431)	8,701	947	(153)	(91)	(573)	(19)	(816)	525	(72)	(3,203)
(9,730)	(26,702)	(294)	(476)	12,248	(19,005)	7,865	(1,663)	(1,073)	(329)	(30)	443	(815)	362	(72)	(3,203)
1,856	2,562	33	187	(1,473)	2,873	299	4,337	182	(37)	(12)	(39)	89	(24)	-	-
(7,874)	(24,140)	(261)	(289)	10,775	(16,132)	8,164	2,674	(891)	(366)	(42)	404	(726)	338	(72)	(3,203)
(7,870)	(24,112)	(261)	(289)	10,775	(16,132)	8,183	2,650	(891)	(366)	(42)	404	(726)	338	(72)	(3,203)
(4)	(28)	-	-	-	-	(19)	24	-	-	-	-	-	-	-	-
(7,874)	(24,140)	(261)	(289)	10,775	(16,132)	8,164	2,674	(891)	(366)	(42)	404	(726)	338	(72)	(3,203)
(7,874)	(24,140)	(261)	(289)	10,775	(16,132)	8,164	2,674	(891)	(366)	(42)	404	(726)	338	(72)	(3,203)
-	-	40	(9)	-	-	-	-	-	-	-	-	-	-	-	(6)
(7,874)	(24,140)	(221)	(298)	10,775	(16,132)	8,164	2,674	(891)	(366)	(42)	404	(726)	338	(72)	(3,209)
(7,870)	(24,112)	(221)	(298)	10,775	(16,132)	8,164	2,674	(891)	(366)	(42)	404	(726)	338	(72)	(3,209)
(4)	(28)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(7,874)	(24,140)	(221)	(298)	10,775	(16,132)	8,164	2,674	(891)	(366)	(42)	404	(726)	338	(72)	(3,209)

CMPC PRODUCTOS DE PAPEL S.A. AND SUBSIDIARIES		INMOBILIARIA PINARES S.A.		FORESTAL Y AGRICOLA MONTE AGUILA S.A.		FORESTAL COIHUECO S.A.		SERVICIOS COMPARTIDOS CMPC S.A.		PORTUARIA CMPC S.A.		COOPERATIVA FORESTAL Y AGRICOLA EL PROBOSTE LTDA.		INVERSIONES CMPC CAYMAN LTD.	
2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$
(15,945)	36,191	(3)	(12)	(698)	(1,590)	562	(2,526)	2,087	3,253	(35)	39	4	300	(11)	(22)
(9,618)	(5,254)	3	4	(2,838)	(1,705)	(1,563)	(1,492)	(230)	-	42	(18)	(242)	(293)	(10)	-
25,197	(29,421)	-	(4)	3,535	3,296	1,001	4,018	(1,861)	(3,244)	0	(21)	238	-	10	-
(366)	1,516	-	(12)	(1)	1	-	-	(4)	9	7	-	-	7	(11)	(22)
240	(918)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1,045	447	-	12	1	-	-	-	9	-	1	1	30	23	247	269
919	1,045	-	-	-	1	-	-	5	9	8	1	30	30	236	247



PricewaterhouseCoopers

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REPORT OF INDEPENDENT AUDITORS
(Translation of the original in Spanish)

Santiago, March 4, 2011

To the Shareholders and Directors
Empresas CMPC S.A.

We have audited the accompanying consolidated statements of financial position of Empresas CMPC S.A. and subsidiaries as of December 31, 2010 and 2009, and the related consolidated comprehensive income statements, cash flows and changes in equity for the years ended December 31, 2010 and 2009. These financial statements (including the related notes thereto) are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Chile. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Empresas CMPC S.A. and subsidiaries as of December 31, 2010 and 2009 and the comprehensive results of their operations and cash flows for the years then ended in accordance with International Financial Reporting Standards.

Juan Roncagliolo G.



**CMPC
Subsidiaries**

CMPC CHILEAN

Subsidiaries

Name and Legal Nature	Corporate Purpose	General Information
FORESTAL MININCO S.A.	Forestation and reforestation in own land and other land owners' properties as well; the purchase and selling of lands, forests, wood, seeds, plants and other related products; selling, exporting and importing of wooden products or wooden derived products; forestry service rendering, of an administrative kind and other types of services as well.	Chilean Private Viability Company incorporated by Public Deed on July 22nd, 1949 before Notary Public of Valparaíso, Mr. Ernesto Cuadra M., amended by Deed issued on September 20th of 1949, before same Notary Public. Authorized by Decree No. 8044 of the Ministry of Finance dated October 20th of 1949. T.I.N. 91.440.000-7
CMPC CELULOSA S.A.	Production, selling, importing and exporting of pulp, papers and pulp and paper derived products in its various ways, as well as all other operations related to this purpose; purchase and sale of wood in any condition, including standing forests; and the participation or investment in companies whose purpose includes the above mentioned activities.	Chilean Private Viability Company incorporated by Public Deed on March 31st of 1988 before Notary Public of Santiago, Mr. Enrique Morgan T., under the name of "Celulosa del Pacífico S.A.". On December 31st of 1988 at the General Extraordinary Shareholders Meeting of the company it was agreed to change its name to "CMPC Celulosa S.A." T.I.N. 96.532.330-9
CMPC PAPELES S.A.	Production, imports, exports and in general paper selling in its various ways.	Chilean Private Viability Company incorporated by Public Deed on April 20th of 1988 before Notary Public of Santiago, Mr. Enrique Morgan T. The excerpt was published in the Official Gazette on May 4th of 1988, under the name of CMPC Capital de Riesgo S.A. On July 7th of 1988, the General Extraordinary Shareholders Meeting of the Company was reduced to Public Deed before the Notary Public, Mr. Raúl I. Perry P.. At this meeting it was agreed to change the its name to "CMPC Papeles S.A." The excerpt of such Public Deed was published in the Official Gazette on July 14th of 1998. T.I.N. 79.818.600 - 0
CMPC TISSUE S.A.	Manufacturing and/or conversion of sanitary products, paper towels, napkins, handkerchiefs and facial towels, and other tissue products or similar, manufactured or semi-manufactured. The purchase and sale, import, export, consignment, distribution, representation and selling, either on the company's behalf and/or on third parties' behalf, of the above mentioned products, as well as spare parts, raw material and manufacturing material. Manufacturing, production, transformation and selling in any of its possible ways, of pulp and its derivatives.	Chilean Private Viability Company incorporated by Public Deed on February 24th of 1988 before Notary Public of Santiago, Mr. Sergio Rodríguez G., under the name of "Forestal Industrial Santa Fe S.A." On January 6th of 1998 the Seventh General Extraordinary Shareholders Meeting of the company agreed to change its name to "CMPC Tissue S.A.", which was reduced to Public Deed on January 27th of 1998 before the Notary Public of Santiago, Mr. Raúl I. Perry P. T.I.N. 96.529.310-8

Equity MUS\$	Profit / (Loss) MUS\$	Direct and Indirect Participation	Managing Director	Board of Directors		
1.951.738	540	100,00%	Hernán Rodríguez Wilson	Chairman Vice Chairman Directors	Eliodoro Matte Larraín Arturo Mackenna Iñiguez Jorge Gabriel Larraín Bunster Leonidas Montes Lira Pedro Schlack Harnecker Gonzalo García Balmaceda José Ignacio Letamendi Arregui	(1) (2) (1) (3)
1.726.065	322.270	100,00%	Sergio Colvin Trucco	Chairman Vice Chairman Directors	Eliodoro Matte Larraín Arturo Mackenna Iñiguez Bernardo Larraín Matte Jorge Matte Capdevila Luis Llanos Collado Gonzalo García Balmaceda Bernardo Matte Larraín	(1) (2) (3) (3) (1)
1.307.717	98.202	100,00%	Washington Williamson Benaprés	Chairman Vice Chairman Directors	Eliodoro Matte Larraín Arturo Mackenna Iñiguez Bernardo Matte Larraín Andrés Echeverría Salas Luis Llanos Collado Jorge Araya Díaz	(1) (2) (1) (3) (3)
804.932	44.458	100,00%	Jorge Morel Bulicic	Chairman Vice Chairman Directors	Eliodoro Matte Larraín Arturo Mackenna Iñiguez Gonzalo García Balmaceda Jorge Gabriel Larraín Bunster Jorge Hurtado Garretón Luis Llanos Collado Bernardo Matte Larraín	(1) (2) (3) (1) (3) (1)

(1) Director CMPC
(2) Gerente General CMPC
(3) Gerente de CMPC y Filiales

Name and Legal Nature	Corporate Purpose	General Information
CMPC PRODUCTOS DE PAPEL S.A.	Production and selling of paper products and its derivatives in its variety of ways.	Chilean Private Viability Company incorporated by Public Deed on May 18th of 1995 before Notary Public of Santiago, Mr. Raúl I. Perry P. T.I.N. 96.757.710-3
SERVICIOS COMPARTIDOS CMPC S.A.	Remunerated services rendered in the administrative, tax, payments to third parties, accounting, computer sciences related systems, data processing, IT, data communication and telephony, human resources and raw material procurement and physical goods in general, and all those services that become necessary to carry out the industrial activities that are developed by CMPC S.A. and its subsidiaries and related companies.	Chilean Private Viability Company incorporated by Public Deed on October 17th of 1995 before Notary Public of Santiago, Mr. Raúl I. Perry P., under the name of Abastecimientos CMPC S.A. On September 5th of 2005, the First General Extraordinary Shareholders Meeting agreed to change its name to "Servicios Compartidos CMPC S.A.", which was reduced to Public Deed on October 4th of 2005 before the Acting Notary Public Mr. Pablo Roberto Poblete Saavedra and was registered in the Trade Registry of Santiago on page 37690 No. 26864. T.I.N. 96.768.750-2.
PAPELES CORDILLERA S.A.	Production, exports, imports and selling of paper or paper products and its derivatives, the forestry activity in whatever ways and the investment of resources in companies related with any of the above mentioned corporate purposes.	Chilean Private Viability Company incorporated by Public Deed on March 9th of 1998 before Notary Public of Santiago, Mr. Gonzalo de la Cuadra F. Registered in the Trade Registry on March 13th of 1998 on page 5993 No. 4812 T.I.N. 96.853.150 - 6
CARTULINAS CMPC S.A.	Production, exports, imports and in general selling of paper in its variety of forms and its derivatives, the forestry activity, forest exploitation, acquisition or transfer of any title of agricultural goods and selling of wood; for this purpose, the company is legally empowered to carry out all this acts, make all the investments or do all businesses and enter into all contracts that shall be necessary to materialize the formerly mentioned activities.	Chilean Private Viability Company incorporated by Public Deed on April 27th of 1995 before Notary Public of Santiago, Mr. Raúl Perry P. The excerpt was published in the Official Gazette of May 16th of 1995 and registered in the Trade Registry of Puente Alto on May 22nd of 1995 on page 41 No. 41 under the name of "CMPC PAPELES S.A.". On June 24th of 1998 it was reduced to Public Deed before the same Notary Public. The General Extraordinary Shareholders Meeting agreed to change its name to "CARTULINAS CMPC S.A." The excerpt of such Deed was published in the Official Gazette on June 30th of 1998. At the Fourth General Extraordinary Shareholders Meeting it was agreed to expand the scope of the line of business (giro social); the latter was reduced to Public Deed before the Notary Public of Santiago, Mr. Ivan Torrealba A. The excerpt of such Public Deed was published in the Official Gazette on October 10th of 2003, T.I.N. 96.731.890 - 6
CMPC MADERAS S.A.	Exploitation of the sawmill industry, selling, export and import of forestry products, being able also to carry out any operation in relation with forests; rendering of forestry and administrative services, and other services like : give, take and deliver for rental or sub-rental all kinds of goods, either real assets or goods and chattels.	Chilean Private Viability Company incorporated by Public Deed on October 28th of 1983 before Notary Public of Santiago, Mr. Enrique Morgan T. On November 27th of 2000, the Extraordinary Shareholders Meeting of the company agreed to change its name to "CMPC Maderas S.A.", which was reduced to Public Deed on November 27th of 2000 before same Notary Public. The excerpt of such Public Deed was published in the Official Gazette of December 2nd of 2000. T.I.N. 95.304.000- K

Equity MUS\$	Profit / (Loss) MUS\$	Direct and Indirect Participation	Managing Director	Board of Directors	
64.706	(7.870)	100,00%	Francisco Ruiz-Tagle Edwards	Chairman Vice Chairman Directors	Eliodoro Matte Larraín (1) Arturo Mackenna Iñiguez (2) Patricio Grez Matte (1) Juan Carlos Eyzaguirre Echeñique Andrés Infante Tirado Gonzalo García Balmaceda (3) Bernardo Matte Larraín (1)
(510)	(891)	100,00%	Jorge Araya Diaz	Chairman Directors	Luis Llanos Collado (3) Hernán Rodríguez Wilson (3) Sergio Colvín Trucco (3) Washington Williamson Benaprés (3) Jorge Morel Bulicic (3) Francisco Ruiz-Tagle Edwards (3)
140.582	24.589	100,00%	Edgar González Tatlock	Chairman Directors	Washington Williamson Benaprés (3) Gonzalo García Balmaceda (3) Andrés Infante Tirado Luis Llanos Collado (3)
428.323	49.390	100,00%	Christian Lueg Thiers	Chairman Directors	Washington Williamson Benaprés (3) Luis Llanos Collado (3) Sergio Colvín Trucco (3) Andrés Larraín Marchant (3) Jorge Matte Capdevilla
76.492	(22.744)	97,51%	Hernán Fournies Latorre	Chairman Directors	Hernán Rodríguez Wilson (3) Andrés Larraín Marchant (3) Jorge Araya Díaz (3) Gonzalo García Balmaceda (3) Fernando Raga Castellanos (3)

**Empresas
Filiales
de CMPC**

- (1) Director CMPC
- (2) Gerente General CMPC
- (3) Gerente de CMPC y Filiales

Name and Legal Nature	Corporate Purpose	General Information
INDUSTRIAS FORESTALES S.A. INFORSA	Forestry exploitation, industrialization of wood and paper manufacturing, mainly for news papers. Sells products both in the domestic market and exports to abroad.	Chilean Public Viability Company incorporated by Public Deed on April 2nd of 1956 before the Notary Public of Santiago Mr. Luis Marin A. Authorized by the Ministry of Finance Supreme Decree N° 3931, in 1956. Listed in the Trade Registry of Santiago on Page 2.755 No. 1563 on June 7th of 1956. T.I.N. 91.656.000-1.
FORESTAL CRECEX S.A.	Forestation and reforestation in own land or third party land owners'; the purchase, sale and selling of forestry lands and forests; selling, export or import of wood products or derivatives of same.	Chilean Private Viability Company incorporated by Public Deed of January 1st of 1993 before Notary Public of Santiago, Mr. Raúl I. Perry P. T.I.N. 84.126.300-6
INVERSIONES CMPC S.A.	Investment in the country and abroad of all kinds of tangible and intangible assets, and particularly its participation as shareholder of any type of company and the investment within the country or abroad in real estate, property, i.e. real assets.	Chilean Private Viability Company incorporated by Public Deed of January 2nd of 1991 before Notary Public of Santiago, Mr. Rubén Galecio G. Listed in the Securities Registry under No. 672. T.I.N. 96.596.540-8
PORTUARIA CMPC S.A.	Management of logistic chains of forestry products or of any other product, including cargo transportation in any type of transportation media, its loading and unloading and its storage in warehouses and ports facilities. The Company shall act as load agent, carry out the agent function of domestic and foreign vessels, and the operation of ports, exploit the land and maritime business, both of coastal trade and shipping as the one of exports and imports.	Chilean Private Viability Company. Incorporated by Public Deed of October 28th of 1976 before Notary Public of Santiago, Mr. Patricio Zaldívar M., as a Limited Liability Company (LLC), named Muellaje San Vicente Ltda. It was transformed into a Private Viability Company as per Public Deed of November 8th 1993, before Notary Public of Santiago, Mr. Raúl I. Perry P. On July 4th of 2000 before same Notary Public, it was reduced to Public Deed the Fourth Extraordinary Shareholders Meeting held on June 21st of 2000, that agreed to change the name of the company to Portuaria CMPC S.A. T.I.N. 84.552.500-5.
INVERSIONES PROTISA S.A.	Make all kinds of investments, in special the purchase and sale of shares or credit titles, carry out capital markets operations and apply its resources to all types of financial businesses related to the corporate purpose.	Chilean Private Viability Company incorporated by Public Deed of March 4th of 1998 before Notary Public of Santiago, Mr. Gonzalo de la Cuadra F. T.I.N. 96.850.760-5.
EMPRESA DISTRIBUIDORA DE PAPELES Y CARTONES S.A. EDIPAC	Buy, sell, consignment, commercialization and distribution, own its own or on behalf of third parties, of paper, cardboard and other products derived from pulp and paper.	Chilean Private Viability Company incorporated by Public Deed of December 24th of 1981 before Notary Public of Santiago, Mr. Jorge Zañartu S. T.I.N. 88.566.900-K.

Equity MUS\$	Profit / (Loss) MUS\$	Direct and Indirect Participation	Managing Director	Board of Directors
822.502	17.809	81,95%	Andrés Larraín Marchant	Chairman Vice Chairman Directors Washington Williamson Benaprés (3) Patricio Lopez-Huici Caro Juan Eduardo Correa Bulnes Patricio Claro Grez Cristian Eyzaguirre Johnston Luis Llanos Collado (3) Andrés Infante Tirado
599.331	(6.427)	81,95%	Andrés Larraín Marchant	Chairman Directors Patricio Lopez-Huici Caro (3) Ricardo Hetz Vorpahl Alvaro Calvo Vicentt (3) Rafael Cox Montt (3) Oscar Carrasco Larrazábal
5.563.512	580.795	100,00%	Luis Llanos Collado	Chairman Directors Arturo Mackenna Iñiguez (2) Ricardo Hetz Vorpahl (3) Andrés Larraín Marchant (3) Jorge Araya Díaz (3) Rafael Cox Montt (3)
1.542	(42)	100,00%	Gabriel Spoerer O'Reilly	Chairman Directors Guillermo Mullins Lagos (3) Andrés Larraín Marchant (3) Hernán Fournies Latorre (3)
7.621	36.277	100,00%	Alfredo Bustos Azócar	Chairman Directors Jorge Morel Bulicic (3) Luis Llanos Collado (3) Rafael Cox Montt (3)
4.515	4.954	100,00%	Luis Alberto Salinas Cormatches	Chairman Directors Washington Williamson Benaprés (3) Edgar González Tatlock (3) Cristian Lueg Thiers (3) Fernando Hasenberg Larios (3) Víctor Muñoz Castillo (3)

**Empresas
Filiales
de CMPC**

- (1) Director CMPC
- (2) Gerente General CMPC
- (3) Gerente de CMPC y Filiales

Name and Legal Nature	Corporate Purpose	General Information
SOCIEDAD RECUPERADORA DE PAPEL S.A. SOREPA	Paper and cardboard recovery and buy-sell of new or used paper.	Chilean Private Viability Company incorporated by Public Deed of October 1st of 1979 before Notary Public of Santiago, Mr. Patricio Zaldívar M. T.I.N. 86.359.300-K.
ENVASES IMPRESOS S.A.	Production of corrugated printed and stamped packaging cardboard sacks.	Chilean Private Viability Company incorporated by Public Deed of October 25th of 1993 before Notary Public of Santiago, Mr. Raúl I, Perry P. T.I.N. 89.201.400-0.
FORSAC S.A.	Manufacturing of paper products and packaging material, wrapping and other purposes, and paper related articles such as the buy and sell, import or export of such products and similar ones.	Chilean Private Viability Company incorporated by Public Deed of October 4th of 1989 before Notary Public of Santiago, Mr. Aliro Veloso M., under the name of Forestal Angol Ltda. By means of Public Deed of April 3rd of 1998, before Notary Public of Santiago, Mr. Jaime Morandé O., the company name was changed to Papeles Angol S.A. and also its line of business. On May 5th of 1998, the First General Extraordinary Shareholders Meeting, once PROPA S.A. had been absorbed, agreed to change the name of the company from "Papeles Angol S.A." to "PROPA S.A." T.I.N. 79.943.600-0. In the fifth Board of Propa Extrordinaria SA, on 21 January 2010 approved name change to Fosac SA, constituted by public deed on March 10, 2010 before the Notary Mr. Raul Ivan Perry Pefaur.
CHILENA DE MOLDEADOS S.A. CHIMOLSA	Manufacturing and sale on a wholesale and retail basis of export fruit trays, trays and holders for eggs and other product; in general, moulded packaging of different types, sizes and styles; the import and export, buy and sell of same articles.	Chilean Private Viability Company incorporated by Public Deed of March 31st of 1976, before Notary Public of Santiago, Mr. Enrique Zaldívar D. T.I.N. 93.658.000-9
ENVASES ROBLE ALTO S.A.	Production of corrugated printed and stamped packaging cardboard sacks.	Chilean Private Viability Company incorporated by Public Deed of August 5th of 1994, before Notary Public of Santiago, Mr. Enrique Troncoso F. Public Deed's excerpt was registered on page 18231 No. 14956 of the Trade Registry of the Santiago Real Estate Registrar of 1994. Company amended by Public Deed of August 21st of 2001, before Notary Public of Santiago, Mr. Raúl Perry P., to change its name to Envases Roble Alto Ltda. On January 2nd of 2004 it turns into a Private Liability Company, by means of Public Deed issued before Notary Public of Santiago, Mr. Iván Torrealba A., and its extract was registered on page 2871 No. 2236 of the Trade Registry of the Santiago Real Estate Registrar, remaining then the name as Envases Roble Alto S.A. T.I.N. 78.549.280-3

Equity MUS\$	Profit / (Loss) MUS\$	Direct and Indirect Participation	Managing Director	Board of Directors	
14.264	102	100,00%	Juan Pablo Pumarino Bravo	Chairman Directors	Washington Williamson Benaprés (3) Eduardo Huidobro Navarrete (3) Alfredo Bustos Azócar (3) Carlos Hirigoyen García (3) Sergio Balharry Reyes (3) Edgar González Tatlock (3)
7.938	(4.178)	100,00%	Gastón Hevia Alzérreca	Chairman Directors	Francisco Ruiz-Tagle Edwards (3) Octavio Marfán Reyes (3) Alberto Compagnon Quintana (3) Gonzalo García Balmaceda (3) Jorge Araya Díaz (3)
25.842	2.439	100,00%	Jorge Navarrete García	Chairman Directors	Francisco Ruiz-Tagle Edwards (3) Jorge Araya Díaz (3) Octavio Marfán Reyes (3) Rafael Cox Montt (3) Eckart Eitner Delgado (3)
17.450	5.051	100,00%	Jorge Urra Acosta	Chairman Vice Chairman Directors	Francisco Ruiz - Tagle Edwards (3) Jorge Araya Díaz (3) Octavio Marfán Reyes (3) Oscar Carrasco Larrazábal (3) Fernando Hasenberg (3)
27.230	(7.398)	100,00%	Patricio Burgos Valenzuela	Chairman Directors	Francisco Ruiz-Tagle Edwards (3) Jorge Araya Diaz (3) Alberto Compagnón Quintana (3) Gonzalo García Balmaceda (3) Octavio Marfán Reyes (3)

**Empresas
Filiales
de CMPC**

- (1) Director CMPC
- (2) Gerente General CMPC
- (3) Gerente de CMPC y Filiales

Name and Legal Nature	Corporate Purpose	General Information
INMOBILIARIA PINARES S.A.	Acquisition of land, its subdivision, plotting and urbanization, construction of social housing on its own or on behalf of third parties, and the transfer of same.	Chilean Private Viability Company. It was incorporated by Public Deed on April 29th of 1990 before Notary Public of Concepción, Mr. Humberto Faúndez R., as a Limited Liability Company. It is turned into a Private Viability Company as per Public Deed of December 20th of 2000 before the acting Notary Public of Concepción, Mr. Waldo Otarola A., and its excerpt was registered on January 24th of 2001. T.I.N. 78.000.190-9.
FORESTAL COIHUECO S.A.	Carrying out investments of all types related to pulp production and forestry activity and to the industrialization and commercialization of its products and subproducts; buy and sell shares and bonds; invest in real estate, in companies, in general in any type of goods and in any other business related with company's corporate purpose.	Chilean Private Viability Company. It was incorporated by Public Deed on January 18th of 1989 under the name of Celulosa Simpson Chile Ltda, before Notary Public of Santiago, Mr. Raúl Perry P. This company merged with Inversiones Forestales Simpson Chile Ltda., changing its name to Inversiones Simpson Ltda., on December 15th of 1997. On February 2nd of 1998 it turns into a Private Company. On February 7th of 2000, Inversiones Simpson S.A. absorbed Sociedad Forestal Simpson Chile Ltda., being named since such date, Forestal Simpson Chile S.A. On November 4th of 2003 the Shareholders Meeting agreed to change its name to Forestal Coihueco S.A. T.I.N. 79.879.430-2
FORESTAL Y AGRÍCOLA MONTE AGUILA S.A.	Forestry and agricultural exploitation of properties of its own, acquire, or in current exploitation at any event by means of the execution of agricultural, cattle farming or forestry activities, and other activities that might be direct or indirectly related with its corporate purpose; likewise the commercialization and/or exploitation in any way of products or sub products obtained from the forestry and agricultural exploitation and from services rendered to third parties related with the company's corporate purpose.	Chilean Private Viability Company. It was incorporated by Public Deed on October 11 of 1985 under the name of Forestal Colcura S.A. before Notary Public of Santiago, Mr. Andrés Rubio F. On December 3rd of 1992, at an Extraordinary Shareholders Meeting of the Company, it was agreed to change the name to Forestal y Agrícola Monte Águila S.A., which was later reduced to Public Deed on same date before Notary Public of Santiago, Mr. Sergio Rodríguez G. T.I.N. 96.500.110-7
INMOBILIARIA Y FORESTAL MAITENES S.A.	Buy of plotting and sell of properties and the execution of all those required activities related or complementary of the company's corporate purpose.	Chilean Private Viability Company. It was incorporated by Public Deed on November 20 of 1990 before Notary Public of Concepción, Penco and Hualqui, Mr. Gonzalo Rioseco M., acting Notary Public of the Permanent Notary Public Mr. Humberto Faúndez R., listed in the Trading Registry on December 5th of 1990 on page 1124 v. No. 898. T.I.N. 96.601.000-2
COOPERATIVA AGRICOLA Y FORESTAL EL PROBOSTE LTDA.	Execute, on behalf of its associates the administration, handling and maintenance of the farms Proboste and Galumavida located in the Empedrado y Chanco, Constitución, especially in what refers to carrying out tasks of looking after, forestry and pine forests or other forestry species located in those land properties.	Limited Liability Company. Authorized by Supreme Decree No. 971 of October 17th of 1958 issued by the Ministry of Agriculture. By-laws in force since April 28 of 1990 were amended and approved at General Partners Meeting, being its minutes of meeting reduced to Public Deed on April 6 of 2004 in Notary of Santiago of Mr. René Benavente Cash. Excerpt of this Deed was registered in the Trade Registry, year 2004, of the Santiago Real Estate Registrar and was published in the Official Gazette of April 17th of 2004. The Department of Cooperatives of the Ministry of Economy, Development and Construction issued certificate No.529 dated March 31st of 2004, in which evidence is left of the minutes of the constitutive General Meeting, as well as of its minutes modifying the by-laws. T.I.N. 70.029.300-9

Equity MUS\$	Profit / (Loss) MUS\$	Direct and Indirect Participation	Managing Director	Board of Directors	
1.884	(261)	100,00%	Fernando Hasenberg Larios	Chairman Directors	Luis Llanos Collado (3) Jorge Araya Díaz (3) Rafael Cox Montt (3)
132.623	8.183	100,00%	Fernando Raga Castellanos	Chairman Directors	Hernán Rodríguez Wilson (3) Fernando Raga Castellanos (3) Jorge Araya Díaz (3)
132.885	10.775	99,75%	Fernando Raga Castellanos	Chairman Directors	Hernán Rodríguez Wilson (3) Sergio Colvin Trucco (3) Luis Llanos Collado (3) Jorge Araya Díaz (3) Félix Contreras Soto (3)
58.005	(2.422)	100,00%	Fernando Raga Castellanos	Chairman Directors	Hernán Rodríguez Wilson (3) Fernando Raga Castellanos (3) Rodrigo Hermosilla Jarpa (3)
15.871	(726)	72,70%	Victor Fuentes Palma	Directors	Rafael Cox Montt (3) Daniel Contesse González Héctor Morales Torres Hernán Fournies Latorre (3) Cristián Rodríguez Velasco

**Empresas
Filiales
de CMPC**

- (1) Director CMPC
- (2) Gerente General CMPC
- (3) Gerente de CMPC y Filiales

CMPC OVERSEAS

Subsidiaries

Name and Legal Nature	Corporate Purpose	General Information
INVERSIONES CMPC CAYMAN LTD. (Cayman Island)	Carry out all types of trading and financial investments, and in particular, its participation as shareholder in any type of company.	Private Company incorporated according to Cayman Islands law, as per register No. 77890 of November 21st of 1997, before the Registry of Companies of Cayman Islands.
CMPC INVERSIONES DE ARGENTINA S.A. (Argentina)	Financial activities on its own or of third parties on behalf of third parties.	Argentinean Private Company incorporated by Deed of June 29th of 1992. Argentina. CUIT 30-65451689-4
LA PAPELERA DEL PLATA S.A. (Argentina)	Manufacturing, industrialization and commercialization of all types of papers, cardboard, boxboard, products and subproducts of same in all its types and shapes. Forestry and wood exploitation, industrialization and commercialization of its products.	Argentinean Private Company. Approved by the Executive Power of the Province of Buenos Aires on September 2nd of 1929. Argentina. CUIT 30-50103667-2
PRODUCTOS TISSUE DEL PERU S.A. (Peru)	Manufacturing, industrialization and commercialization of all types of papers, cardboard, boxboard, products and subproducts of same in all its types and shapes; buy, sell, import, export, transfer, consignment, fractioning, packaging, distribution and in general, any way of commercialization of such products. Consultancy, advisory and rendering of services on senior management, management and administration.	Peruvian Private Company. Incorporated by Deed of July 21 of 1995 before Notary Public, Mr. Gustavo Correa M., Lima - Perú. According to minutes of October 1st of 2002, a split is produced of an equity block of Forsac Perú S.A. RUC 20266352337
NASCHEL S.A. (Argentina)	Printing of paper reels, polyethylene and polipropilene.	Argentinean Private Company. Incorporated by Public Deed of November 24th of 1955 before Notary Public Mr Weinich S. Waisman, Buenos Aires, Argentina, and later modified by capital split and reduction by Public Deed dated January 2nd of 1996, before Notary Public Mr. Raúl Félix Vega O., Buenos Aires, Argentina. CUIT 30-50164543-1

Equity MUS\$	Profit / (Loss) MUS\$	Direct and Indirect Participation	Managing Director	Board of Directors	
497.211	(71)	100,00%	Fernando Hasenberg Larios	Chairman Directors	Luis Llanos Collado (3) Jorge Araya Díaz (3) Rafael Cox Montt (3)
271.667	(2.860)	100,00%	Alejandro Nash Sarquis	Chairman Directors	Alejandro Nash Sarquis (3) Jorge Morel Bulicic (3) Jorge Luis Pérez Alati Manuel María Benítes Galarraga
174.659	(10.762)	99,99%	Alejandro Nash Sarquis	Chairman Vice Chairman Directors	Jorge Luis Pérez Alati (3) Jorge Morel Bulicic (3) Alejandro Nash Sarquis (3) Jorge Schurmann Martirena (3) Juan La Selva (3)
79.624	6.193	100,00%	Salvador Calvo-Perez Badiola	Chairman Directors	Jorge Morel Bulicic (3) Alfredo Bustos Azócar (3) José Ludowieg Echeopar
1.491	(65)	100,00%	Alejandro Nash Sarquis	Chairman Directors	Alejandro Nash Sarquis (3) Alfredo Bustos Azócar (3) Jorge Luis Pérez Alati Jorge Schurmann Martirena (3)

- (1) Director CMPC
- (2) Gerente General CMPC
- (3) Gerente de CMPC y Filiales

Name and Legal Nature	Corporate Purpose	General Information
FABI BOLSAS INDUSTRIALES S.A. (Argentina)	Manufacturing of paper and cardboard bags.	Argentinean Private Company. Incorporated by Public Deed of January 2nd of 1996, before Notary Public, Mr. Raúl Félix Vega O., Buenos Aires, Argentina.
INDUSTRIA PAPELERA URUGUAYA S.A. IPUSA - Uruguay	Manufacturing, industrialization and commercialization of paper and its derivatives, as well as those related with graphic arts, in all its ways.	Uruguayan Private Company. Incorporated by Public Deed of January 14th of 1937, in Montevideo, Uruguay. On April 29th of 1937 the Executive Power granted approval to its by-laws, being them registered in the Contracts Registry on May 14th of 1937. RUT 210066450012
COMPAÑÍA PRIMUS DEL URUGUAY S.A. (Uruguay)	Rental of real estate properties.	Uruguayan Private Company. Incorporated by Public Deed of April 28th of 1932, in Montevideo, Uruguay. On September 13th of 1932, the Executive Power granted approval to its by-laws. RUT 210002340011
CELULOSAS DEL URUGUAY S.A. (Uruguay)	Forestation and cattle farming.	Uruguayan Private Company. By-laws approved and registered in DGI (Dirección General Impositiva), equivalent to the IRS on February 3rd of 1960. On June 10th of 1960 the company was registered in the Public and General Trade Registry RUT 210154540013
INVERSIONES PROTISA S.A. Y COMPAÑÍA S.R.C. (España)	Construction and participation in managing and controlling other companies and corporations. Acquisition, transfer, holding and exploitation of tangible and intangible assets and other valued goods in general. Exploitation and negotiation with industrial property rights and intermediation in commercial, corporate and real estate operations.	Spanish Private Company incorporated by Public Deed of July 10th of 2001 under the name of Gestum Inversiones S.L., before Notary Public Mr. Antonio de la Esperanza Rodríguez, as per register No. 3248, Madrid, Spain. On November 18th of 2005, its name was changed to Inversiones Protisa S.A. and Compañía S.R.C.
FORSAC PERU S.A. (Perú)	Manufacturing and services rendering in the production of multiwall paper bags.	Peruvian Private Company. Incorporated by Public Deed of June 5th of 1996 before Notary Public, Mr. Gustavo Correa M., Lima - Perú, under the name of Fabi Perú S.A. Such company was merged with Forsac Perú S.A., being the latter absorbed, changing Fabi Perú S.A. its name as well, to "Forsac Perú S.A." This merger was incorporated by Public Deed of December 1st of 2000, before Notary Public, Mr. Gustavo Correa M., Lima, Perú. According to minutes of October 1st of 2002, a split is produced of an equity block of Forsac Perú S.A.
FORSAC MÉXICO S.A. DE C.V.	Buy, sell, production and commercialization of goods and products, including those related with the paper industry, wood and other products of the forestry industry.	Trading company incorporated on January 10th of 2008 in accordance with Mexican law.

Equity MUS\$	Profit / (Loss) MUS\$	Direct and Indirect Participation	Managing Director	Board of Directors	
16.857	(463)	100,00%	Adrián Saj	Chairman Directors	Alejandro Nash Sarquis (3) Jorge Navarrete García (3) Jorge Schurmann Martirena (3) Jorge Luis Pérez Alati Francisco Ruiz-Tagle Edwards (3)
33.896	4.374	99,61%	Ricardo Pereiras Formigo	Chairman Directors	Alejandro Nash Sarquis (3) Jorge Morel Bulicic (3) Carlos Hirigoyen García (3) Alfredo Bustos Azócar (3)
193	13	100,00%	Ricardo Pereiras Formigo	Chairman Directors	Alejandro Nash Sarquis (3) Jorge Morel Bulicic (3) Carlos Hirigoyen García (3) Alfredo Bustos Azócar (3)
151	0	100,00%	Ricardo Pereiras Formigo	Chairman Directors	Alejandro Nash Sarquis (3) Jorge Morel Bulicic (3) Carlos Hirigoyen García (3) Alfredo Bustos Azócar (3)
333.535	(5.378)	100,00%		Chairman Directors	Luis Llanos Collado (3) Fernando Hasenberg Larios (3) Rafael Cox Montt (3)
12.521	488	100,00%	Juan Eduardo Villavisencio Mazuelos	Chairman Vice Chairman Directors	Francisco Ruiz-Tagle Edwards (3) Jorge Navarrete García (3) José Ludowieg Echeopar Eduardo Nicolás Patow Nerny (3)
7.095	481	100,00%	Ernesto Villegas Sánchez	Chairman Directors	Jorge Navarrete García (3) Francisco Ruiz-Tagle Edwards (3) Rolf Zehnder Marchant (3)

**Empresas
Filiales
de CMPC**

- (1) Director CMPC
- (2) Gerente General CMPC
- (3) Gerente de CMPC y Filiales

Name and Legal Nature	Corporate Purpose	General Information
FORESTAL BOSQUES DEL PLATA S.A. (Argentina)	Forestry, agriculture and cattle farming exploitation of the property assets owned. Buy and sell of urban or rural properties. Industrial exploitation of wood and its sawn fractioning, conditioning and conservation.	Argentinean Private Company. Incorporated by Public Deed of August 30th of 1993 and registered in the General Inspection of Justice on September 23rd of 1993 under the name of Proyectos Australes S.A. It changed its name to Forestal Bosques del Plata S.A. by decision made by the General Extraordinary Shareholders Meeting of January 2nd of 2001, evidenced in Public Deed of May 9th of 2001, registered in the General Inspection of Justice body of May 22nd of 2001, registered in the General Inspection of Justice on May 22nd of 2001. Argentina.
PAPELERA DEL RIMAC S.A. (Perú)	Manufacturing, industrialisation and production of all types of paper, cardboard, boardbox, products and subproducts of same, in all their types and ways.	Peruvian Private Company. Incorporated by Public Deed of December 31st of 1996, before Notary Public, Mr. Gustavo Correa M. Lima - Perú. RUC 20337537309
GRUPO ABS INTERNACIONAL S.A. DE C.V. (México)	Participate in the incorporation or investment in other trade or civil companies, either domestic or foreign. The acquisition, import, export and commercialization of all types of raw material, parts and components required to comply with its corporate purpose.	Mexican Private Company of Variable Capital. Incorporated by Public Deed with policy No. 1.802 on October 31st of 1997 before Mr. Javier Lozano Medina, Public Broker No.19 (in Mexico equivalent to a Commercial Notary Public, i.e. a Notary Public with more restricted attributions), in the city of Monterrey Nuevo León, Mexico. RFC.- GA1971031RD7
ABS BIENES DE CAPITAL S.A. DE C.V. (México)	Manufacturing, conversion, export, import and commercialization of sanitary products, as well as the acquisition, buy, sell and export of all types of raw material, parts, components or required material in order to comply with the company's corporate purpose. Participate in the incorporation or investment in trade or civil companies, either domestic or foreign.	Mexican Private Company of Variable Capital. Incorporated by Public Deed with policy No. 3.112 on January 27th of 1999 before Mr. Javier Lozano Medina, Public Broker No.19 (in Mexico equivalent to a Commercial Notary Public, i.e. a Notary Public with more restricted attributions), in the city of Monterrey Nuevo León, Mexico. RFC.- ABC990127U52
ABSORMEX S.A. DE C.V. (México)	Manufacturing of absorbent sanitary articles. The acquisition, sale, import and export of all types of equipment and materials related to its corporate purpose. Representation in the Mexican Republic or abroad as agent, commission agent, intermediary, factor, representative and consignee or attorney in fact of all classes of companies or people.	Mexican Private Company of Variable Capital. Incorporated by Public Deed with policy No. 3.532 on November 19th of 1981 before Mr. Mario Leija Arzave, Notary Public No. 25, in the city of Monterrey Nuevo León, Mexico. The change of the Private Company to a Private Company with Variable Capital is recorded and evidenced in Public Deed No. 1.582 of May 12th of 1982, before Mr. Abelardo Benito Rdz de León, Notary Public No. 13. RFC.- ABS811125L52
CONVERTIDORA DE PRODUCTOS HIGIENICOS S.A. DE C.V. (México)	Manufacturing of all kinds of sanitary products as well as import and export and selling of all classes of products, on its own or on behalf of third parties.	Mexican Private Company of Variable Capital. Incorporated by Public Deed with policy No. 4.131 on December 1st of 1992 before Mr. Fernando Treviño Lozano, Public Notary No.55, in the city of Monterrey Nuevo León, Mexico. RFC.- CPH921201LE6

Equity MUS\$	Profit / (Loss) MUS\$	Direct and Indirect Participation	Managing Director	Board of Directors
132.461	6.454	100,00%	Sergio Alvarez Gutiérrez	Chairman Vice Chairman Directors Alejandro Nash Sarquis (3) Hernán Rodríguez Wilson (3) Jorge Schurmann Martirena (3) Fernando Raga Castellanos (3) Sergio Alvarez Gutierrez (3)
7.744	(224)	100,00%	Salvador Calvo-Perez Badiola	Chairman Directors Jorge Morel Bulicic (3) Alfredo Bustos Azócar (3) José Ludowieg Echeopar
25.171	(4.692)	87,13%	Cristian Rubio Adriasola	Chairman Directors César Montemayor Guevara (2) Arturo Mackenna Iñiguez (3) Gonzalo Garcia Balmaceda (3) Jorge Morel Bulicic (3)
48.116	(3.126)	87,12%	Cristian Rubio Adriasola	Chairman Directors César Montemayor Guevara (3) Rafael Cox Montt (3) Gonzalo Garcia Balmaceda (3) Jorge Morel Bulicic (3)
966	193	86,82%	Cristian Rubio Adriasola	Chairman Directors César Montemayor Guevara (3) Rafael Cox Montt (3) Gonzalo Garcia Balmaceda (3) Jorge Morel Bulicic (3)
684	(352)	87,02%	Cristian Rubio Adriasola	Chairman Directors César Montemayor Guevara (3) Rafael Cox Montt (3) Gonzalo Garcia Balmaceda (3) Jorge Morel Bulicic (3)

**Empresas
Filiales
de CMPC**

- (1) Director CMPC
- (2) Gerente General CMPC
- (3) Gerente de CMPC y Filiales

Name and Legal Nature	Corporate Purpose	General Information
INTERNACIONAL DE PAPELES DEL GOLFO S.A. DE C.V. (México)	Manufacturing, conversion, export, import and selling of sanitary products. Import, export and sell all types of raw materials, parts and components required to comply with the company's corporate purpose. Representation or being agent of all types of commercial and industrial companies and participation in the sale and commercialization of its products and services.	Mexican Private Company of Variable Capital. Incorporated by Public Deed with policy No. 1.552 on July 17th of 1997 before Mr. Javier Lozano Medina, Public Broker No.19 (in Mexico equivalent to a Commercial Notary Public, i.e. a Notary Public with more restricted attributions), in the city of Monterrey Nuevo León, Mexico. RFC.- IPG970717QU9
ABS LICENSE S.A. DE C.V. (México)	Constitution of participation in other companies, domestic or foreign. Representation or being agent of all types of commercial and industrial companies and participation in the sale and commercialization of its products.	Mexican Private Company of Variable Capital. Incorporated by Public Deed with policy No. 3.111 on January 27th of 1999 before Mr. Javier Lozano Medina, Public Broker No.19 (in Mexico equivalent to a Commercial Notary Public, i.e. a Notary Public with more restricted attributions), in the city of Monterrey Nuevo León, Mexico. RFC.- AL1990127QG9
PRODUCTOS TISSUE DEL ECUADOR S.A. (Ecuador)	Manufacturing, production, selling, commercialization in any way of all types of paper, including but not limited to: napkins, paper towels, paper table covers, disposable paper pads, and in general, all species, type or form of paper products or of paper derived material or in those where paper is a main or secondary material.	Ecuadorian Private Company. Incorporated by Public Deed of January 17th of 2007, before the Fortieth Notary of the Metropolitan district of Quito. RUC 1792083354001
DRYPERS ANDINA & CO. S.C.A. (Colombia)	Production, import, commercialization, advertising, sale and export of babies' disposable diapers and other products of related consumption.	Colombian Private Company. Incorporated by Public Deed No. 0000374 of Notary Fourty Nine of Bogota on February 16th of 1999. Legal vehicle Drypers Andina & Cia. S.C.A. was incorporated. It was agreed to change from Silent Partnership for stock to Private Company by Public Deed No. 0001598 of Notary Fifteen of Cali, on 7th of September of 2001. T.I.N. 817.002.753-0
PROTISA COLOMBIA S.A. (Colombia)	Production, import, commercialization, advertising, sale and export of disposable diapers for babies, of paper products, as well as of sanitary products including but not limited to diapers, sanitary paper, paper towels, napkins, sanitary products in general (paper pads for adults, sanitary towels, moist towels, protectors, etc.) and other products of related consumption.	Colombian Private Company. Incorporated by Public Deed No. 0002539 of Notary Sixteen of Bogota on October 28th of 2008. Legal vehicle Protisa Colombia S.A. was incorporated. T.I.N. 900.251.415-4
PROTISA DO BRASIL LTDA.	Buy, sell, import, export, commercialize and act as commercial representative or dealer of any paper specie and/or other paper products, including adult and children sanitary products and cosmetics.	Brazilian Company incorporated and registered on November 11th of 1997 under No. 35.214.843.113 before the Commercial Board of the Sao Paulo state, Brazil, under the name of CMPC Cartolinas do Brasil Ltda. The company name is amended on August 1st of 2001 to become Protisa do Brasil Ltda. and in session held on August 17th of 2001 the Social Contract is modified and together with it, the corporate purpose of the company. CNPJ 02.221.387/0001-31

Equity MUS\$	Profit / (Loss) MUS\$	Direct and Indirect Participation	Managing Director	Board of Directors	
24.073	2.760	87,13%	Cristian Rubio Adriasola	Chairman Directors	César Montemayor Guevara Rafael Cox Montt (3) Gonzalo Garcia Balmaceda (3) Jorge Morel Bulicic (3)
55	0	87,12%	Cristian Rubio Adriasola	Chairman Directors	César Montemayor Guevara Rafael Cox Montt (3) Gonzalo Garcia Balmaceda (3) Jorge Morel Bulicic (3)
1.174	(1.400)	100,00%	Ivan Zuvanich Hirmas	Chairman	Alfredo Bustos Azócar (3)
15.563	(6.009)	100,00%	Juan Peñafiel Soto	Chairman Directors	Jorge Morel Bulicic (3) Alfredo Bustos Azócar (3) Rafael Cox Montt (3)
2.110	(10.640)	100,00%	Juan Peñafiel Soto	Chairman Directors	Rafael Cox Montt (3) Jorge Morel Bulicic (3) Alfredo Bustos Azócar (3)
CMPC Celulose Riograndense Ltda. absorbed, on July 31 st , all of Protisa do Brasil Ltda.'S assets and liabilities		100,00%	Rodrigo Gomez F.	Directors	Karin Alvo

**Empresas
Filiales
de CMPC**

- (1) Director CMPC
- (2) Gerente General CMPC
- (3) Gerente de CMPC y Filiales

Name and Legal Nature	Corporate Purpose	General Information
MELHORAMENTOS PAPEIS LTDA.	Manufacturing and/or conversion of sanitary products, diapers, towels, napkins, handkerchiefs and facial towels and other tissue products or similar, manufactured or semi-manufactured. The buy-sell, import, export, consignment, distribution, representation, and sale, either on its own and/or on behalf of third parties, of the above indicated products, as well as spare parts, raw material and material. The manufacturing, production, transformation, and commercialization in any possible way of pulp and its derivatives	Limited Liability Company incorporated and registered on August 29th of 1974 under No. 35.200.929.860, before the Commercial Board of the Sao Paulo state, Brazil; under the name of K.C do Brazil Ltda. The name of the company is modified on September 22nd of 1994 to become Melhoramentos Papeis Ltda. In session held on June 1st of 2009 the company's control was transferred to CMPC Participacoes Ltda. And session held on November 10th of 2009 the Social Capital of the company is modified by a Capital Increase. CNPJ 44.145.845/0001-40
CMPC PARTICIPACOES LTDA. (Brazil)	Participate in other corporations partnering or as shareholder and management of own goods.	Limited Liability Company incorporated and registered on December 12th of 2008 under NIRE 35.222.961.812, before the Commercial Board of the Sao Paulo state, Brazil, and register under N ^o 10.556.351/0001-37 on the CNPJ/MP
CMPC INVESTMENTS LTD. (England)	Financial investment activities of the holding and subsidiaries.	Limited Liability Company. Incorporated in Guernsey, Channel Island, England, on May 28th of 1991. Registry Office P.O. Box 58, St. Julian Court St. Peter Port.
CMPC EUROPE LIMITED (England)	Promotion and distribution of products derived from pulp and wood.	Incorporated on January 7th of 1991 under register No. 2568391 of London, England.
CMPC ASIA LIMITED (Japan)	Promotion and distribution of products derived from pulp and wood.	Incorporated and registered on March 29th of 1991 under No. J.D. 5686 of Tokyo, Japan.
TISSUE CAYMAN LTD. (Cayman Island)	Execution of all classes of trade and financial investments, and particularly, its participation as shareholder in any type of company.	Company incorporated in accordance with Cayman Islands' law, under register No. 92448 of September 9th of 1999, before the Cayman Islands' Registry of Companies.
PROPA CAYMAN LTD. (Cayman Island)	Execution of all classes of trade and financial investments, and particularly, its participation as shareholder in any type of company.	Company incorporated in accordance with Cayman Islands' law, under register No. 92447 of September 9th of 1999, before the Cayman Islands' Registry of Companies.
CMPC USA, Inc. (United States)	Marketing and distribution of forestry products, wooden and related; as well as any operation approved by the Board of Directors related with forestry products, included in the Georgia Corporations Business Code.	Corporation incorporated on January 9th of 2002, in accordance with Georgia's Business Corporations Code, under the law of the State of Georgia, U.S.A.

Equity MUS\$	Profit / (Loss) MUS\$	Direct and Indirect Participation	Managing Director	Board of Directors		
113.897	(10.338)	100,00%	Rodrigo Gomez F.			
	Melhoramentos Papeis Ltda. absorbed, on March 1 st 2010, all of CMPC Partipacoes Ltda.'s assets and liabilities.	100,00%	Rodrigo Gomez F.			
54.871	(11)	100,00%		Chairman Director	Hernán Rodríguez Wilson Luis Llanos Collado	(3) (3)
704	(160)	100,00%	Claudio Ojeda Strauch	Directors	Guillermo Mullins Lagos Sergio Colvin Trucco Rafael Cox Montt	(3) (3) (3)
0	(876)	100,00%	José Luis Tomasevic Peirano	Directors	Hernán Rodríguez Wilson Rafael Campino Johnson José Luis Tomasevic Peirano Sergio Colvin Guillermo Mullins	(3) (3) (3) (3) (3)
131.478	1.785	100,00%		Chairman Directors	Jorge Morel Bulicic Luis Llanos Collado Rafael Cox Montt	(3) (3) (3)
17.565	281	100,00%		Chairman Directors	Francisco Ruiz-Tagle Edwards Luis Llanos Collado Rafael Cox Montt	(3) (3) (3)
692	37	97,54%	Manuel Opazo	Chairman Directors	Rodrigo Valiente Toriello Hernán Fournies Latorre Martín Koster Hernán Rodríguez Wilson Pablo Sufán González	(3) (3) (3) (3) (3)

(1) Director CMPC
(2) Gerente General CMPC
(3) Gerente de CMPC y Filiales

Name and Legal Nature	Corporate Purpose	General Information
<p>CMPC CELULOSE RIOGRANDENSE LTDA. (Brazil)</p>	<p>Forestry, re-forestry, industrialization and commercialization of forest products including pulp, paper, its sub-products, raw material, related chemical products, wood in any of its forms, exploring renewable energy sources and/or exercising industrial, commercial, agricultural and shepperd and/or cattle farming related activities in general, being empowered for this purpose to i) exercise any activity or render any service, direct or indirectly related to its core activities, inclusive of imports, exports and transportation and ii) participate, under any modality, in other companies as partner or shareholder.</p>	<p>Limited Liability Company incorporated and registered on October 15th of 2009 under Protocol No. 09/306068-8 of October 16th of 2009, before the Commercial Board of the city of Guaiba, Estado Rio Grande do Sul, Brazil, under N° 43206502899, 43901425775, 43901425783 y 43901425791 Empresa 43 2 0650289 9.</p>
<p>CMPC RIOGRANDENSE LTDA. (Brazil)</p>	<p>Manufacturing, buy, sell, import, commercialization and act as commercial representative and dealer, of (i) any kinds of products manufactured using paper and/or other paper sanitary products; (ii) adult and infants sanitary products and cosmetics; (iii) home, kitchen and bathroom recipients. Forestry, re-forestry, industrialization and commercialization of forest products including pulp, paper, its sub-products, raw material, related chemical products, wood in any of its forms, exploring renewable energy sources and/or exercising industrial, commercial, agricultural and shepperd and/or cattle farming related activities in general, being empowered for this purpose to i) exercise any activity or render any service, direct or indirectly related to its core activities, inclusive of imports, exports and transportation and ii) participate, under any modality, in other companies as partner or shareholder.</p>	<p>Limited Liability Company incorporated and registered on October 17th of 2000, before the Commercial Board of the city of Guaiba, Estado Rio Grande do Sul, Brazil, under N° 43 2 04523520.</p>

Equity MUS\$	Profit / (Loss) MUS\$	Direct and Indirect Participation	Managing Director	Board of Directors	
823.385	(9.482)	100,00%	Walter Lidio Nunes	Chairman Directors Sergio Hernan Colvin Truco Arturo Mackenna Iñiguez Hernán Rodríguez Wilson Jorge Matte Capdevila Gonzalo García Balmaceda	(3) (3) (3) (3)
63.229	(1.544)	100,00%	Walter Lidio Nunes	Chairman Directors Sergio Hernan Colvin Truco Arturo Mackenna Iñiguez Hernán Rodríguez Wilson Jorge Matte Capdevila Gonzalo García Balmaceda	(3) (3) (3) (3)

**Empresas
Filiales
de CMPC**

- (1) Director CMPC
- (2) Gerente General CMPC
- (3) Gerente de CMPC y Filiales

CMPC RELATED

Companies in Chile

SOCIEDADES ANÓNIMAS

Name and Legal Nature	Corporate Purpose	General Information
BICECORP S.A.	Rendering of services as consultants, planning and advisory in the areas of administration, economics and finance to individuals or legal vehicles, whether public or private; participation in banking companies and insurance entities; participation in companies whose corporate purpose is third parties' funds administration; executing factoring transactions; create, fund, promote and manage any type of business, companies or corporations and become part of them; and the representation of other corporations, domestic or foreign with similar corporate purpose.	Chilean Public Viability Company. Incorporated by Public Deed on November 2nd of 1978, before Notary Public of Santiago, Mr. Enrique Morgan T. T.I.N. 85.741.000-9
INVERSIONES EL RAULI S.A.	Investments, transfers and rental of tangible or intangible goods or assets, commercial, financial, administrative and accounting advisories.	Chilean Private Viability Company. Incorporated by Public Deed on November 8th of 1999, before Notary Public of Santiago, Mr. Eduardo Pinto P. T.I.N. 96.895.660-4
CONTROLADORA DE PLAGAS FORESTALES S.A.	The production, buy and sale of elements and service rendering, aimed at protecting and improving the farming and development of tree species of any kind; production, investigation and training in forestry resources and activities that have relationship with the above mentioned, being able to carry out all acts that direct or indirectly lead to complying with such corporate purpose.	Chilean Private Viability Company. Incorporated by Public Deed on November 12th of 1992, before Notary Public of Santiago, Mr. Enrique Morgan T. T.I.N. 96.657.900-5
GENÓMICA FORESTAL S.A.	Carrying out of all classes of services and activities aimed at developing the forestry genomics, by using biotechnological, molecular and bioinformatics tools; the rendering of services on technology, engineering, biotechnology and bioinformatics; the buy, sell and commercialization of seeds, tools and all class of tangible and intangible tools necessary to comply with the company's corporate purpose; the administration and execution of Forestry Genomics projects.	Chilean Private Viability Company. Incorporated by Public Deed on October 26 of 2006, before Notary Public of Santiago, Mr. Iván Torrealba Acevedo. Excerpt registered on page 2039 v. No. 1705 of the Trading Registry of year 2006 of the Concepción Real Estate Registrar and published in the Official Gazette in the edition dated as of November 16th of 2006. T.I.N. 76.743.130-9

Equity MUS\$	Profit / (Loss) MUS\$	Direct and Indirect Participation	Managing Director	Board of Directors		
1.017.110	161.033	7,74%	Andrés Echeverría Salas	Chairman Directors	Bernardo Matte Larraín Kathleen Barclay Collins Patricio Claro Grez Gustavo de la Cerda Acuña Juan Carlos Eyzaguirre Echenique José Miguel Irarrázabal Elizalde Jorge Gabriel Larraín Bunster Eliodoro Matte Larraín Luis Llanos Collado	(1) (1) (1) (3)
89.487	12.852	38,77%	Demetrio Zañartu Bacarreza	Chairman Directors	Luis Felipe Gazitúa Achondo Demetrio Zañartu Bacarreza Patricio Grez Matte Andrés Serra Pablo Pérez Cruz	(1)
584	(36)	29,01%	Oswaldo Ramírez Grez	Chairman Directors	Jorge Serón Ferré Daniel Contesse González Luis De Ferrari Fontecilla Rodrigo Vicencio Andaur Rigoberto Rojo Guerra	(3)
247	187	25,00%		Chairman Directors	Daniel Contesse González Jaime Baeza Hernández Aldo Cerda Molina Antonio Lara Aguilar Eduardo Rodríguez Treskow	(3)

(1) Director CMPC
(2) Gerente General CMPC
(3) Gerente de CMPC y Filiales

OVERSEAS

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Thomas Wedderwille / Archivo CMPC

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