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r e p o r t





CMPC

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strength

In its 90-year history, CMPC is a company that has overcome several crises and moved on with strength, always giving its collaborators, shareholders and customers a timely response and confidence of continuous growth.

development

CMPC has a diversified portfolio in terms of products and destinations with over 20,000 customers worldwide, which gives the company a commercial flexibility and a significant risk dispersion.

trust

CMPC's sustainable growth has always motivate development, forsaking its identity.

respect for our culture

CMPC is a company with large social awareness and respect for the environment. It has 147000 hectares of undisturbed protected forests to conserve the biodiversity of the Flora and fauna. It also has ethnic integration programmes in the rural areas of Chile.

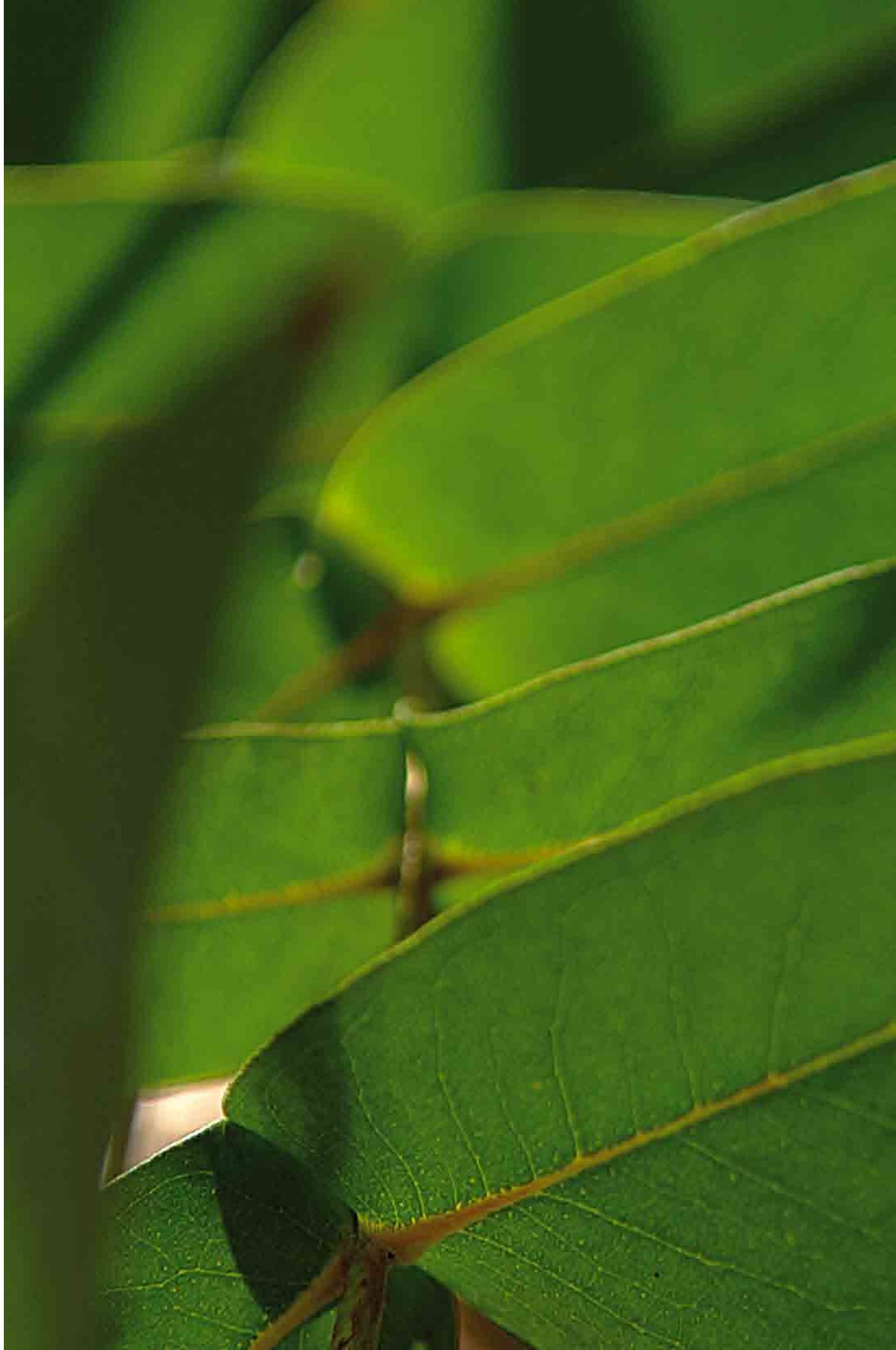


CMPC

history

Empresas CMPC is characterised by having a strong organisational culture, with a seal of keeping its commitments, honesty, a well done job and personal endeavour. These values have been shared by the entire organisation throughout its history ever since it was established in 1920.





1920

CMPC is establishment. The company produced paper, cardboard and pulp based on wheat stram at the Puente Alto mill, south of Santiago, Chile.



1960

First Chilean pulp export from CMPC to South America.

1938

Start-up of newsprint production in Chile on machine N°9 at the Puente Alto paper mill in Chile.



1972

New paper bag facility in Chillán.

1940

Acquisition of the Pinares forest and start of the first radiata pine plantations at the Bio-Bio Region of Chile.

1974

Launch of radiata pine plantation programme.

1985

Start-up of the Mulchén sawmill, in southern Chile.

1986

Purchase of INFORSA, and sale of Papeles Bio-Bio.



1988

Acquisition of a corrugated cardboard mill in Buin in Chile.

1994

Acquisition of IPUSA (tissue) in Uruguay and FABI (paper bags) in Argentina.

1995

Start-up of two new tissue paper mills at Talagante (Chile) and Zárate (Argentina).
CMPC implements a holding structure, through its five business divisions.



1996

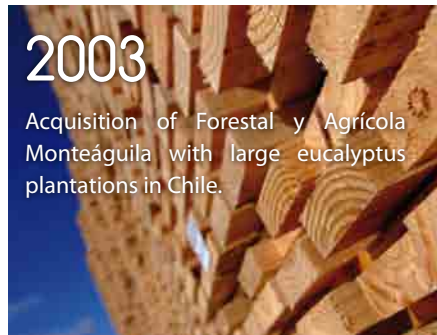
Acquisition of the Argentinean tissue producer La Papelera del Plata.
Start-up of the tissue business in Peru.

2001-2002

The company buys the Til Til corrugated cardboard plant in Chile from Inland.
Inauguration of container, a new corrugated paper mill at the Puente Alto plant in Chile.

2003

Acquisition of Forestal y Agrícola Monteáguila with large eucalyptus plantations in Chile.



2004

Begining of the Santa Fe II pulp mill construction, with a production capacity of 780,000 tonnes a year.

2008

Expansion of the Maule cartonboard mill.
Start-up of three new tissue paper machines in Argentina, Peru, and Uruguay.

2009

Acquisition of The Guaíba pulp mill in the state of Rio Grande do Sul in Brazil (tissue) from Aracruz.
Purchase of Melhoramentos Papéis in Brazil.



2009

Start of the Forest Stewardship Council (FSC) certification process for all the Company's forests.
Start-up of a new paper bags mill in Altamira, Mexico.

1951

Start-up of the Valdivia paper mill, in Chile, initially producing newsprint and kraft. Cartonboard started to be produced towards the end of the decade.



1957

Inauguration of the Bio-Bío newsprint mill in Chile.

1959

Start-up of the Laja mill, the first in Chile.

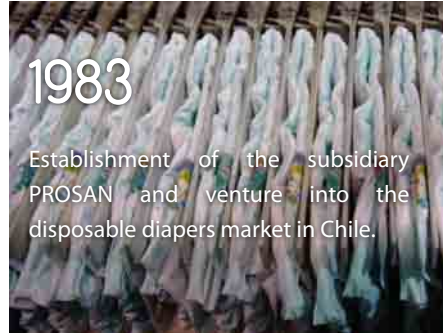
1978

Construction of a moulded pulp trays mill.

Modernisation of the paper machines at Puente Alto, Laja and Valdivia, Chile.

1980

A new tissue products mill is inaugurated in Puente Alto, Chile.



1983

Establishment of the subsidiary PROSAN and venture into the disposable diapers market in Chile.

1990

Launch of a eucalyptus planting programme in Chile.



1991

CMPC's first foreign investment, with the acquisition of the Argentinean diapers producer Química Estrella San Luis S.A. Start-up of the Pacífico pulp mill at the Araucanía Region in Chile.

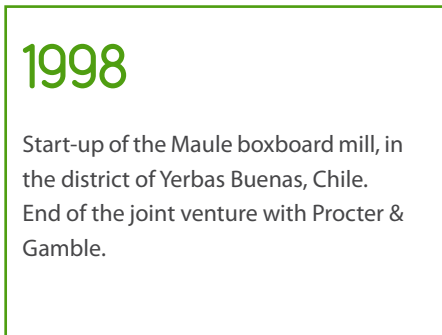
1993

Sale of 50% of the subsidiary PROSAN to Procter & Gamble, entering into a joint venture to develop the disposable diapers and sanitary towels markets in Chile, Argentina, Bolivia, Uruguay and Paraguay.

1997

Consolidation of the pulp business with the acquisition of 100% of the Santa Fe and Pacífico mills.

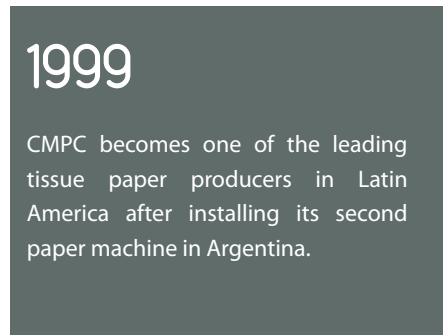
Start-up of a new line to produce corrugated paper for boxes.



1998

Start-up of the Maule boxboard mill, in the district of Yervas Buenas, Chile.

End of the joint venture with Procter & Gamble.



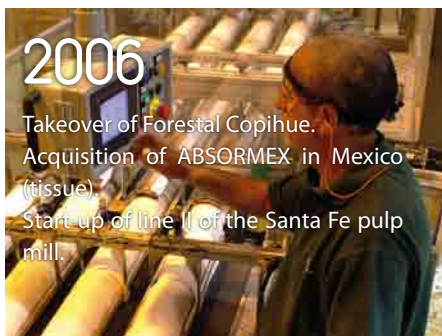
1999

CMPC becomes one of the leading tissue paper producers in Latin America after installing its second paper machine in Argentina.

2005

Start-up of the rebuilt Mulchén sawmill, expansion of the Talagante tissue mill and Maule boxboard mill.

Creation of the subsidiary Servicios Compartidos CMPC. (Shared services)



2006

Takeover of Forestal Copihue. Acquisition of ABSORMEX in Mexico (tissue).

Start-up of line II of the Santa Fe pulp mill.



2007

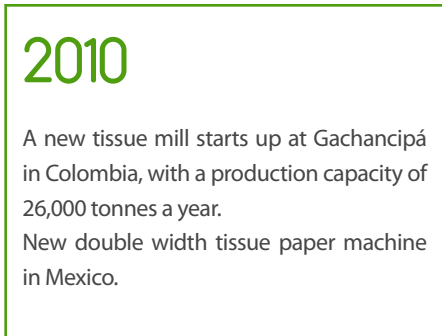
Start-up of a plywood mill at Mininco in the Araucanía Region in Chile.

Acquisition of the Colombian company Drypers Andina, which produces and sales babies' diapers.

2010

The Chilean earthquake of February 27TH causes losses over US\$200 million.

Restructuring of the multiwall sack business under the name of Forsac S.A.



2010

A new tissue mill starts up at Gachancipá in Colombia, with a production capacity of 26,000 tonnes a year.

New double width tissue paper machine in Mexico.



2011

Inauguration of the new corrugated boxes mill at Pichil in Osorno, Chile.

Papeles Río Vergara S.A. is established, which produces newsprint.



10 message from the chairman

14 board of directors

18 subsidiaries



CMPC

the company

Established in 1920 and is a listed corporation of private equities. As of February 29th 2012, CMPC had:

- > 2,226,773,533 common shares
- > 28,904 shareholders



eliodoro
matte
larrain

chairman of
the board

message from the chairman

DEAR SHAREHOLDERS,

I am pleased to present you the Annual Report, Balance sheet and Financial statements of our Company for the year ended 2011.

On May 1st 2011, Mr Hernán Rodríguez Wilson, an industrial civil engineer, assumed as the chief executive officer of the company. He replaced Arturo Mackenna Iñiguez, who was leading the company for 24 years, and now joins CMPC's Board.

During 2011, the global economy showed a steady slow down when compared with the previous year. It was also a year of marked contrasts between developed and developing countries. Structural problems of fiscal solvency, which were already still important issues before 2008, hit countries in Europe and the United States as well. Emerging countries, driven by China and India, continued to grow strongly keeping a certain dynamism in the global economy. This trend has repercussions in CMPC's businesses due to the shift in demand from developed to emerging markets. Volatility

and risk will naturally be maintained in markets because of the deepness and complexity of the financial problems and the political limitations to face them.

Under this scenario, during the second half of 2011, CMPC was affected by a drop in pulp prices and steady pressures on operating expenditures related to higher raw material prices, expenses of projects under development and higher local currency costs when measured in US dollars.

The Company had a 14% increase in consolidated sales amounting to US\$4.797 billion in the year, whereas net income was US\$494 million, which was a 23% year-on-year lower due to the reasons mentioned above.

Results continued to improve in the Forestry business. Over 37,000 hectares (21,000 hectares in Chile, 15,000 hectares in Brazil and 1,000 hectares in Argentina) were planted. In addition, just over 27,000 hectares were harvested, generating 12 million m³ of wood (9.3 million m³ in Chile, 1.7 million m³ of eucalyptus in Brazil, and 1 million m³ in Argentina).

The Company started to undertake the plywood mill expansion project in Mininco, Chile at an investment of around US\$100 million. Start-up is slated for the second half of 2013.

The results in the Pulp business were affected by a decrease in prices and cost pressures when compared to 2010. Total market pulp output was about 2.4 million tonnes, 203,000 tonnes above the previous year (mainly due to the negative effects of 2010's earthquake).

There are large projects underway in this business area. The expansion and modernisation project works on line II of the Santa Fe mill were virtually completed at an investment of US\$155 million, which will boost output to 1,126,000 tonnes of pulp per year. Another major project in this business is the revamping of the Laja mill, where the first stage will increase production to 364,000 tonnes of softwood pulp per year at an investment of around US\$300 million. Due to this per project, the Laja mill will have an electric power generation surplus, going from a current net purchase of about 15 MW of power, to inject 25 MW into the Central Interconnected Grid (SIC).

The project to increase the biomass electric power generation at Nacimiento is in its final phase. A new turbine with 95 MW, at an investment of about US\$150 million, will soon come on stream and be operated by the subsidiary Bioenergías Forestales.

The aim of the Guaíba mill expansion project at Rio Grande Do Sul in Brazil is to add 1.3 to 1.5 million tonnes of pulp capacity a year, being the largest investment ever in CMPC's history. Its scope and complexity compels the Company to be very rigorous, thorough and accurate about its design, approval and subsequent operation. Start-up is scheduled for late 2014.

The Paper business had a better sales and results performance, driven by the boxboard business. CMPC Papeles has opportunities and challenges, as in all businesses, and we intend to grow in the boxboard and packaging businesses, seeking to implement technology changes in the production processes, to attain greater energy efficiency to reach competitive costs.

2011 was a year of sale volumes growth, as well as consolidation of market shares in the Tissue business, positioning CMPC as the second largest tissue paper and sanitary product producer company in Latin America. Nevertheless, during 2011 this business was affected by cost pressures, due to the higher prices of the main raw materials.

Two paper machines started up in 2011 with a combined production capacity of 68,000 tonnes a year, 12 conversion lines with 62,000 tonnes of additional finished products and 3 sanitary product lines with an additional 420 million diapers and women's sanitary towels. All these investments, along with those for process improvements and optimisation, amounted up to US\$219 million.

The large growth potential of tissue and sanitary product consumption in Latin America is an opportunity we will take, seeking to develop competitive advantages through product innovation and efficiency of all processes. The permanent search for greater profitability and efficiency processes are clearly CMPC's main challenges in this business.

The Paper Product business reached higher revenues but lower income due to lags in recovering margins because of higher paper prices, the delay with the start-up of a new mill and lower paper sack sales in Mexico and the United States.

The new Roble Alto mill near the city of Osorno was inaugurated, attended by local authorities, customers and executives. This mill will provide a better customer service from the Araucanía Region southwards.

In 2011, Chile faced a series of social demands which, as a country, we must listen to, analyse and attend as far as we can. At CMPC we have always deemed that community relations are a core element to be considered in the operation of our businesses and we therefore attach particular importance to them. This is a legacy of our ancestors and we firmly embrace such relations.

chairman's message

It is important to endorse our commitment to the communities around our plants. We are concerned about and will consider not only their needs, aspirations and challenges but also our impacts, which we must always mitigate whenever possible. The Company undertakes daily work to get closer to its neighbours, communicate better with them, and work together with an open-door policy. We are convinced that this task must be carried out constantly and resolutely, thinking about generating social and economic development opportunities for those who live around our operations, particularly the 300 Mapuche communities who live near our forest. They have had a history of poverty, and solutions entail a challenge as a Company and Chileans.

Our Good Neighbourhood programme has addressed those challenges and particularly has been focused on generating jobs, education support programmes, furthering productive development, and micro enterprise initiatives, all with the aim of giving our neighbours the tools to improve their quality of life.

Fundación CMPC complements the above, being the pillar of our Company social responsibility. This year it completed 11 years of work, now benefitting 10,000 children who study at 46 schools in 11 districts and 4 regions in Chile.

Regarding environmental matters, we reiterate that we advocate the effective application of the principle of sustainable development, which in essence entails making productive activities needed for the progress of our countries compatible with the legitimate right of future generations to live in a sustainable environment. We are convinced that progress and development should not harm the ecosystem, and strive with imagination and creativity to attain efficient and profitable productive processes that are consistent with current world environmental requirements.

We have prioritised an environmental agenda with four work areas: the development of renewable forest plantations,

replacement of fossil fuels for biomass, certification of our clean productive processes and increase of paper recycling. We forecast we will increase renewable energy generation as a need to mitigate climate change. The technological upgrading of our plants also envisages a plan that in the medium term will boost the recycling of the industrial waste of mills, thereby preventing this being disposed of at industrial waste dumps.

Without disregarding the risks and uncertainty of the markets in which we operate, CMPC has skills, a sound financial structure and it has built up commercial networks and long-term relations with suppliers, contractors and customers that enable it to look ahead with optimism. Just for reference, I can say that in the last 20 years CMPC has increased its assets tenfold and its sales 8.5 times. This path of development and progress, which has made us one of the outstanding companies in the country and region, has entailed and will continue to entail overcoming challenges, which are not limited to the commercial and productive areas. Today, companies face requirements that go beyond markets, on issues such as the environment, labour conditions and community relations. To face them correctly, we believe the Company's traditional flowing and permanent communication with its employees, unions and communities must be strengthened. Contractor companies that provide specialised services at our facilities must be our first allies in this objective. We must urge them to get their management to be aligned with CMPC's purposes. Respect for principles and values, prudence and discipline are considered in all CMPC's actions. This will enable us to carry on being a leading and admired company, which is due to its shareholders, employees, customers, suppliers and neighbours.

I would like to end this letter by thanking shareholders for their trust in our Company and its Board of Directors.

Eliodoro Matte Larraín
Chairman

DIRECTORS



CHAIRMAN
ELIODORO MATTE L.
Industrial Civil Engineer



JORGE GABRIEL LARRAÍN B.
Degree in Business
Administration



MARTÍN COSTABAL LL.
Degree in Business
Administration



ERWIN HAHN H.
Industrial Civil Engineer

CMPC

board of directors

The company is headed by a Board of Directors, which comprises seven members elected by the Annual General Shareholders' Meeting, and they remain three years in their charge.

Its main role, regulated by law 18.046 on limited companies, is to manage the Company. Such law approaches, among other issues, how the Board of Directors must operate, establishing the faculties, obligations and responsibilities of its members. The Board also represents the Company legally and out-of-court for all acts needed to comply with its corporate purpose and achieve that. It is vested with all the administrative and regulatory faculties that the law or articles of association do not set forth as exclusive to the Annual General Shareholders' Meeting.

This Board of Directors convenes monthly to assess and guide the development of the Company on economic, environmental and social matters.

Shareholders can express their views on the performance of the Company at the ordinary and extraordinary meetings summoned legally.

The fees of the Board of Directors vary according to the dividends paid to shareholders. Directors' fees do not vary based on meeting economic, social or environmental targets.



BERNARDO MATTE L.
Degree in Business
Administration



JORGE MARÍN C.
Business Administrator



ARTURO MACKENNA I.
Industrial Civil Engineer

DIRECTORS' COMMITTEE

JORGE MARÍN C.
ERWIN HAHN H.
ARTURO MACKENNA I.

CMPC

management



CHIEF EXECUTIVE OFFICER
HERNÁN RODRÍGUEZ W.
Industrial Civil Engineer



GENERAL SECRETARY
GONZALO GARCÍA B.
Lawyer



CHIEF FINANCIAL OFFICER
LUIS LLANOS C.
Industrial Civil Engineer



> US\$ 1.078 billion
EBITDA

> US\$ 13.300 billion
ASSETS

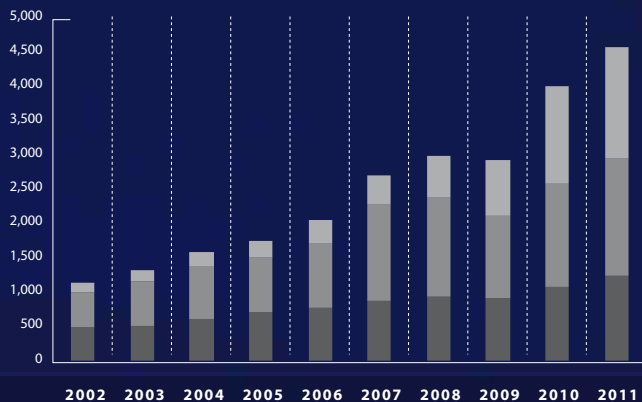
> CMPC has industrial operations
in 8 countries

> US\$ 4.797 billion
SALES in 2011

> Over 1 million hectares of
FOREST

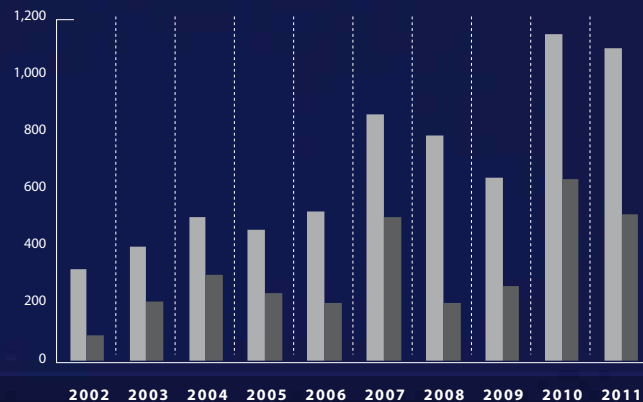
> 15,463 direct employees

CONSOLIDATED SALES FNV (in millions US\$)



- SALES OF SUBSIDIARIES ABROAD
- EXPORT SALES
- SALES IN CHILE

CONSOLIDATED INCOME (in millions US\$)



- EBITDA
- NET INCOME



CMPC

main figures



CMPC

subsidiaries

forestry

FORESTAL MININCO S.A.

- Plantations in Chile, Brazil and Argentina

CMPC MADERAS S.A.

- 3 sawmills
- 2 remanufacturing plants
- 1 plywood plant

> US\$ 137.6
million
EBITDA

> 680,000
hectares planted

wood pulp

CMPC CELULOSA S.A.

- Pacífico mill in Chile
- Santa Fe I, II mills in Chile
- Laja mill in Chile
- Guaíba mill in Brazil

> US\$ 578.7
million
EBITDA

> 2,368 million tonnes
of pulp produced by its
four mills



paper

CMPC PAPELES S.A.

- Papeles Cordillera S.A.
- Cartulinas CMPC S.A.
- Papeles Río Vergara S.A.
- 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. (plants in Chile, Argentina, Peru and Mexico)
- Chimolsa S.A.

> US\$ 176
million
EBITDA

> 1 million tonnes of
consolidated sales

> US\$ 181
million
EBITDA

> 511,000 tonnes
of tissue product
sales

> US\$ 33.2
million
EBITDA

> US\$ 432 million
of sales by the
subsidiary in the
year



forestry

forestal mininco s.a.



CHAIRMAN
Jorge Matte C.

VICE CHAIRMAN
Hernán Rodríguez W.

DIRECTORS
Gonzalo García B.
Bernardo Larraín M.
José Ignacio Letamendi A.
Leonidas Montes L.
Bernardo Matte L.

FORESTAL MININCO 2011

Forestal Mininco manages the Company's forest equity in Chile, Argentina and Brazil. Its subsidiary CMPC Maderas develops and markets solid wood, sawn lumber and remanufactured products and plywood panels.

CMPC's forestry management is certified by the ISO 14.001 and OHSAS standards, as well as with the Sustainable Forest Management Standard (CERTFOR – PEFC) for all the company's forests in Chile. Additionally, CMPC is in the process of obtaining the Forest Stewardship Council (FSC) certification for the company's plantations in Chile and Brazil.

CMPC Maderas has three sawmills in Chile: Bucalemu, Mulchén and Nacimiento and two remanufacturing facilities: Coronel and Los Ángeles; all of them located in the Bío-Bío Region. They produce dry sawn lumber-based products (mouldings, wood boards and laminated products). Finally, the company also owns a plywood mill at Mininco in Region IX.

BUSINESS DEVELOPMENT

The US construction market recovered slightly its activity in 2011, with a housing starts index of 700,000 houses a year, still far from a normal rate. Nevertheless, supply constraints allowed to keep the prices of the remanufactured products.

The building and packaging wood markets in the Middle East and Asia were demanding and showed good prices during the year, mainly explained by supply constraints rather than greater overall demand.

the company

> US\$ 137.6 million
consolidated EBDIT.

In the plywood business, there is a strong demand in some niche markets, but with moderate prices due to the weak US construction market in the US. The brandname SELEX has been gaining position in the wood market year by year.

The consolidated result on Forestal Mininco was higher compared to the amount budgeted for the year, mainly due to the better business performance of Bosques Chile and Bosques del Plata.

In Chile, a total of 20,800 hectares were established in 2011, of which 10,200 hectares correspond to radiata pine, 7,400 to Eucalyptus nitens and 3,200 to Eucalyptus globulus.

Concerning forestry operations in Brazil, a total of 15,000 hectares of eucalyptus were planted in 2011, with a wood output of 1.7 million m³ for the wood pulp mill. Additionally, it was sold an amount of 164,000 m³ of saw logs.

Regarding investments, a plywood expansion project was approved, which considers a new line with similar features to the current line, that will be set up on the same industrial site. This will increase the output capacity to 500,000 m³ a year and the start up is scheduled for the second half of 2013.

> 680,000
hectares planted in
Chile, Argentina and
Brazil.

> 240,000 m³
is produced a year
the PLYWOOD MILL.

> 500 kilometres of
roads built in 2011.

> 400 jobs
for indigenous
communities.



GENERAL MANAGER
Washington Williamson B.

CHAIRMAN

Bernardo Matte L.

VICE CHAIRMAN

Hernán Rodríguez W.

DIRECTORS

Gonzalo García B.
Arturo Mackenna I.
Andrés Echeverría S.
Jorge Matte C.
Sergio Colvin T.

CMPC CELULOSA 2011

CMPC Celulosa is a business unit that produces and markets wood pulp. Its four mills (three in the south of Chile , Santa Fe (lines I and II), Pacífico and Laja; and one in Guaiba in the state of Río Grande do Sul in Brazil) have a total production capacity of 2.5 million tonnes per annum.

CMPC celulosa mills are mainly supplied by it's own cultivated forests. These forests are free of controversies and fully traceable to the final destination, and also under the chain-of-custody certification of CERTFOR-PEFC in Chile and CERFLOR in Brazil. The three mills in Chile have up dated integrated management systems in accordance with ISO 14001, ISO 9001 and OHSAS 18.001 standards.

In 2011, CMPC Celulosa sales where US\$1.750 billion, including sales from its manufacturing operations in Brazil and 80% of the production in Chile was exported, mainly to Asia, America and Europe.

BUSINESS DEVELOPMENT

International wood pulp prices started to increase again in 2011 up to half way through the year. In the first half of the year, and with the exception of the US market, wood pulp demand across all other regional markets grew significantly compared to same period of the previous year. One highlight in the first half of 2011 was the fact that China once again drove the growth of global wood pulp demand.

In the second half of the year, some side-effects of the global financial crisis and the undesired consequences of economic growth policies put in place by governments to cushion its impact were evident in the leading wood pulp consumer markets. This tough macroeconomic scenario hit paper demand. Accordingly, the global paper industry started to have a large surge in inventories of finished products and paper prices dropped. It was therefore compelled to sharply cut back the use of its installed capacity, leading to lower wood pulp consumption. Customers therefore not only reduced their wood pulp purchases to the minimum needed to meet lower paper orders but also kept their stocks low expecting lower prices in the future.

wood pulp

CMPC celulosa s.a.

the company

➤ US\$ 578.7 million consolidated EBDIT.

Due to this demand squeeze, the wood pulp industry reacted in the second half of the year with maintenance stoppages that were longer than usual. However, this was not enough to halt the drop in market prices, which only reached the lowest level late December, largely due to the high purchase volumes of the paper industry and traders in China.

The Laja mill modernisation project continued in 2011, which entails building a new recovery boiler, installing a new evaporator plant and major enhancements to the raw pulp boiling and washing process. It also includes reconvertng the current recovery boiler into a biomass boiler, a new reception yard, wood particle management, the installation of a new turbo generator and supplementary services.

The Santa Fe mill line 2 expansion project was virtually completed, this project consisted of increasing the rated design capacity to 1.126 million tonnes of bleached eucalyptus kraft pulp (BEKP) a year. There is also the Santa Fe energy project, whose aim is to raise the biomass-fired electric power generation at the mill.

The work group in charge of the Guaiba L2 project worked hard so this new line can start up by beging 2015.

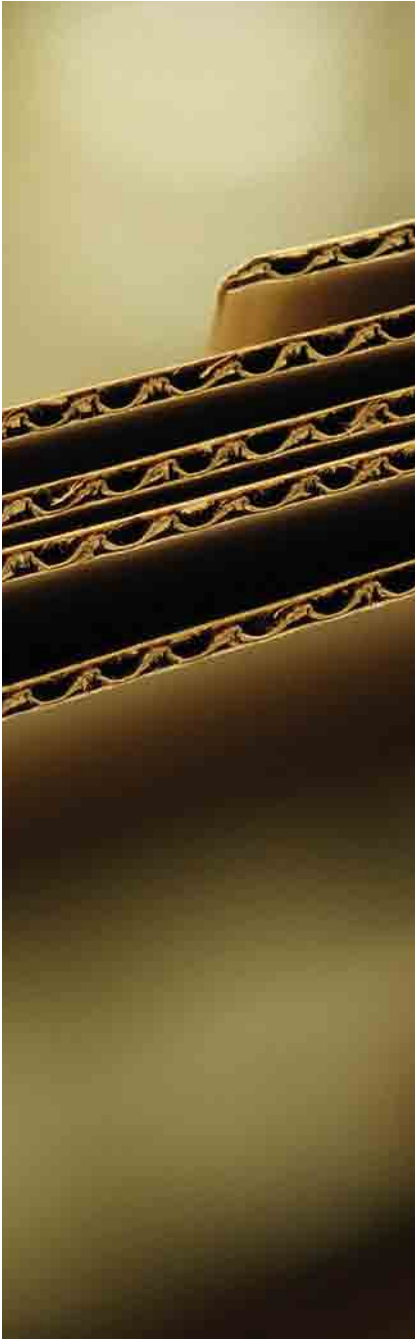
The good co-ordination of the work process between Chileans and Brazilians and the integration of the management support systems should be highlighted, which has advanced according to schedule and is moving daily towards a common corporate culture.

➤ 2.368 million tonnes of wood pulp produced by the four mills.

➤ US\$ 298.7 million invested in the first stage of the Laja mill modernisation project.

➤ US\$ 155.8 million investment in the Santa Fe II expansion project.

➤ 3 million man-hours with no lost-time accidents at the Laja mill



GENERAL MANAGER
Eduardo Serrano S.

CHAIRMAN
Martín Costabal LI.

VICE CHAIRMAN
Hernán Rodríguez W.

DIRECTORS
Andrés Echeverría S.
Bernardo Matte L.
Luis Llanos C.
Eliodoro Matte C.
Sergio Colvin T

PAPELES 2011

CMPC Papeles is the subsidiary that produces and markets folding boxboard, containerboard wrapping paper and newsprint. It also runs a distribution unit and another area that recovers paper throughout Chile to be recycled in our plants.

Cartulinas CMPC produces 390,000 tonnes of folding boxboard a year at its two mills, of which 84% is exported to countries in Latin America, Europe, Asia and the United States.

Papeles Cordillera markets around 325,000 tonnes of containerboard, wrapping paper, gypsum board laminated and industrial paper a year.

Papeles Río Vergara produces and markets newsprint in Chile and Latin America, North America, the Caribbean and Asia are the main export markets.

Edipac markets in Chile all grades of paper, some produced by CMPC and others by third parties. It has sales of 117,000 tonnes a year.

Sorepa is a subsidiary that collects waste paper and corrugated boxes for recycling to be used as a raw material at the Company's various paper mills.

BUSINESS DEVELOPMENT

This business area had sales of US\$967 million in 2011, a 14% year-on-year increase.

Cartulinas CMPC had sales of 390,000 tonnes, 3.3% up on the previous year. Domestic sales and exports amounted to 63,000 tonnes and 326,500 tonnes, respectively.

Inforsa was merged into Empresas CMPC in 2011. On 1 September 2011, Inforsa transferred its industrial assets and liabilities to the recently established Papeles Río Vergara S.A.

paper

CMPC papeles s.o.

the company

> US\$ 176 million
consolidated EBDIT.

Operations at this mill generated sales of US\$133 million, a 12.7% year-on-year increase.

Papeles Cordillera had sales of 324,000 tonnes, 2.2% down on 2010. Domestic market sales amounted to 277,000 tonnes and exports to 47,000 tonnes.

It should be highlighted that in 2011 Papeles Cordillera secured recertification pursuant to the ISO 9001 (quality) and ISO 14001 (environmental) standards. It has also just attained certification in accordance with the OHSAS 18001 occupational safety and health standard, thereby completing the integrated management system.

Edipac had record sales of 127,000 tonnes in 2011, which pushed up its market share of major products from 33% to 36%.

Sorepa opened a new branch in Chillán, which will boost purchases of recyclable paper in that area. Purchases were 13% up on the previous year. This subsidiary achieved an important growth of recovered papers, reaching 370,000 tonnes.

> 370,000
tonnes of paper a
year recovered by
the subsidiary Sorepa.

> Consolidated sales of
1 million tonnes
a year

> Papeles Río Vergara
produced 190,000
tonnes in the year



tissue

CMPC tissue s.o.



GENERAL MANAGER
Jorge Morel B.

CHAIRMAN

Arturo Mackenna I.

VICE CHAIRMAN

Hernán Rodríguez W.

DIRECTORS

Gonzalo García B.
Jorge Hurtado G.
Bernardo Matte I.
Jorge Matte C.
Bernardo Larraín M.

CMPC TISSUE 2011

CMPC Tissue is the subsidiary that produces and markets toilet paper, paper towels, paper napkins, facial tissues, baby and adult nappies and women's sanitary towels.

It is one of the leading producers of tissue products in Latin America and is focused on mass consumption products. It has industrial operations in Chile, Argentina, Uruguay, Peru, Brazil, Colombia, Ecuador and Mexico.

Products are marketed under own brands, which have attained high consumer acceptance. Elite is the regional brand name. Likewise, Confort and Nova in Chile, and Higienol and Sussex in Argentina, are leading brands in the toilet paper and paper towel markets, respectively. Disposable baby and adult nappies and women's sanitary towels are marketed under the Babysec, Cotidian and Ladysoft brands.

BUSINESS DEVELOPMENT

2011 was a year of volume growth and consolidation of market share. However, the company had to address a large cost increase due to higher prices of the main raw materials.

The results in Chile, Peru and Uruguay were as budgeted. The highlight was the position attained in Peru, where market leadership was maintained with an increase in profits.

The operating level of this business positioned the company as the number two producer in Latin America and eleventh worldwide.

Concerning investments, this subsidiary completed the most important investment project in Brazil since the acquisition of Melhoramentos Papeis, i.e., expansion of the production capacity entailing installing a double-width tissue paper machine that can produce 51,000 tonnes a year. Work is being done in Chile to install a double-width

the company

> US\$ 181 million
consolidated EBDIT.

paper machine at Talagante, which should start up in early 2013.

In 2011, the paper machines in Colombia and Mexico reached their design capacities after their start-up in the second half of 2010.

Moreover, operations started in the sanitary product market in Brazil with the start of adult nappy production at the Sanitarios mill at Caieiras in Sao Paulo and baby nappy and women's sanitary towel machines will be added in 2012. In addition, a new nappy machine was installed in Mexico and a women's sanitary towel machine in Argentina. In 2012, baby nappy machines will start up in Chile and Argentina and a women's sanitary towel machine in Mexico.

There was further progress in the Brazilian tissue market with an increase in market share. In Mexico, Absormex managed to improve its results which, in addition to significant growth, enables an increasingly more profitable and important CMPC operation to be forecasted in this region of Latin America.

In Argentina, Papelera del Plata set up its new administrative offices at Tortuguitas north of the city of Buenos Aires. A new distribution centre also started to operate on this site.

> 511,000
tonnes of tissue
product sales.

The large contribution made by Ipusa in Uruguay to the product supply in the Mercosur (South America's leading trade bloc) should be highlighted. During the year, 45% of its production was exported to this market.

Large progress was achieved in Ecuador with development of the nappy product category and tissue products have gained a market share of over 20%.

> 1.9 billion baby
nappies were sold.

> Output in Peru will
increase by 14,000
tonnes per annum.



paper
products

CMPC productos de
papel



GENERAL MANAGER
Jorge Navarrete G.

CHAIRMAN

Juan Carlos Eyzaguirre E.

VICE CHAIRMAN

Hernán Rodríguez W.

DIRECTORS

Martín Costabal Ll.

Andrés Infante T.

Luis Llanos C.

Bernardo Matte I.

Eliodoro Matte C.

CMPC PRODUCTOS DE PAPEL 2011

This business area of CMPC produces and markets paper products, like corrugated boxes for a variety of uses, industrial sacks, bags and moulded pulp trays. It has subsidiaries in Chile, Argentina, Peru and Mexico and exports its products to Latin America and the United States.

The corrugated box business is managed through two companies in Chile: *Envases Impresos* produces boxes for the fruit industry and *Envases Roble Alto* handles the industrial sector, the salmon farming industry and wine sector. They are both leaders of their respective segments in the Chilean market.

CMPC has four business units that produce industrial sacks in Chile, Argentina, Peru and Mexico. Under the regional Forsac brand, it covers markets in the United States, the Caribbean and Latin America, having a leading position in some countries and a relevant player in others.

The moulded pulp tray business is run by the subsidiary *Chimolsa*. In Chile it produces egg trays and cartons as well as apple and avocado export trays.

BUSINESS DEVELOPMENT

CMPC Productos de Papel had sales of US\$432 million in 2011, an 18% year-to-year increase.

Envases Impresos and *Roble Alto* jointly achieved box sales of 208,000 tonnes, which were 4% up on 2010 and mainly explained by greater sales in the fruit vegetable and salmon sectors.

Roble Alto started up its new corrugated cardboard plant at *Pichil* close to *Osorno* in southern Chile, which has a production capacity of 25,000 tonnes a year and entailed an investment of US\$24.3 million. This new mill will focus on regional customers in southern Chile, mainly the salmon farming, meat, dairy fruit and vegetable industries,

the company

> US\$ **33.2** million
consolidated EBDIT.

providing a better service to these customers, as they grow, due to its closeness.

Despite global economic instability and uncertainty, the different subsidiaries of Forsac had total sales of 517 million multiwall sacks in 2011, a 10% year-to-year increase.

Forsac invested over US\$18 million in 2011 to enhance its plants and raise its share of the different markets in which it operates. A further highlight was the purchase of an industrial site in the city of Guadalajara in Mexico to set up a new plant to address the local market and the United States. In 2012, Forsac, will continue to drive the internationalisation of the business, stepping up operations in the markets in Mexico, the United States and the Caribbean, mainly.

Chimolsa's tray sales were 2% up on the previous year, due to higher egg and avocado tray sales. A production expansion project was approved in 2011, which will boost the output capacity by 25% and will also includes thermoforming technology for top quality product innovation.

> Forsac will produce
517 million sacks a
year.

> This subsidiary had
sales of US\$ **432**
million in 2011.



CHAIRMAN

Luis Llanos C.

DIRECTORS

Francisco Ruiz-Tagle E.
Washington Williamson B.
Eduardo Serrano S.
Jorge Morel B.
Jorge Navarrete G

GENERAL MANAGER

Jorge Araya D.

SERVICIOS COMPARTIDOS CMPC -2011

The aim of this shared services subsidiary is to provide accounting and administrative, procurement, information technology and communications, and payroll services needed by CMPC's business areas with high quality standards and competitive costs aimed at the continuous improvement and standardisation of sound administrative processes.

A tender process was launched in 2011 for the datacenter outsourcing services, which was awarded to IBM Chile for the next five years. In addition, SAP projects were implemented at subsidiaries in Mexico and Uruguay.

New accounts payable software was implemented, which also facilitates the incorporation of foreign subsidiaries client of Servicios Compartidos CMPC.

A platform was created on CMPC's intranet in 2011 for internal applications for vacant job positions and online personnel and payroll information. A kiosk system was also developed to provide CMPC's staff with labour and salary information, which is in the roll-out stage for subsidiaries requesting this service.

service
subsidiaries

servicios compartidos
CMPC

the company



CHAIRMAN

Hernán Fournies L.

DIRECTORS

Andrés Larraín M.
Guillermo Mullins P.

GENERAL MANAGER

Felipe Eguiguren.

PORTUARIA CMPC 2011

Portuaria CMPC S.A. is a company that provides port and logistics services. It plays a port integration and coordination role for Empresas CMPC and its subsidiaries, managing the allocation of shipment to ports and dispatch of cargo from mills, sawmills and other facilities. It also co-ordinates the hiring of ocean freight.

Its main functions include controlling port stocks, logistics and supervision of export cargo, administration of exports and port contract documentation.

service
subsidiaries

portuaria CMPC



CMPC

sustainability, community and the environment

SUSTAINABILITY, COMMUNITY AND THE ENVIRONMENT - 2011

CMPC does business by seeking to forge a balanced and long-term relationship with its shareholders, employees, suppliers, service companies and customers, along with the surrounding communities and the environment. They are all core factors in the Company's social responsibility policy and various social initiatives are undertaken in this area.



FUNDACIÓN CMPC

Fundación CMPC was established in 2000 to develop educational support projects in state schools and cultural projects. It has completed 11 years of this work with rewarding achievements endorsing its mission, objectives and principles, which have entailed collaborating with state education in the communities where the Company operates, and this contribution is of high strategic value to the company.

The objectives set have been met, improving the academic performance of primary school children, enhancing good relations between CMPC and communities, using resources efficiently, and providing the maximum value to the region.

In 2011, Fundación CMPC collaborated with 11 districts in the Metropolitan, Maule, Bío-Bío and Araucanía Regions, benefitting 46 schools and about 10,000 children.

THE GOOD NEIGHBOURHOOD ENGAGEMENT PLAN

The Good Neighbourhood Engagement Plan, which has been undertaken for 12 years, aims to get the company closer to rural communities to create social and economic development opportunities for them. Forestal Mininco therefore decided to focus on creating a system to help and support these communities who live in areas around the Company's forest lands, providing jobs for heads of household, training, study scholarships for their children and various donations in different areas. These not only make a contribution to their productive development but also improve their quality of life, thereby helping them to fulfil their dreams and address their challenges. This plan has four areas of action: employability, entrepreneurship, education and ethnic groups.

It operates in regions VII, VIII, IX and XIV, and the most successful activities in 2011 were the trade building courses in which people were trained on how to use and maintain a chain saw and the trade building course on becoming a forest machinery operator.

A further programme undertaken in the year was on recognising and disseminating the Mapuche culture. In 2011, a Mapuche community survey was conducted on designing protection and management plans for 18 sites of cultural interest identified on the Company's forest lands.

JORGE ALESSANDRI EDUCATIONAL PARK

The aim of the Jorge Alessandri Educational Park on the Concepción to Coronel road is to disseminate the productive, forestry and environmental work of Empresas CMPC by means of educational and cultural activities that are free and open to the whole community. Its cultural and educational areas include the Cultural Centre, park trails, native forest, a cultural amphitheatre, an educational greenhouse, the Tree Hall and Artequín Museum, which have been visited by more than 1.4 million people since the park was opened 1993.

In 2011, a three-kilometre trekking trail was inaugurated in the park, which gives visitors an outing combining physical activity and different landscape. The trail goes through native forest, ravines, streams, forest plantations and has a spectacular view of the mouth of the Bío-Bío River.

The park was visited by a record of over 154,000 people in 2011.



ENVIRONMENT

In the environmental area, the Company advocates the real application of sustainable development principles, which in essence entails making the productive activities required for Chile's progress compatible with the legitimate right of future generations to live in a fitting environment. In 2011, we were invited to form part of the World Business Council for Sustainable Development (WBCSD), which is an organisation that brings together leading global companies that are concerned about the sustainable development of business.

An environmental agenda has been prioritised into four work areas: development of renewable forest plantations, replacement of fossil fuels with the biomass, certification of clean productive processes and an increase in paper recycling.

We intend to increase renewable energy generation as a need to mitigate climate change. The technological upgrading of our mills also envisages a plan to boost the recycling of industrial waste from mills in the medium term, and preventing this from being disposed of at industrial waste dumps.

The responsibility to future generations compels us to be very strict about environmental and biodiversity conservation. It is always necessary to have clean productive processes that comply with current legislation.

Environmental commitments are contained in the Sustainable Development Report, in which the Company Chairman set out the guidelines for this important area.

sustainability, community
and the environment

> **10,000**
children are
supported each year
by Fundación CMPC.

> **154,000**
people visited the
Jorge Alessandri
Educational Park.

> The Company has
87,000 direct
neighbours on all its
forest lands.

> **4,500** people
participated in the
teacher training
programmes.

> **7** areas of high
environmental value
are preserved by
CMPC on its lands.





CMPC

Financial information



1. OVERVIEW OF THE YEAR

CMPC had consolidated net income of US\$494 million in 2011, which was a 23% decrease on the US\$640 million in 2010. This drop in income was due to lower margins because of greater operating costs and expenditure, related to higher raw material prices, expenditure of projects underway and costs in local currency. Moreover, the effect of deferred income tax led to a year-on-year net negative tax difference of US\$70 million.

Operating income amounted to US\$4.797 billion in the year, increasing 14% on the previous year. In operating terms, the EBITDA² was US\$1.078 billion, a 5% year-on-year decrease.

The forestry business had a 17% increase in revenue in 2011, driven by overall higher volumes and prices across the different business lines, highlighting the export markets for the industrial area's products and better operating efficiency.

Revenue climbed 6% in the wood pulp business. Despite the drop in prices, this increase was mainly due to higher volume on account of the lower comparison base because of the effects of the earthquake of 27 February 2010.

The paper business had a 14% revenue increase, mainly because of higher export volumes and prices of cartonboard and newsprint, whose production, sales and costs were hit by the Chilean earthquake in 2010.

Revenue rose 19% in the tissue business because of higher sales volumes from the expansion of this business in Latin America. It should be particularly highlighted that in the third quarter of 2010 two new tissue paper machines came on stream in Mexico and Colombia, and two new

tissue paper machines started up in Brazil (June) and Peru (August) in 2011.

The paper product business had a revenue increase of 18% due to higher prices and volumes of multiwall sacks. Nevertheless, the costs of paper and other raw materials hit the year-on-year operating income of this business.

Non-operating income had lower "Other profits (losses)" than the previous year, as the insurance indemnities received due to the earthquake of 27 February 2010 were stated that year. Moreover, a negative deferred tax of US\$37 million was stated in the item "Income Tax" against a positive tax of US\$33 million in the same period of the previous year. This is explained by the exchange rate appreciation effect on CMPC's tax accounting, which is stated in the local currency of each country where the Company operates.

The Company had financial debt³ of US\$3.273 billion for the year ended 31 December 2011 against US\$2.834 billion for the same period in 2010. Cash flow⁴ amounted to US\$822 million for the year ended 31 December 2011. CMPC's net financial debt (financial debt minus cash flow) was therefore US\$2.452 billion for the year ended 31 December 2011, which was a US\$268 million year-on-year increase. The net debt to EBITDA⁵ ratio rose from 1.92 times for the year ended 31 December 2010 to 2.27 times for the 2011 year-end.

2. INCOME ANALYSIS

Tabla N°1 shows the main components of consolidated statement of income of Empresas CMPC.

2. See Table N°1

3. Financial debt: total interest-bearing loans + other obligations + liabilities of swaps and cross currency swaps + hedging liabilities – assets from swaps and cross currency swaps – hedging assets (see notes N°8 and 22 to the consolidated financial statements on the CD enclosed).

4. Cash flow: cash and cash equivalents + time deposits with maturity of 90 days to one year (see note N°8 to the consolidated financial statements on the CD enclosed).

5. Considering an EBITDA accumulated over a 12-rolling month period.

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Reasoned analysis of the consolidated financial statements for the year ended 31 December 2011

TABLE Nº1: CONSOLIDATED STATEMENT OF INCOME

(Figures given in thousands of US\$)

	2011	2010
Total current revenue	4,796,519	4,219,172
Operating cost (1)	(3,120,295)	(2,572,041)
Operating margin	1,676,224	1,647,131
Other costs and operating expenses (2)	(597,818)	(509,353)
EBITDA	1,078,406	1,137,778
EBITDA/operating income %	22%	27%
Depreciation and stumpage (3)	(413,415)	(386,726)
Revenue from net biological asset growth (4)	110,356	59,374
OPERATING INCOME	775,347	810,426
Financial income	36,673	14,080
Financial costs	(162,918)	(134,672)
Interest in profit (loss) of related companies	11,544	17,480
Exchange rate difference	31,235	(24,327)
Price-level restatement	(20,505)	(20,583)
Other profits (loss)	(31,176)	52,992
Income tax	(145,727)	(75,374)
NET INCOME (PROFIT)	494,473	640,022
Net margin (5)	10%	15%

(1) Sales cost less depreciation, less harvested plantation formation cost, less higher cost of the plantations harvested and sold arising from revaluation due to their natural growth (see note 12: Biological Assets).

(2) Distribution costs, administration and other operating expenses.

(3) Harvested plantation formation cost (see note 12: Biological Assets).

(4) Profit from the natural growth of plantations, less higher cost of the harvested and sold portion (see note 12: Biological Assets).

(5) Total net income (profit)/current revenue

CMPC is a leading producer of forest products in Latin America. Its main products are sawn and remanufactured wood products, plywood, long and short-fibre wood pulp, cartonboard, corrugated paper, newsprint, tissue products, diapers, feminine sanitary towels, corrugated cardboard boxes, multiwall paper sacks, and moulded pulp products. CMPC is structured into five business areas: forestry, pulp, paper, tissue and paper products which, coordinated strategically and sharing administrative support functions, act independently to serve markets with very different products and dynamics.

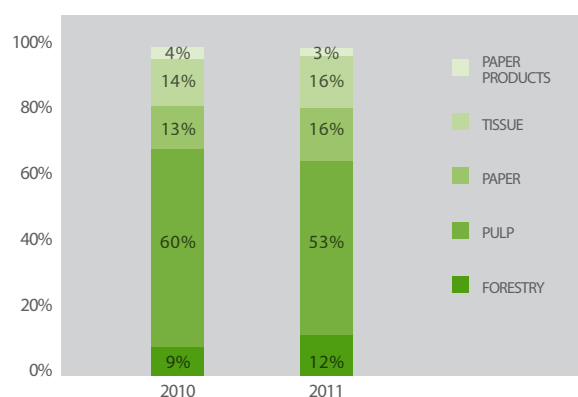
CMPC had a 14% sales increase in 2011 compared to 2010, and total costs rose 21%. The operating margin, pursuant to the International Financial Reporting Standards (IFRS), increased by 2% and amounted to US\$1.676 billion.

The consolidated EBITDA of Empresas CMPC was US\$1.078 billion in 2011, 5% down on that of the previous year. This is mainly explained by higher sales costs due raw material price increases, and these higher costs were partly offset by greater revenues from export sales, domestic sales in Chile and local sales of foreign subsidiaries, because of higher volumes of the main products in those markets and better prices of tissue products, cartonboard, newsprint, multiwall

sacks and corrugated paper. It should be highlighted that income in 2010 was hit by lower sales volumes because of the earthquake on 27 February 2010. The EBITDA margin (EBITDA on current revenue) was 22% in 2011 and lower than the 27% in 2010. Fig. N°1 shows the EBITDA breakdown by business area.

FIG. N° 1: EBITDA BREAKDOWN BY BUSINESS AREA

GIVEN IN US\$ AND ACCRUED UP TO DECEMBER



Non-operating income had lower Other profits (losses) than the previous year, since the insurance indemnities received because of the earthquake on 27 February 2010 were stated in 2010. Moreover, the interest generated from higher gross debt had a negative effect, which led to greater financial costs. Income tax was higher than in 2010 because of the effect of the depreciation of local currencies on deferred tax late in the year⁶.

That was partly offset by exchange rate difference earnings, mainly due to the lower value of financial liabilities expressed in Chilean pesos on account of the appreciation of the US dollar (functional currency) against the Chilean peso in the second half of 2011.

2.1.- SALES ANALYSIS

CMPC is characterised by product and market diversification. Current revenue accumulated up to the year ended 31 December 2011 amounted to US\$4.797 billion, which was a 14% year-on-year increase. That was mainly due to a 10% export sales increase, a 15% sales increase in Chile and 20% sales increase of foreign subsidiaries.

Fig. N°2 shows that on comparing January-December 2011 with the same period in 2010 the relative share of sales of foreign subsidiaries increased by 1%, local sales in Chile remained at a 24% share and the share of export sales dropped by 1%.

FIG. N° 2: ACCUMULATED SALES BREAKDOWN

GIVEN IN US\$ AND ACCRUED UP TO DECEMBER

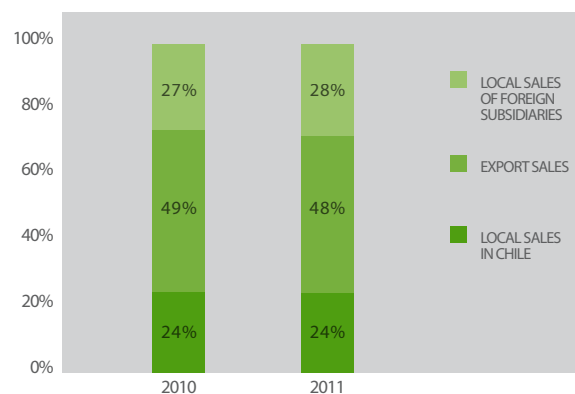


Fig. N°3 shows the relative share of each of CMPC's business areas of the consolidated sales.

6. See note n°36 to the consolidated financial statements on the CD enclosed.

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FIG. N° 3: BREAKDOWN OF CONSOLIDATED SALES TO THIRD PARTIES BY BUSINESS AREA

GIVEN IN US\$ AND ACCRUED UP TO DECEMBER

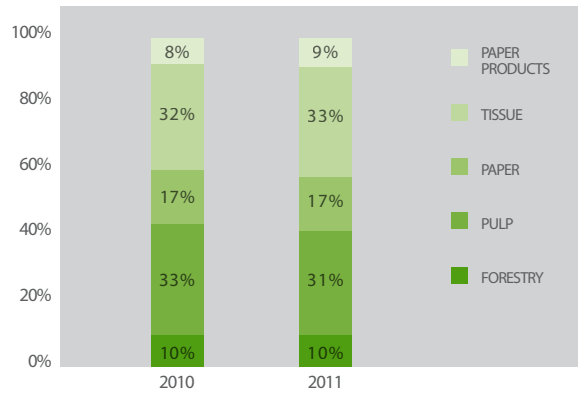
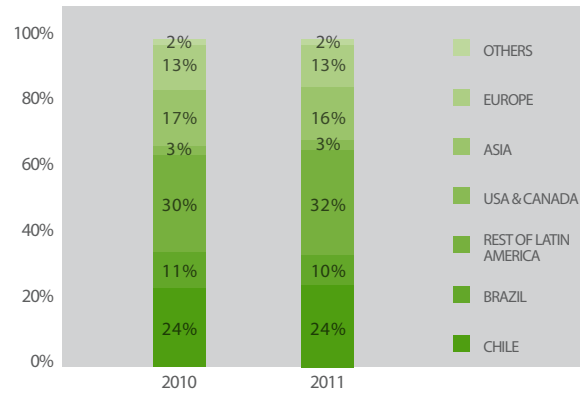


Fig. N°4 shows the sales breakdown by market.

FIG. N° 4: SALES BREAKDOWN BY MARKET

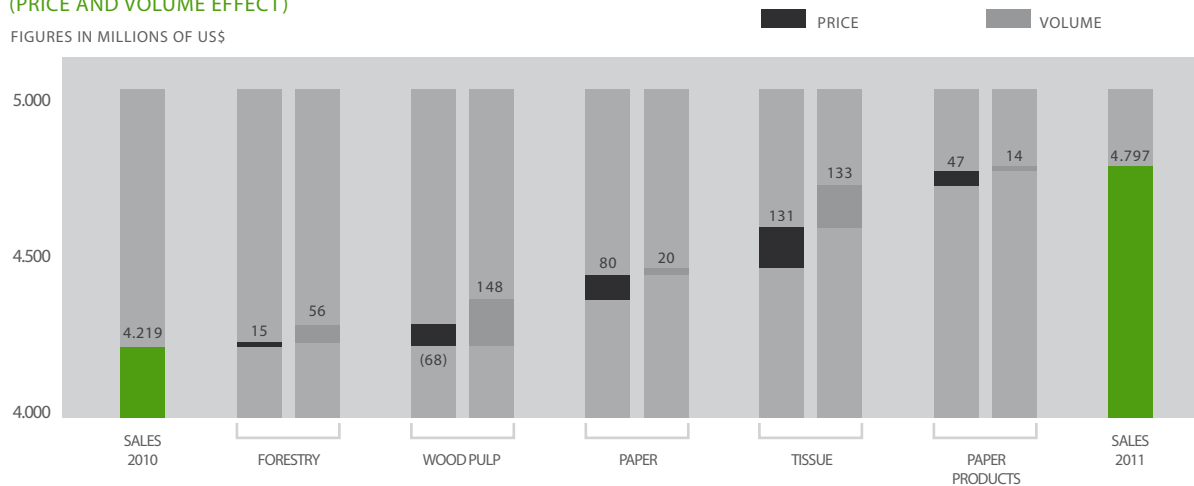
GIVEN IN US\$ AND ACCRUED UP TO DECEMBER



All the business areas had higher sales revenues in 2011. The tissue business also had a higher relative share of consolidated sales of 33% and the share of the pulp business dropped to 31%. These two business areas combined accounted for 64% of the Company's consolidated sales to third parties.

FIG. N° 5: CONSOLIDATED SALES VARIATION ANALYSIS (PRICE AND VOLUME EFFECT)

FIGURES IN MILLIONS OF US\$



2.2.- ANALYSIS BY BUSINESS SEGMENT

- **The forestry business** had a 17% increase in revenue on the previous year, mainly driven by higher export volumes of sawn and remanufactured wood products and plywood panels. The main products of this business area also had higher prices.

The EBITDA of CMPC's forestry area rose 34% for the year ended 31 December 2011 compared to the same period of the previous year. That was because of higher margins of all business lines, mainly the pine and eucalyptus forestry businesses, sawn wood and plywood panels due to better prices and greater efficiency arising from a strategy of focusing on more profitable business segments and markets.

- **The pulp business** had a 6% increase in revenue. This increase, despite the price decrease, is mainly explained by the higher volume due to the lower comparison base because of the effects of the earthquake of 27 February 2010. The short-fibre pulp export volume rose 19% and the long-fibre pulp exports fell 1% on the previous year. On the other hand, the average export price of short-fibre pulp dropped 8% to US\$681 per tonne CIF. The average CIF price of long-fibre pulp exports was US\$801 a tonne in the year and was similar to the average in 2010. Moreover, costs of the main raw materials and supplies in this business area increased, with higher wood, chemical and freight costs, driven by the 21% increase in the average international price of oil in 2011. As a result of this more adverse scenario, the EBITDA in the pulp business fell 18%.

- **The paper business** had a 14% year-on-year increase in

revenue due to higher product sales prices and volumes. The sales volume rose 3% on average, with newsprint and cartonboard increasing 6% and 4%, respectively, and prices rose by 11% on average.

The EBITDA of this business area climbed 13%, explained by higher margins of the main products and particularly the contribution of the cartonboard and newsprint businesses.

The tissue business had a 19% year-on-year increase in revenue, mainly due to higher regional prices (expressed in US dollars) in 2011. There was also a 9% increase in the total sales volume as a result of the expansion plan this business area is carrying out in Latin America. The start-up of new tissue paper machines in Mexico and Colombia in the third quarter of 2010 and in Brazil and Peru in 2011 should also be highlighted.

Nevertheless, the EBITDA of this business area only rose 8% due to higher overhead costs.

The paper product business had an 18% year-on-year sales revenue increase, explained by higher sales prices in the corrugated cardboard box business and increased multiwall sack volumes and prices.

Despite the greater sales, the paper product business EBITDA dropped 20%, explained by higher raw material costs, mainly corrugated and sack paper, and by greater overheads.

3. CONSOLIDATED BALANCE SHEET ANALYSIS

Financial information

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The performance of assets and liabilities for the year ended 31 December 2011 compared to the same period of the previous year was as follows:

Current assets had a net increase of US\$220 million, mainly due to greater cash. In terms of accounts, this net increase was reflected by other financial assets increasing US\$120 million, inventories US\$63 million, cash and cash equivalents US\$40 million and other non-financial assets US\$9 million. That was offset by a US\$11 million drop in trade receivables and other accounts receivable.

Non-current assets had a net increase of US\$197 million, mainly because of increases in biological assets of US\$119 million, property, plant and equipment of US\$106 million and duties receivable of US\$24 million. That was offset by lower investments in related companies of US\$37 million, appreciation of US\$10 million and deferred tax assets of US\$8 million.

Net shareholders' equity (which pursuant to the IFRS includes the interest of minority shareholders) rose US\$27 million, mainly due to the net profit obtained in 2011 after deducting the recognised dividends according to the policy established at the Shareholders' Meeting. In addition, there was a capital increase of US\$55 million due to the merger with Inforsa, higher other reserves of US\$80 million and acknowledgement of income from financial instrument cash flow hedges of US\$2 million, offset by a US\$252 million drop in the recognition of conversion adjustments for those subsidiaries whose functional

currency is other than the US dollar. Moreover, the buy-back of own shares by CMPC amounting to US\$30 million as part of the Inforsa merger process (see the statement of changes to net shareholders' equity and Note N°28 to the consolidated financial statements on the CD enclosed) is stated in shareholders' equity after deduction.

TABLE N° 2: BALANCE SHEET OVERVIEW

(Figures given in thousands of US\$)

	DECEMBER 2011	DECEMBER 2010
Current assets	3,248	3,028
Non-current assets	10,046	9,849
TOTAL ASSETS	13,294	12,876
Current liabilities	1,058	1,321
Non-current liabilities	4,387	3,734
TOTAL LIABILITIES	5,445	5,055
TOTAL SHAREHOLDERS' EQUITY	7,848	7,822
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES	13,294	12,876

TABLA N° 3: FINANCIAL INDICATORS OF THE BALANCE SHEET

	2011	2010
LIQUIDITY (TIMES)		
Current liquidity:		
Current assets/current liabilities	3.07	2.29
Acid-Test Ratio		
Available assets (current – inventories – advance payments)/current liabilities	2.08	1.55
DEBT		
Debt ratio:		
Total liabilities/controller's equity	0.69	0.66
Short-term debt ratio:		
Current liabilities/total liabilities	19.4%	26.1%
Long-term debt ratio:		
Non-current liabilities/total liabilities	80.6%	73.9%
Financial cost hedging:		
Pre-tax profit and financial costs/financial costs	4.93	6.31
<small>Book value per share (US\$) (1)</small>		
Controller's equity/number of shares (US\$)	3.53	3.48
ACTIVITY		
Turnover of assets		
Current revenue/total average assets in the year	0.37	0.34
Inventory turnover		
Sales cost/average inventory in the year	3.75	3.66
Stockholding period		
Average stock in the year *360/sales cost (annualised)	96 days	98.5 days

(1) For comparison, 2.2 billion shares were considered in December 2010 and 2.219,4 billion shares in December 2011.

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4. CASH FLOW ANALYSIS

The main components of the net cash flows in 2011 and 2010 were as follows:

TABLE N° 4: NET CASH FLOW

(Figures given in thousands of US\$)

	DECEMBER 2011	DECEMBER 2010
Net cash flow from (used in) operating activities	812,811	789,308
Net cash flow from (used in) investment activities	(832,612)	(900,440)
Net cash flow from (used in) financing activities	77,137	(306,199)
Net increase (decrease) in cash and cash equivalents before exchange rate variation effects	57,336	(417,331)
Exchange rate variation effects on cash and cash equivalents	(17,508)	46,124
Net variation of cash and cash equivalents	39,828	(371,207)
Cash and cash equivalents at the beginning of the year	364,529	735,736
Cash and cash equivalents at the end of the year	404,357	364,529
Time deposits with maturity of 90 days to one year	417,464	285,396
Cash flow at the end of the year	821,821	649,925

The performance of the main components of the consolidated cash flow in 2011 compared to 2010 was as follows:

Consolidated operating activities generated positive operating cash flows of US\$813 million in 2011 (US\$789 million in 2010).

Consolidated investment activities in 2011 used US\$833 million of funds (US\$900 million for the year ended 31 December 2010), mainly explained by net investment flows made to purchase property, plant and equipment of US\$637 million (US\$460 million for the year ended 31 December 2010), other investments of US\$139 million for the year ended 31 December 2011 (US\$266 million for the year ended 31 December 2010), highlighting investments in time deposits with maturity of 90 days to 1 year and purchases of other long-term assets of US\$129 million (US\$116 million for the year ended 31 December 2010).

Consolidated positive net financing flows in 2011 accounted for net fund obtainment of US\$77 million, due to loans of US\$1.361 billion (US\$866 million of short-term loans and US\$495 million of long-term loans). That was offset by loan payments of US\$902 million, dividends paid of US\$206 million, interest payments classified as financial flows of US\$138 million and Inforsa paying US\$37 million to buy back shares from shareholders who exercised their withdrawal right in the Inforsa merger with Empresas CMPC.

5. NET INCOME AND DIVIDEND ANALYSIS

The Company had net income of US\$494 million in 2011, which was a 23% year-on-year decrease. Net income in the fourth quarter of 2011 was US\$73 million, 33% down on that in the third quarter of 2011, and 60% lower than that in the fourth quarter of 2010.

The table below shows the net distributable income, which is the basis for quantifying the dividends to be distributed pursuant to the current Dividends' Policy.

	31/12/2011 THUS\$	31/12/2010 THUS\$
Earnings attributable to majority interest	492,126	637,546
Fair value variation of forest plantations	(110,356)	(59,374)
Deferred taxes related to the fair value of forest plantations	29,955	17,300
Net distributable income	411,725	595,472
Dividend policy application (40% in 2011 and 30% in 2010)	164,690	178,642

The following dividends were paid in 2010 and 2011:

DIVIDEND N°	US\$/SHARE	CH\$/SHARE	PAYMENT DATE
Interim 247	0.0849	42	13-01-2010
Final 248	0.1330	70	07-04-2010
Interim 249	0.1611	80	08-09-2010
Interim 250	0.2532	120	22-12-2010
Final 251 (1)	0.4347	200	11-05-2011
Interim 252	0.2594	120	14-09-2011
Interim 253 (2)	0.0236	12	15-12-2011

(1) The exchange rate on the day the shareholders' registry was closed was used for conversion into Chilean pesos.

(2) As of dividend 253, the outstanding stock was 2,219,397,052 shares (see Note N°28 to the consolidated financial statements on the CD enclosed).

Table N°5 shows the main profitability indicators.

TABLE N° 5: PROFITABILITY INDICATORS

	2011	2010
Earnings on income (annual):		
Profit/current revenue	10.31%	15.17%
Annual return on shareholders' equity:		
Profit/total average shareholders' equity in the year (1)	6.31%	8.49%
Annual return on assets:		
Profit/average assets in the year	3.78%	5.13%
Annual yield of operating assets:		
Operating income (2)/average operating assets in the year (3)	6.69%	7.37%
Return on dividends:		
Dividends paid (rolling year) (4)/market price of share (5)	2.53%	1.19%
Net income per share (US\$):		
Net income in the year (profit attributable to the controller)/N° of shares (6)	0.22	0.29

(1) Average shareholders' equity in the year.

(2) Operating income defined in Table N°1.

(3) Operating assets: trade receivables and other accounts receivable + inventories + property, plant and equipment + biological assets.

(4) Dividends paid expressed in US\$.

(5) Share market price: closing stock market price of the share.

(6) Considers the average number of shares in the year.

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6. RISK AND EXCHANGE RATE EXPOSURE ANALYSIS

Empresas CMPC and its subsidiaries are exposed to various market, financial and operating risks inherent to their business. CMPC strives to identify and manage such risks as best as possible to minimise potential adverse effects. CMPC's Board of Directors establishes the strategy and the general guidelines according to which these risks are to be managed in the Company and these are put in place in a decentralised way through the different business units. At corporate level, the finance and internal audit departments co-ordinate and control the correct execution of the prevention and mitigation policies for the main risks identified.

6.1.- MARKET RISK

A large percentage of CMPC's sales comes from products deemed to be commodities and their prices depend on international market conditions on which the Company has little influence and no control of the factors affecting them. Such factors include fluctuations of global demand (mainly determined by the economic situation in Asia, North America, Europe and Latin America), variations of the installed capacity in the industry, stock levels, business strategies and the competitive advantages of the major players in the forestry industry, the availability of substitute products and the product lifecycle stage.

It should be noted that CMPC has a diversified portfolio of products and markets with more than 20,000 customers worldwide. This affords commercial flexibility and major risk dispersion.

CMPC's main product category is bleached kraft pulp, which accounts for around 29% of the consolidated sales in terms of value and is sold to more than 250 customers in 52 countries in Asia, Europe, America, and Oceania. CMPC leverages the business diversification and vertical integration of its operations, and therefore has some flexibility to manage its exposure to pulp price swings. The impact of a possible drop in pulp prices is partially

offset by the higher margins of value-added product sales, especially tissue and cartonboard.

6.2.- FINANCIAL RISKS

The main financial risks identified by CMPC are financial market risks (including exchange rate and interest rate risks), credit risks, and liquidity risks.

It is CMPC's policy to channel most of its financial operations entailing debt and fund placing, foreign exchange and derivatives into its subsidiary Inversiones CMPC S.A. The aim of this is to optimise resources, achieve economies of scale, and enhance operating control. Subsidiaries only go into debt alone when this is an advantage.

6.2.1.- Financial Market Risks

(i) Exchange rate risk: CMPC is subject to two types of exchange rate variations. The first is the exchange rate difference arising from the possible accounting mismatch of assets and liabilities on the balance sheet expressed in currencies other than the functional currency which for CMPC is the US dollar. The second way that exchange rate variations affect the company is regarding its earnings and costs, which are directly or indirectly expressed in currencies other than the functional currency.

The exports of CMPC and its subsidiaries accounted for around 48% of the total sales in the year, with the main export markets being Asia, Europe, Latin America, and the United States. Most of these export sales were made in US dollars.

CMPC's domestic sales in Chile and those of its subsidiaries in Argentina, Peru, Uruguay, Mexico, Ecuador, Brazil, and Colombia, in their respective countries, accounted for 52% of the Company's total sales in the year. Those sales were made in local currencies, in US dollars and in local US dollar-indexed currencies.

Due to this, it is estimated that the income flow in US dollars or that indexed to this currency accounted for around 67% of the Company's total sales. Most of the payments for raw

materials, materials and spare parts required by processes and investments in fixed assets are also mostly expressed in US dollars or indexed to that currency.

In particular cases, sales or payment commitments are undertaken in currencies other than the US dollar. To avoid the exchange rate risk of currencies other than the US dollar, hedging transactions are carried out to fix the exchange rates involved. For the year ended 31 December 2011, a large proportion of the forecasted sales of cartonboard and wood products to Europe was hedged in Euros up to 2014.

Considering that the CMPC flow structure is highly indexed to the US dollar, liabilities were mostly incurred in that currency. As foreign subsidiaries receive income in local currency, part of their debt is entered into in the same currency to reduce economic and accounting mismatches. Other mechanisms used to reduce the accounting mismatches are to manage the currency denomination of the financial investment portfolio, occasionally enter into short-term forward transactions; and, in some cases, subject to limits previously authorised by the Board of Directors, enter into option transactions, which in any case are of a low amount in relation to the Company's total sales.

ii) Interest rate risk: CMPC manages the interest rate structure of its debt by hedging it with derivatives to adjust and limit the financial expense in the most likely interest rate scenario. The Company's financial investments are preferably made at a fixed interest rate, thereby eliminating the risk of interest rate variations in the market.

CMPC maintains its financial liabilities at a floating rate of US\$500 million and they are therefore subject to interest flow variations from interest rate changes. If this increases

or decreases 10% (on the mean financing floating rate of 3.1%), it means CMPC's financial expenses per annum rise or drop by about US\$1.55 million.

6.2.2.- Credit Risk

Credit risk arises from the possible defaulting of any of CMPC clients, therefore from the ability to collect outstanding accounts receivable and complete committed transactions.

CMPC manages this exposure by permanently reviewing and assessing customer payment ability by means of an internal Credit Committee. This is given information from various alternative sources and by transferring this risk (using letters of credit or credit insurance) or guarantees that jointly cover virtually all export sales and about half of the domestic sales.

There is also credit risk in financial operations (counterparty risk). This risk arises for the Company when there is the possibility that the counterparty to a financial contract is unable to meet the financial obligations entered into, meaning that CMPC incurs a loss. To reduce this risk in its financial operations, CMPC sets individual exposure limits by financial institution, which are approved from time to time by the Board of Directors of Empresas CMPC S.A. It is also CMPC's policy to operate with banks and financial institutions with a risk rating equal to or better than that of the Company.

6.2.3.- Liquidity Risk

This risk would arise when the Company is unable to meet its obligations because of insufficient liquidity. CMPC manages these risks by means of suitable distribution, establishing payment extensions, limiting the debt

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amount, maintaining sufficient liquidity reserves and prudent management of its operating and investment flows. The Company policy is to concentrate its financial debt in its subsidiary Inversiones CMPC S.A., which finances the operative subsidiaries. Debt is incurred by means of bank loans and bonds placed in international and local markets. Debt in other subsidiaries only arises when this is advantageous.

It should be highlighted that Empresas CMPC S.A. has an international credit rating of BBB+ by Standard & Poor's and Fitch Ratings, one of the highest ratings in the forestry, paper and wood pulp industry in the world, due to its prudent financial policy, market position and the quality of its assets.

6.3 OPERATING RISK

6.3.1.- Operating and Fixed Asset Risks

The operating risks of CMPC are managed by each Company business unit commensurate with corporate standards and procedures.

The aim of operating risk management is to efficiently and effectively protect employees, the environment, the Company's assets and the operation of businesses in general. To attain this, accident and loss prevention measures and insurance coverages are managed in a balanced way. Loss prevention work is systematic and is undertaken according to pre-established guidelines, and periodic risk inspections are also made by insurance company engineers. CMPC is also developing a continuous improvement plan for its operating risks to minimise the likelihood and mitigate the effects of possible losses.

CMPC and its subsidiaries have insurance coverage for the main risks. Most of the risks are covered reasonably through first class local insurance companies, which in turn reinsure a large portion of the risk with leading international reinsurance companies. The operating risks of businesses are permanently re-appraised to optimise coverage according to competitive offers in the market. The insurance policy limits and deductibles are generally established based on the maximum losses estimated for each category of risk and the coverage offer conditions in the market.

Insurance policies provide adequate coverage for the operating risks of all the Company's assets (buildings, facilities, machinery, etc.) at their replacement value.

Insurance policies also provide coverage for forestry plantations exposed to risk of fire and other hazards of nature and they contain deductible limits and maximum indemnities determined according to historical and forecasted losses. Other risks not covered by insurance, such as biological factors, could harm plantations. Although these factors have not caused any material damage to CMPC's plantations in the past, there is no guarantee that this will not occur in the future.

6.3.2.- Political and economic risks in countries where CMPC operates

Most of CMPC's assets are in Chile and Chilean operations account for around 66% of the sales. Hence, the business results largely depend on Chile's economic situation. The future evolution of the Chilean economy might have negative effects on CMPC's financial standing or results and could hinder the development of its business plan. The Chilean state has had and still has a major influence



on many aspects of the private sector and in the past has modified monetary, fiscal and tax policies and other regulations that affect the economy. CMPC has no control whatsoever nor can it predict what kind of State intervention there might be in the future and its potential direct or indirect bearing on CMPC's business.

Overseas, CMPC has industrial operations in Argentina, Uruguay, Peru, Ecuador, Mexico, Colombia and Brazil, and it also owns forests in Argentina and Brazil. Some of these countries have been through periods of political and economic instability in the past decades, during which governments have intervened in business and financial affairs affecting foreign investors and companies. It is not possible to guarantee that these situations will not be repeated in the future and thereby harm the Company's operations in those countries. Local sales or exports of subsidiaries abroad account for 34% of the Company's consolidated sales.

6.3.3.- Continuity and cost of providing raw materials and services

The development of CMPC's businesses entails complex logistics, for which the timely supply of quality products and the cost of raw materials and services are essential to remain competitive.

International oil prices remained high in the year, mainly due to supply constraints for cyclical geopolitical reasons, tension in the Middle East and the limited capacity of producers to meet growing global demand.

Concerning electric power, CMPC's main industrial operations mostly have their own energy supply from the biomass and/or long-term power supply contracts with

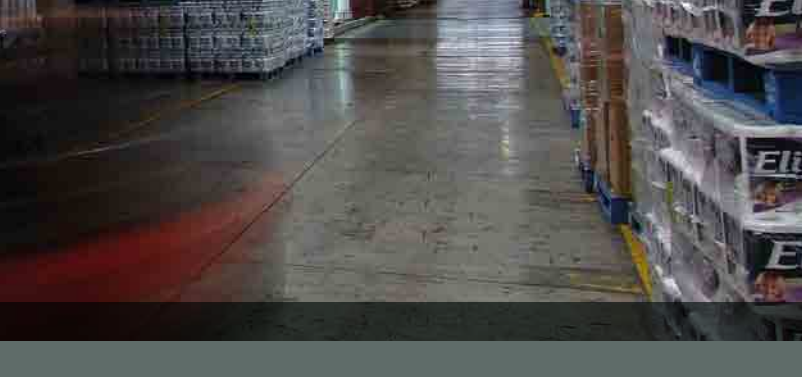
third parties. Moreover, mills have contingency plans to deal with supply shortages. Nevertheless, it is not possible to rule out that in the future electric supply shortages might cause supply disruptions and/or higher costs for CMPC. The relatively high energy costs in Chile are still cause for concern. If this situation continues, along with the termination of the current fixed-price contracts in the next few years, it could really harm the competitiveness of some of the Company's businesses, in which electric power accounts for a large share of the costs, as is the case of newsprint.

Among CMPC's various product and service suppliers in Chile, there are companies that provide specialised support and logistics services for its forestry and industrial operations. If these services are not performed with the quality required, or the contractual relationship with such companies is affected by regulations or other events, this might harm CMPC's operations.

CMPC strives to have a close long-term relationship with its contractors, with whom it has worked to develop high operating standards and a focus on the safety of its employees and on improving overall labour conditions.

6.3.4.- Environmental Risks

CMPC's operations are governed by environmental standards in Chile and in other countries where it operates. It generates sustainable development bases for its business management. This has enabled it to quickly adapt to changes in current environmental legislation so the impact of its operations duly complies with such standards. Future changes in these environmental regulations or in the interpretation of laws could have an impact on the operation of the Company's mills.



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6.3.5.- Community relation risks

CMPC has a good relationship with the communities around its operations and collaborates in different areas. One example is the support the Fundación CMPC has for many years given to state school education in the districts where the Company has industrial operations.

There have been frequent acts of violence in certain areas of the Bío-Bío and Araucanía regions of Chile, which affect farmers' lands and forestry companies, and are caused by minority groups demanding alleged ancestral rights to certain lands. The areas affected have a high level of poverty and serious social problems. Less than 1% of CMPC's plantations in Chile are affected by this issue. CMPC has strived to create employment, education, productive development programmes and micro-entrepreneurship initiatives to alleviate the poverty problem of families living in those areas. This has all been carried out in addition to the government's social programmes.

As a neighbour of different towns, the Company has an open-door and collaborative attitude towards the aspirations and challenges of these communities.

For over 10 years Fundación CMPC has been supporting education in state schools around which it has mills. Its aim is to improve the education of children and give them more opportunities. Its programmes benefit over 9,000 pupils at 46 schools in 11 districts. 4,050 hours of training were given to school teachers and heads in 2011.

6.3.6.- Compliance Risks

This risk concerns the Company's ability to comply with legal, regulatory, contractual, and extra-contractual

liability obligations, which are outside the aspects covered in the factors outlined above. Regarding this, all CMPC's corporate governance bodies periodically review operating and administrative processes to assure suitable compliance with laws and regulations on each of them. Moreover, CMPC is characterised by its proactive attitude on issues of safety, the environment, work conditions, market operation and community relations. In its over 90-year history, CMPC has had a proven and recognized track record of thoroughness and prudence with regard to its business management.

In compliance with the provisions of Law 20.393, which lays down the criminal liability of companies for offences of asset laundering, financing of terrorism and bribery, a Prevention Model was put in place for the mentioned offences to regulate the acts of its employees and prevent such offences from being committed and try to stop them from occurring. This Prevention Model is in addition to the Company's current internal audit processes, whose objectives are to safeguard strict compliance with current legislation.

7.TRENDS AND SIGNIFICANT EVENTS

It is not CMPC's policy to make forecasts of its results or variables that might have a major effect thereon. The consensus of industry analysts is a reasonable outlook for forestry products, if developing countries continue to grow.

At the 2011 year-end, the following main projects had been completed or were in different stages of execution: The expansion project of the tissue paper production capacity of the Caieiras de Melhoramentos Papéis Ltda.

mill in Brazil, at an investment of US\$64.3 million, started up in June 2011.

The tissue paper capacity expansion project in Peru, at an investment of US\$15 million, started up in August 2011.

A new corrugated cardboard box plant near Osorno in Chile, which entailed an investment of US\$24.3 million, has been operating since August 2011.

The second stage of the Santa Fe 2 mill expansion, which will increase short-fibre output by 200,000 tonnes a year, at an investment of about US\$156 million, started up at the end of the year.

The Laja mill modernisation project, at an estimated investment of US\$295 million, is in its final stage and is scheduled to be completed by the first half of 2012.

Reconstruction of the Constitución sawmill, in Chile which was destroyed by the tsunami last year, at an investment of US\$11.6 million. The rebuilt sawmill started up in August 2011.

The Talagante tissue mill expansion project, which will entail an investment of US\$77.6 million, is slated to start up by late 2012.

The production expansion project of extensible paper for sacks in Chile, at an investment of US\$16.7 million, will double the supply of such product as of the second quarter of 2012.

The project to set up a new multiwall sack mill at Guadalajara in Mexico, which will require an investment of US\$20.4 million, will start up in 2012.

The plywood plant expansion project, which will double plywood panel output and require an investment of US\$94 million, is scheduled to start up in the second half of 2013.

On 4 March 2011, the Board of Directors of Empresas CMPC S.A. proposed the merger of its subsidiary Industrias Forestales S.A. (Inforsa) with Empresas CMPC S.A. by incorporating the former into the latter. The objectives of this merger were to consolidate the operating integration of both companies and eliminate transaction costs of keeping Inforsa as a separate listed entity with no corresponding value for the company or its shareholders, as Inforsa was not issuing any public offering securities.

To complete the merger, the project established a capital increase of the equivalent of 26,773,533 new cash shares to be exchanged for Inforsa's shares not owned by CMPC, in a ratio of 15 shares of Inforsa for one new share of CMPC. It also proposed an increase in the number of shares of Empresas CMPC S.A. from the original 220 million to 2.2 billion by exchanging one current share for 10 new shares.

An extraordinary shareholders' meeting held on 29 April 2011 agreed on the merger and the other related proposals in the terms indicated. An extraordinary shareholders' meeting of Inforsa, also held on 29 April 2011, also approved the merger in the terms suggested. On 10 June 2011, the Board of Directors of CMPC informed that the merger conditions had been met regarding the exercise of the withdrawal rights of CMPC and Inforsa shareholders, and the required company restructuring process had commenced so Empresas CMPC S.A. would have a direct shareholding of 81.95% of Inforsa, which as of the foregoing date was held by its subsidiary CMPC Papeles S.A., which was completed according to the process outlined in the significant event reported to the Superintendency of Securities and Insurance on 23 August 2011.

As agreed in an extraordinary shareholders' meeting held on 29 April 2011, to facilitate the merger of

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Industrias Forestales S.A. with Empresas CMPC S.A., on 16 September 2011 the Company share exchange process was undertaken, according to which each share was exchanged for 10 new shares without increasing the capital stock, so it was divided into 2.2 billion shares.

On 20 October 2011, the Superintendency of Securities and Insurance authorised Empresas CMPC S.A. to register 26,773,533 cash shares issued by the Company due to the merger. The merger was executed on 30 October 2011, as approved by the extraordinary shareholders' meetings. An essential event on 8 July 2011 reported the approval of the exchange of shares held by CMPC in Inversiones El Raulí, amounting to approximately US\$43.9 million, which gave CMPC a financial profit of about US\$6.1 million.

On 11 July 2011, extraordinary meetings were held for holders of A and B series bonds issued by Inversiones CMPC and guaranteed by Empresas CMPC, registered in the Securities Registry of the Superintendency of Securities and Insurance under numbers 413 and 456, respectively, to modify the Bond Issuance Contract of each series to adjust it to the International Financial Reporting Standards (IFRS) applicable to the Company, according to the report released by the external auditors PricewaterhouseCoopers. The meetings approved the modifications proposed and on 21 July 2011 the respective issuance contract modification registry applications were filed to the Superintendency of Securities and Insurance.

On 14 October 2011, Empresas CMPC S.A., through its subsidiary Inversiones CMPC S.A., entered into a bank loan of US\$600 million divided into 2 tranches: US\$400 million, fully received on 19 October, with 5-year maturity and 4 half-yearly repayments as of month 42 and which will accrue an annual Libor interest rate + 0.65%.

US\$200 million, which is a credit line of free availability for 3 years and which if used at the end of that period will have 4 half-yearly repayments as of month 42.

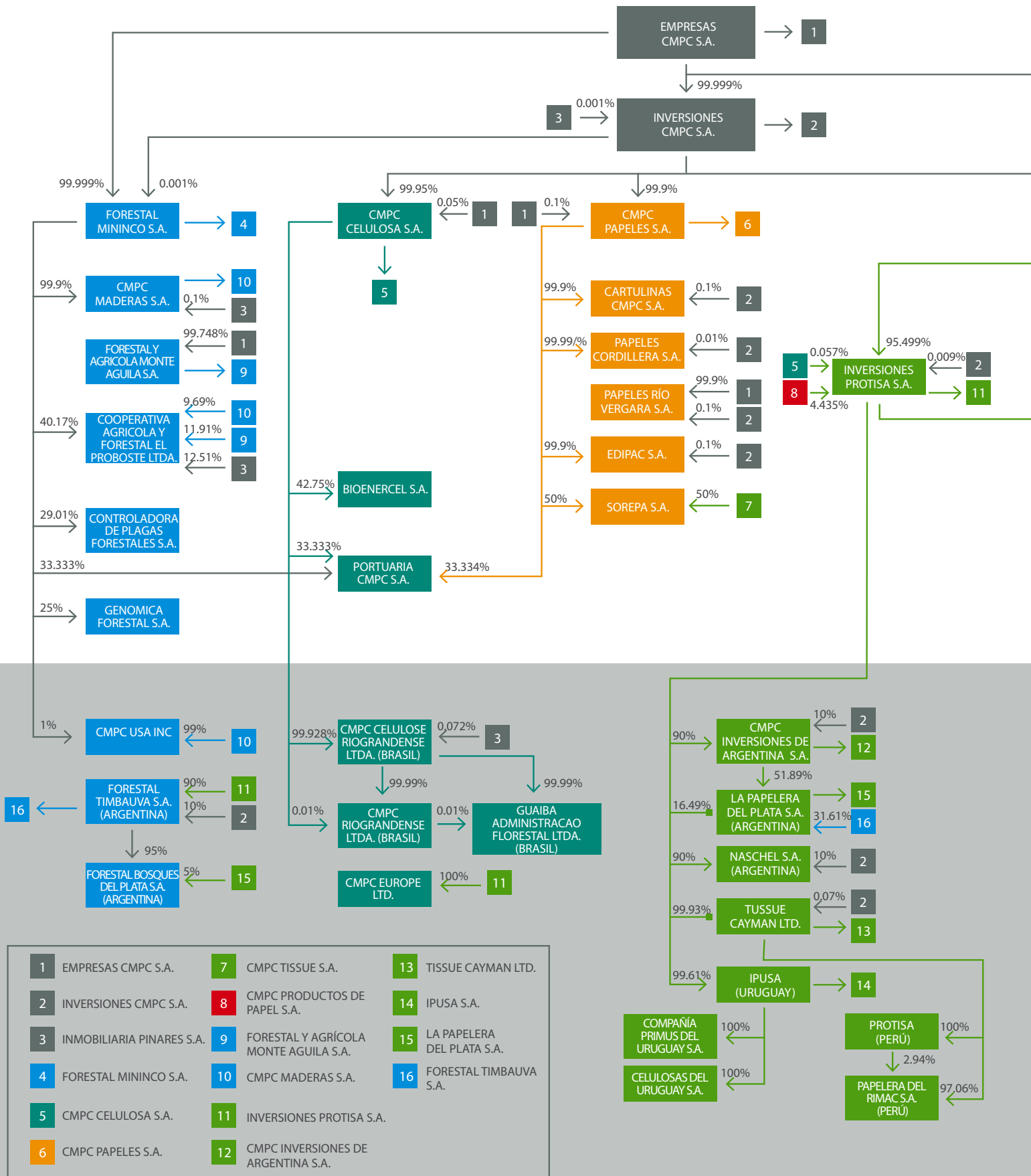
The loan was led by: Bank of Tokyo-Mitsubishi UFJ, Bank of America Merrill Lynch, Export Development Canada, JPMorgan and Scotiabank; and was also joined by: Banco Santander, Citibank, Deutsche Bank, HSBC and Nordea.

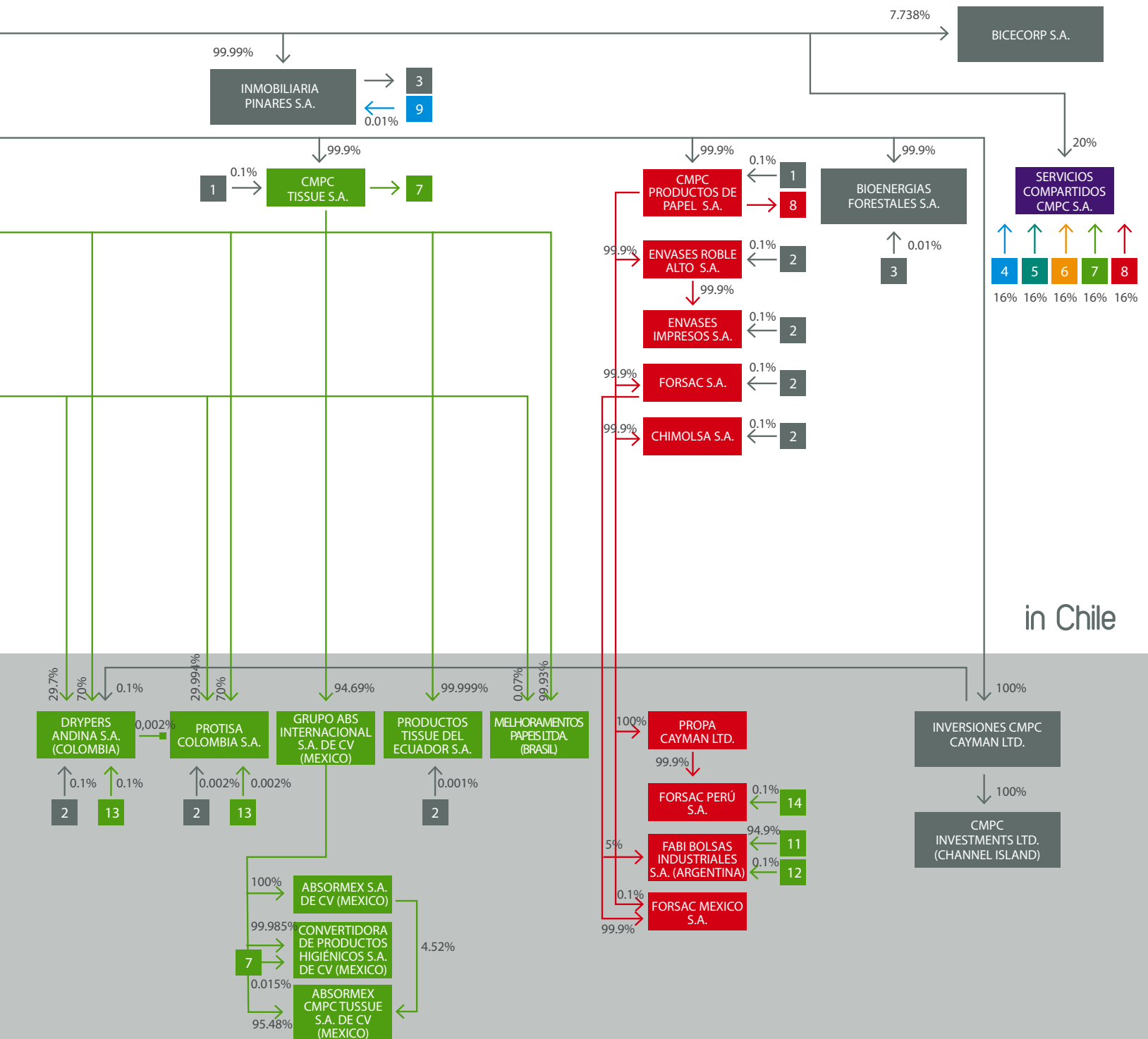
On 9 December, the market was informed of the establishment of Compañía Bioenergías Forestales to operate a new biomass-fired electric power generating plant, which entailed an investment of US\$150 million and was in an advanced development stage at the end of the year.

An Extraordinary Shareholders' Meeting of the subsidiary Forestal Mininco S.A., held on 30 December 2011, approved the merger by incorporation of Forestal Crexex S.A. and Forestal Coihueco S.A. into Forestal Mininco S.A. To enable such merger, the mentioned Shareholders' Meeting agreed to increase the number of shares of Forestal Mininco S.A. from 237,300,000 as of such date to 328,362,775 nonpar-value shares. This capital increase was approved for US\$233,831,000 equivalent to 91,062,775 new cash shares corresponding to the stake of Empresas CMPC S.A. in the equity of the companies merged, according to the expert report issued on 21 December 2011.

The effects of this merger are stated in the current financial statements, even though the Shareholders' Meeting agreed that these effects would be stated on 1 January 2012, which was before these financial statements.

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CAPITAL STOCK

For the year ended 31 December 2011, the Company's capital stock amounted to US\$761.4 million divided into 2,226.77 million shares. Considering the own shares bought back in the process of merging Inforsa by incorporation into CMPC, the outstanding stock was 2,219,397,052 shares. The equity of Empresas CMPC S.A. was U\$7,848.5 million for the year ended 31 December 2011.

SHARE OWNERSHIP

Table A shows the 12 main shareholders and the number of shares held by each of them for the year ended 31 December 2011.

Table A: Twelve main shareholders

SHAREHOLDER	N° OF SHARES
Forestal Cominco S.A.	431,798,840
Forestal, Constructora y Comercial del Pacífico Sur S.A.	422,755,720
Forestal O'Higgins S.A.	156,668,560
Forestal Bureo S.A.	88,754,760
Banco de Chile on behalf of third parties	74,311,947
A.F.P. Provida S.A. for pension funds	72,473,842
A.F.P. Capital S.A. for pension funds	62,926,512
A.F.P. Habitat S.A. for pension funds	62,445,184
Banco Itaú Chile S.A. on behalf of foreign investors	61,754,701
A.F.P. Cuprum S.A. for pension funds	47,469,186
Inmobiliaria Ñague S.A.	46,698,796
Coindustria Ltda.	40,239,559

Table B provides a breakdown of the shares of Empresas CMPC S.A. owned by companies that directly or through some kind of mutual relationship control 55.44% of the voting⁷ capital for the year ended 31 December 2011.

Table B: Breakdown of shares owned by the controller's companies

SHAREHOLDER	N° OF SHARES
Forestal Cominco S.A.	431,798,840
Forestal, Constructora y Comercial del Pacífico Sur S.A.	422,755,720
Forestal O'Higgins S.A.	156,668,560
Forestal Bureo S.A.	88,754,760
Inmobiliaria Ñague S.A.	46,698,796
Coindustria Ltda.	40,239,559
Forestal y Minera Ebro Ltda.	8,750,870
Forestal y Minera Volga Ltda.	7,832,750
Viecal S.A.	5,771,890
Inmobiliaria y Forestal Chigualoco Ltda.	5,754,230
Forestal Peumo S.A.	4,564,230
Forestal Calle Las Agustinas S.A.	3,429,710
Forestal Choapa S.A.	2,070,440
Puerto de Lirquén S.A.	1,309,480
Others	3,967,670
Total	1,230,367,505

7. PERCENTAGE OF THE OUTSTANDING STOCK AT THE END OF THE YEAR. THIS PERCENTAGE WAS 52.25% FOR THE TOTAL SHARES ISSUED.

Financial information información de carácter general

All these shareholders, who belong to the same business group, have no formal joint agreement. The following natural people are the final controllers of the above-mentioned companies in equal shares: Mrs Patricia Matte Larraín, taxpayer code N°4.333.299-6 and messrs Eliodoro Matte Larraín, taxpayer code N°4.436.502-2, and Bernardo Matte Larraín, taxpayer code N°6.598.728-7.

SHARE TRANSACTIONS

Table C shows the total share transactions by number of shares, unit and total values, and by quarter in the last 3 years:

Table C: Quarterly Share Transaction Statistics

QUARTER		NUMBER OF SHARES	AMOUNT TRADED THCH\$	AVERAGE PRICE CH\$/SHARE
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
1st	Quarter 2011	6,592,258	150,570,386	22,840.49
2nd	Quarter 2011	5,432,026	131,966,639	24,294.18
3rd	Quarter 2011	44,940,085	185,252,318	4,122.21
4th	Quarter 2011	112,373,136	207,663,502	1,847.98

NOTES:

1. STATISTICS INCLUDE INFORMATION FROM THE SANTIAGO STOCK EXCHANGE; THE CHILEAN ELECTRONIC EXCHANGE AND THE BROKERS' EXCHANGE
2. AS OF THE 10X1 SHARE EXCHANGE OPERATION UNDERTAKEN ON 16 SEPTEMBER 2011, THE NUMBER OF SHARES TRADED INCREASED AND THEIR UNIT VALUE THEREFORE DROPPED. MOREOVER, AS OF 30 OCTOBER, INFORSA'S SHARES WERE NO LONGER TRADED DUE TO THE MERGER WITH CMPC.

In 2011, related shareholders made Company share transactions, shown in Table D.

Table D: Share Transactions by Related Shareholders:

SHAREHOLDER	RELATIONSHIP	N° OF SHARES		AVERAGE UNIT PRICE		TOTAL AMOUNT TRADED	
		PURCHASED	SOLD	PURCHASED CH\$/SHARE	SOLD CH\$/SHARE	PURCHASED THCH\$	SOLD THCH\$
Coindustria Ltda	Controller	892,329		1,648.79		1,471,263	
María Adela Cuevas Hurtado	Relative of the director	1,176		1,680.00		1,976	
Gonzalo García Mekis	Relative of the executive	1,518		1,960.00		2,975	
Ing. y Comercial Helvética	Director of a controller-related company	4,800		24,672.00		118,426	
Inversiones La Pinta Ltda.	Director-controlled entity	4,000		18,637.92		74,552	
Arturo Mackenna Iñiguez	General manager	500		23,700.00		11,850	
Octavio Marfán Reyes	Executive	3,000		1,800.00		5,400	
Jorge Eduardo Marín Correa	Director	500		24,850.00		12,425	
María del Pilar Matte Capdevilla	Relative of the Chairman of the Board		292		24,400.54		7,125
Polo Sur Soc. de Renta Ltda.	Director-related company		500		24,850.00		12,425
Leslie Ronald Wilson Grothe	Executive	2,277		20,660.00		47,043	

FEES AND EXPENSES OF THE BOARD OF DIRECTORS AND DIRECTORS' COMMITTEE, AND MANAGER SALARIES

Pursuant to the provisions of Law 18.046, the Ordinary General Shareholders' Meeting of Empresas CMPC S.A., held on 29 April 2011, established, like last year, that the fees of the Board of Directors shall be 1% of the regular dividends paid in 2011, duly readjusted, and distributed equally among them, with the Chairman getting double fee.

For the year ended 31 December 2011, a provision of US\$1.680 million was established for this, which was 1% of the dividends distributed in the year. This fee shall be paid in the first half of 2012.

Table E shows the gross Board of Director fees paid in 2011 and 2010:

Table E: Board of Director Fees

DIRECTOR	2011 THCH\$	2010 THCH\$
Eliodoro Matte Larraín	173,255	84,036
Patricio Grez Matte	141,692	42,017
Martín Costabal Llona	86,628	42,017
Juan Claro González	141,692	42,017
Jorge Marín Correa	86,628	42,017
Jorge Gabriel Larraín Bunster	86,628	42,017
Bernardo Matte Larraín	86,628	42,017
TOTAL	803,151	336,138

These fees correspond⁸ to 1% of the dividends paid in 2010 and 2009, which were agreed on and ratified by the respective Ordinary Shareholders' Meetings of the Company.

Moreover, Mr Eliodoro Matte L. received ThCh\$26,527 (ThCh\$78,420 in 2010) for consultancy services provided on financial issues, business strategy, development projects studies and a comparative analysis of the domestic and international industry.

Table F shows the fees paid by subsidiaries to directors who are also directors of Empresas CMPC S.A.:

Table F: Fees paid by subsidiaries

DIRECTOR	2011 THCH\$	2010 THCH\$
Eliodoro Matte Larraín	22,640	71,265
Patricio Grez Matte	6,039	17,814
Jorge Gabriel Larraín Bunster	10,563	23,816
Bernardo Matte Larraín	73,453	71,269
Arturo Mackenna Iñiguez	49,358	0
Martín Costabal Llona	37,000	0
TOTAL	199,053	164,802

These fees were for financial and economic consultancy services regarding market development in Chile and overseas; investment project analysis and studies; business development support technologies; comparative competitiveness analysis of the industry and of other industries; and analysis of the domestic and international business environment.

The Board of Directors incurred no expenses in 2011 and 2010.

Executives have an incentive plan that includes variable payment during the year and a variable annual bonus, which depends on profits, achieving the strategic objectives and attaining the profitability target of each area. The total gross remuneration paid to the Company's senior executives amounted to ThUS\$3,745.7 in 2011 (ThUS\$3,001 in 2010). The severance paid to senior managers and officers was ThUS\$1,536.4 in 2011 (ThUS\$0 in 2010).

DIRECTORS' COMMITTEE

The Directors' Committee, established pursuant to Law 18.046, has the faculties and duties laid down in Article 50 Bis of such law. The Committee kept its incumbent members (Martín Costabal Llona, Jorge Marín Correa and Patricio Grez Matte) up to April 2011. When the Board of Directors was renewed in April 2011, Jorge Marín Correa, Erwin Hahn Huber and Arturo Mackenna Iñiguez were

8. In the case of the directors Mr Patricio Grez M. and Mr Juan Claro G., who were directors up to 29 April 2011, the amount paid in May each year, which is final dividend N°251, is reported as fees in 2011.

Financial information información de carácter general

appointed members of the Directors' Committee.

The fees of the Directors' Committee are based on a system equivalent to that of a director regarding the amount and form of payment. In 2011, the fees paid to the Directors' Committee amounted to ThCh\$103,108, distributed equally to each director (ThCh\$1,882 in 2010, and this amount was for an advance on the fee of such year, which was completed in 2011).

The following were the main activities of the Directors' Committee in the year:

At the meetings held in the year, the Committee conducted a detailed monthly analysis of the transactions governed by the provisions of articles 44, 89 and 93 of law N°18.046 on corporations. It was determined that such transactions were held fairly and in similar conditions to those prevailing in the market, corresponding to operations of the companies' regular line of business. A breakdown of these transactions is provided in note N°39 to the consolidated financial statements.

Moreover, on 6 January 2011, the Committee analysed tax review service requests by PricewaterhouseCoopers (PwC) for IPUSA subsidiaries in Uruguay and Protisa Perú. The Committee reviewed the proposals and agreed to propose to the Board of Directors to approve the hiring of the mentioned services.

In a meeting held on 27 January 2011, Mr Juan Roncagliolo, a partner of PwC, gave a presentation to the Committee on the audit focus and the scope of the work undertaken by it in 2010, a summary of the most important recommendations to improve the internal control structure, new recommendations and follow-up of those made in 2009, and the progress status and main results of the annual audit closing process. The Committee expressed its particular interest in the valuation of assets, the forest plantation valuation models in Chile and Brazil, the accounting of the effects of the Chilean earthquake in February of the previous year and the establishment of provisions for potential litigation contingencies, and these

issues were fully analysed.

In a meeting held on 3 March 2011, the external auditor presented the Committee its conclusions about the closing of the 2010 audit process, which included follow-up on the situations observed before, the adjustments and reclassifications observed at the closing affecting income or not and the reports to be delivered by the auditor. The Committee also reviewed the consolidated balance sheet of the Company and its subsidiaries for the year ended 31 December 2010, and also revised the draft independent auditors' report on the balance sheet drawn up by PwC. The Committee made some observations, after which it informed it had no further remarks.

In a meeting held on 14 March 2011, and as part of Inforsa's merger with Empresas CMPC, the Committee analysed the proposals of Deloitte, KPMG and Ernst & Young (E&Y) for an independent appraisal of this process. The Committee unanimously agreed to commission this work to E&Y. It analysed appointing an expert to draw up the expert report on the merger from among professionals who are partners of any of the following auditors: PwC, Deloitte, KPMG or Ernst & Young (E&Y), and agreed to accept the offer received from PwC.

Lastly, it analysed a consultancy service contract with BICE Chileconsult Asesorías Financieras S.A. (BICE Chileconsult) for it to act as CMPC's financial advisor in the merger process with Inforsa, and such consultancy service would include the definition of the business transaction structure, the co-ordination of the process, the promotion and communication of the merger process to the main shareholders of Inforsa and CMPC, including a roadshow to deal with them individually, the co-ordination of the transfer of information to independent experts and assessors, and the collaboration with the drafting of legal documents and general management of the process.

The Committee made no remarks and agreed to recommend to the Board of Directors that it authorise the

mentioned financial services contract, leaving it on record that the transaction would be of corporate benefit and was commensurate with fair conditions similar to those usually prevailing in the market.

On 6 April 2011, the Committee assessed the offers received by Abastible, Gasco and Lipigas in the process of renewing bulk liquefied petroleum gas (LPG) contracts for Empresas CMPC and its subsidiaries in Chile. On analysing the information, the Committee awarded the contract to Abastible, a subsidiary of Copec, leaving it on record that these were customary operations of its line of business, they were of corporate benefit and were commensurate with fair conditions similar to those usually prevailing in the market.

It also appraised management's proposal of exercising the option of renewing in 2011 the contract with PwC for the external audit services of Empresas CMPC and its subsidiaries in Chile. It was decided to propose to the Board of Directors to have PwC as the auditor in 2011 for Empresas CMPC S.A. and its subsidiaries in Chile. The Committee also agreed to ask the external auditor to include two meetings a year with the Committee, one at the start of its work and another at the end.

The Committee further agreed to propose to the Board of Directors that the Shareholders' Meeting empower it, based on costs and services, to commission any two of the following risk rating agencies: Fitch Chile Clasificadora de Riesgos Ltda., Feller-Rate Clasificadora de Riesgos Ltda. and International Credit Rating, Compañía Clasificadora de Riesgo Ltda.

In a meeting held on 5 May 2011, the new Directors' Committee, appointed in a CMPC Board meeting held on 29 April 2011, comprising messrs Jorge Marín Correa and Erwin Hahn Huber as independent directors, and Mr Arturo Mackenna Iñiguez, elected the new chairman, Mr Jorge Marín Correa.

The Committee agreed to ask the chairman, Mr Jorge Marín, to inform the Board, whenever it convenes, of its agreements, information requirements and decisions, whenever applicable.

Lastly, the Committee reviewed the interim consolidated balance sheet of the Company and its subsidiaries as of 31 March 2011. After analysing the balance sheet and making some remarks, the Committee left it on record that it had no further remarks.

On 9 June 2011, the Committee agreed to propose to the Board of Directors that it approve the modification to the electric power supply contracts in Chile that the Company's subsidiaries had in force with Colbún S.A. This was due to the proposal by Mr Sergio Urrejola Monckeberg, who acted as a mediator in a dispute over the efficiency and validity of the options exercised in 2010 by the subsidiaries of Empresas CMPC to extend such contracts. It was left on record that this modification to the contract was part of the company's usual line of business, as defined in the Policy on Customary Operations of the Line of Business of Empresas CMPC S.A., approved in a meeting held on 10 January 2010, and was to the company's benefit.

In a meeting dated 6 July 2011, the Committee analysed a transaction entailing the purchase and sale of all the shares of CMPC in Inversiones El Raulí S.A. to Forestal Bureo S.A. and Forestal, Constructora y Comercial del Pacífico Sur S.A., which was approved without any remarks, and unanimously said that this sale would benefit the company, as it involved the divestment of assets not directly related to the Company's line of business and use the proceeds obtained for the own projects of CMPC's line of business and that fair conditions had been met.

In the same meeting, CMPC's audit manager made a presentation to the Committee covering the material aspects of his work area.

Financial information información de carácter general

In a meeting held on 7 September 2011, the Committee thoroughly examined the financial transactions done in July, presented by the CFO, and made no remarks about the operations indicated. In that meeting, the directors messrs Hahn and Mackenna expressed their interest that the report on operations with related parties be delivered earlier to the Committee and as soon as the month ends in which these operations have taken place, and commercial transactions to be reported when the accounting processes have been closed.

Lastly, the external auditor, represented by the partner Mr Juan Roncagliolo, submitted the audit plan, his work team and the main accounting and internal control issues. This presentation included the following: the audit strategy, including objectives, material work aspects, interaction with other auditors, communication and visit plan, and independence and rotation issues; internal control issues, including scope, follow-up and the areas selected by PwC for review in 2011, and an assessment of the fraud risk; review as of 30 June 2011; and other matters that the Committee deemed the auditor should include.

The Committee members agreed to deliver the auditor its comments on material aspects so the auditor can include them in its work plan and to have a further two meetings with the external auditor: one towards the end of the year to analyse the internal control recommendations, and another one when the closing audit process has started to discuss the conclusions of its work. Concerning the internal control recommendations for 2010, the Committee asked management for information on its analysis of these and the action taken to consider the remarks made by the auditors.

In a meeting held on 6 October 2011, the Committee assessed a management proposal for BICE Inversiones to

act as the financial advisor and underwriter for the bond placement in the Chilean domestic market. After analysing the operation, the Committee made no remarks and agreed to recommend to the Board of Directors to approve the hiring of the consultancy services of BICE Inversiones, leaving it on record that the transaction was within operations defined as customary for the Company, it was in its interests and was commensurate with fair conditions similar to those usually prevailing in the market.

The Committee analysed the options of a proposal to review the port service rates of various subsidiaries of CMPC and Puerto de Lirquén S.A. (Lirquén), and made no remarks about this process. It left it on record that this was a customary operation, benefitted the company and was in keeping with fair conditions similar to those usually prevailing in the market.

It also analysed a proposal for the tender process of the external audit services for CMPC in Chile and also for Argentina, Peru and Colombia. The process envisaged the direct involvement of the Committee in the selection of candidates and the appraisal of their respective bids.

In a meeting held on 24 October 2011, the Committee was informed of a process to negotiate a contract with Precon S.A., of which the director Mr Martín Costabal Llona is a director. The contract envisaged the construction of a warehouse at the Puente Alto mill of Papeles Cordillera. Precon submitted the best bid to be awarded the works and competed with three other companies. After analysing the information, the Committee made no remarks about the process and left it on record that this contract was in line with usual operations, benefitted the company and was commensurate with fair conditions similar to those usually prevailing in the market.

The Committee reviewed a summary of the work done by different audit companies for CMPC in Chile and at subsidiaries overseas, and such work includes the external audit, co-sourcing of internal audits, tax and labour consultancy, opinions on acquisition processes and others. After analysing this information, the Committee agreed to propose to the Board of Directors that from now on it is CMPC's policy that all new work is hired with auditing firms that are known and approved beforehand by the Committee. This, notwithstanding what is set forth in article 242 of Law 18.045 on the Securities Market, is for additional work that the external auditor of the CMPC parent company can undertake.

It also analysed the request by overseas subsidiaries of CMPC of hiring work with the respective local affiliates of PwC:

- i) Absormex, S.A. de C.V. and Convertidora de Productos Higiénicos, S.A. de C.V.: review of the right compliance with the obligations laid down in the Social Security Law, the Law of the Institute of the National Housing Fund for Workers and its Regulations for the years ending 31 December 2011 and 2012, and the issuance of the corresponding rulings.
- ii) Protisa Peru S.A.: conceptual and selective review of the income tax forms for the 2011 fiscal year.
- iii) Industria Papelera Uruguaya S.A.: assistance with the audit of the local tax authority.

The Committee reviewed each of the proposals and, given the number and complexity of issues, approved the hiring of the services indicated.

It was also informed of the progress with the tender of the external auditing services for CMPC in Chile and also for Argentina, Peru and Colombia.

Mr Erwin Hahn suggested that an e-mail be sent to directors to get their comments on material aspects for the external auditor to include them in its work plan, as agreed on in a prior Committee meeting.

In a meeting held on 5 December 2011, Mr Juan Roncagliolo, the partner in charge of the PwC audit, presented a summary of his report with remarks on internal control and improvement recommendations with his most significant findings made in 2011 and follow-up of the recommendations made in prior years. This presentation included the following issues: audit focus and main cycles reviewed, scope of the internal control review and coverage percentage of operations and a summary of the material recommendations.

The Committee analysed each of the recommendations and asked management for a plan on how to resolve the remarks made.

Management also submitted a document summarising the remuneration and compensation systems for the main executives of Empresas CMPC and subsidiaries, which was later analysed by the Committee.

The Committee analysed the bids submitted by bidders in the tender for the external auditing services for CMPC in Chile and for Argentina, Peru and Colombia. It agreed to summon three bidders to present their bids to the Committee.

Financial information información de carácter general

FINANCIAL STATEMENTS

The financial statements of Empresas CMPC S.A. for the year ended 31 December 2011, submitted to shareholders, were drawn up in accordance with the International Financial Reporting Standards (IFRS).

DISTRIBUTION OF NET INCOME

The dividend policy for 2011 was to distribute a dividend of 40% of the net income for the year ended 31 December 2011 by issuing two interim dividends in September and December 2011 or January 2012 and a final dividend. This must be agreed by the Ordinary Shareholders' Meeting, and shall be paid on the date approved by such meeting, only if 40% of the net income for 2011 has not been completed with the interim dividends.

Pursuant to what is laid down in circular letter N°1.945 of the Superintendency of Securities and Insurance (SVS), dated 29 September 2009, a Board meeting held on 26 November 2009 agreed to establish as a general policy the net income to pay the minimum compulsory dividend of 30%, laid down in article 79 of Law 18.046. This shall be determined based on net income excluding those material variations of the fair value of unrealised assets and liabilities, which shall be re-entered to the calculation of net income for the year in which such variations occur. Additional dividends shall be determined based on the above-mentioned criteria, according to the agreement reached by the respective Shareholders' Meeting.

Hence, it was agreed that, to determine the Company's net distributable income, i.e., the net income to be considered to calculate the minimum compulsory dividend for 2011, the income in the year shall exclude unrealised income from the variation of the fair value of forest plantations; the unrealised income generated from acquiring other entities or companies at a lower value than the fair value

of the net assets (deducting liabilities) of the entity acquired, and generally that unrealised income that arises from applying paragraphs N°34, 39, 42 and 58 of revised IFRS 3 on business combinations, which mainly concern adjustments arising from the acquisition and takeover process and the effects of deferred taxes from the adjustments related to the concepts mentioned in the foregoing points.

The net distributable income for the year ended 31 December 2011, calculated as indicated above, amounted to ThUS\$411,726 (ThUS\$595,472 in 2010).

Pursuant to General Rule N°30 of the SVS, Table G below shows the dividends paid per share in the last five years:

Table G: Dividends paid per share

YEAR	CH\$/SHARE
2007	273
2008	519
2009	169
2010	312
2011	332

The Ordinary Shareholders Meeting, held on 29 April 2011, agreed to distribute a final dividend N°251 of Ch\$200 per share charged to the net income for the year ended 31 December 2010. This dividend was paid as of 11 May 2011. The dividend policy established by the mentioned Ordinary Shareholders' Meeting was to distribute two interim dividends to be paid in September and December 2011 or January 2012 and a final dividend, to be agreed on in the next Shareholders' Meeting to be paid on the date established by such meeting until completing 40% of the net income for the year ended 2011.

A Board meeting, held on 4 August 2011, agreed to distribute an interim dividend N°252 of Ch\$120 per share charged to the net income for the year ended 31 December 2011. This dividend was paid as of 14 September 2011.



A Board meeting, held on 3 November 2011, agreed to distribute an interim dividend N°253 of Ch\$12 per share charged to the net income for the year ended 31 December 2011. This dividend was paid as of 15 December 2011.

Note N°31 to the consolidated financial statements includes a breakdown of the dividends paid in the year. Pursuant to current legal provisions, the Shareholders' Meeting shall decide on the distribution of net income for the year and the allocation of dividends.

WORKFORCE

The Company had a total workforce of 15,463 employees for the year ended 31 December 2011, distributed as shown in Table H below:

Table H: Company Workforce for the year ended 31 December 2011

BUSINESS AREA	MANAGERS	PROFESSIONALS & TECHNICIANS	WORKERS	TOTAL
Forestry	17	648	1,304	1,969
Pulp	27	816	935	1,778
Paper	21	590	1,180	1,791
Tissue	55	1,979	5,303	7,337
Paper Products	27	367	1,803	2,197
Others	13	336	42	391
TOTAL	160	4,736	10,567	15,463



Financial information responsibility statement

RESPONSIBILITY STATEMENT AND SIGNING OF THE ANNUAL REPORT

The Directors and Chief Executive officer of Empresas CMPC S.A., listed below, hereby state under oath that they are responsible for the truth of all the information contained in this Annual Report, and signed by them hereunder.

ELIODORO MATTE LARRAIN
Chairman
I.D. N° 4.436.502-2

ERWIN HAHN HUBER
Director
I.D. N° 5.994.212 - 3.

MARTIN COSTABAL LLONA
Director
I.D. N° 5.593.528-9

ARTURO MACKENNA ÑIGUEZ
Director
I.D. N° 4.523.287 - 5

JORGE EDUARDO MARIN CORREA
Director
I.D. N° 7.639.707-4

JORGE GABRIEL LARRAIN BUNSTER
Director
I.D. N° 4.102.581-6

BERNARDO MATTE LARRAIN
Director
I.D. N° 6.598.728-7

HERNAN RODRIGUEZ WILSON
Chief Executive Officer
I.D. N° 7.051.490 - 7





CMPC

financial statements







REPORT OF INDEPENDENT AUDITORS
(A free translation from the original in Spanish)

Santiago, March 8, 2012

To the Shareholders and Directors
Empresas CMPC S.A.

We have audited the accompanying consolidated balance sheets of Empresas CMPC S.A. and its subsidiaries as of December 31, 2011 and 2010, and the related consolidated statements of income and comprehensive income, of shareholders' equity and of cash flows for the years ended December 31, 2011 and 2010. 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 did not audit the financial statements of certain subsidiaries that are part of the consolidated financial statements of Empresas CMPC S.A., which show total assets of ThUS\$ 3,303,660 and ThUS\$ 1,018,329 at December 31, 2011 and 2010, respectively, and total revenues of ThUS\$ 1,403,774 and ThUS\$ 662,993 for the years then ended. Those statements were audited by other auditors whose reports have been provided and our opinion in regard to the amounts included for these subsidiaries is based solely on reports issued by auditors.

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 and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Empresas CMPC S.A. and its subsidiaries at December 31, 2011 and 2010, and the results of their operations and their cash flows for the years then ended in conformity with International Financial Reporting Standards.

A handwritten signature in blue ink, appearing to read 'J. Roncagliolo G.', written over a horizontal line.

Juan Roncagliolo G.
RUT: 7.588.369-2

The PricewaterhouseCoopers logo, featuring the company name in a blue, cursive script font, with a horizontal line underneath.



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STATEMENT OF FINANCIAL POSITION

(A free translation from the original in Spanish)

	NOTE	AS OF DECEMBER 31, 2011 ThUS\$	AS OF DECEMBER 31, 2010 ThUS\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	404,357	364,529
Other financial assets, current	8	519,217	399,455
Other non-financial assets, current		32,732	24,117
Trade and other receivables, net, current	9	909,967	920,779
Accounts receivable from related entities, current	10	1,345	2,328
Inventories	11	1,021,914	958,477
Biological assets, current	12	220,871	219,169
Tax assets, current	13	137,565	138,873
TOTAL ASSETS, CURRENT		3,247,968	3,027,727
ASSETS, NON-CURRENT			
Other financial assets, non-current	8	9,399	7,378
Other non-financial assets, non-current	25	45,748	43,412
Rights receivables, non-current	13	48,530	24,193
Investments in associates	16	77,027	113,628
Intangible assets	17	10,044	11,712
Goodwill	18	154,651	164,866
Property, plant & equipment	19	6,310,136	6,204,558
Biological assets, non-current	12	3,261,039	3,142,319
Deferred income tax assets	21	129,034	136,663
TOTAL ASSETS, NON-CURRENT		10,045,608	9,848,729
TOTAL ASSETS		13,293,576	12,876,456
EQUITY AND LIABILITIES			
LIABILITIES			
CURRENT LIABILITIES			
Other financial liabilities, current	22	293,446	501,376
Trade and other payables	23	597,514	583,723
Accounts payable to related entities, current	24	22,498	12,761
Provisions	25	1,868	3,504
Tax liabilities, current	13	27,931	64,314
Current provisions for employee benefits	26	45,553	43,665
Other non-financial liabilities, current	27	69,194	111,608
TOTAL LIABILITIES, CURRENT		1,058,004	1,320,951
NON-CURRENT LIABILITIES			
Other financial liabilities, non-current	22	3,137,196	2,516,437
Accounts payable to related entities, non-current-	24	10,000	-
Provisions	25	78,464	56,858
Deferred income tax liabilities	21	962,145	934,315
Non-current provisions for employee benefits	26	83,414	93,958
Other non-financial liabilities, non-current	27	115,873	132,206
TOTAL LIABILITIES, NON-CURRENT		4,387,092	3,733,774
TOTAL LIABILITIES		5,445,096	5,054,725
EQUITY			
Issued capital	28	761,425	692,358
Retained earnings (cumulative losses)	29	7,004,877	6,685,585
Share premium	28	-	13,620
Company shares	28	(30,237)	-
Other reserves	30	103,836	273,847
EQUITY ATTRIBUTABLE TO CONTROLLING COMPANY'S EQUITY HOLDERS		7,839,901	7,665,410
Non-controlling interest		8,579	156,321
TOTAL EQUITY		7,848,480	7,821,731
TOTAL EQUITY AND LIABILITIES		13,293,576	12,876,456

STATEMENT OF CHANGES IN EQUITY

(A free translation from the original in Spanish)

	ISSUED CAPITAL NOTE 28 ThUS\$	SHARE PREMIUM NOTE 28 ThUS\$	COMPANY SHARES NOTE 28 ThUS\$	CURRENCY TRANSLATION RESERVES NOTE 30 ThUS\$	CASH FLOW HEDGE RESERVES NOTE 30 ThUS\$	OTHER MISCELLANEOUS RESERVES NOTE 30 ThUS\$	OTHER RESERVES ThUS\$	RETAINED EARNINGS (CUMULATIVE LOSSES) NOTE 29 ThUS\$	EQUITY ATTRIBUTABLE TO CONTROLLING COMPANY'S EQUITY HOLDER ThUS\$	NON- CONTROLLING INTEREST ThUS\$	TOTAL EQUITY ThUS\$
Opening balance current year 01/01/2011	692,358	13,620	-	66,067	9,245	198,535	273,847	6,685,585	7,665,410	156,321	7,821,731
RESTATED OPENING BALANCE	692,358	13,620	-	66,067	9,245	198,535	273,847	6,685,585	7,665,410	156,321	7,821,731
Changes in equity											
Comprehensive income											
Profit (loss)	-	-	-	-	-	-	-	492,126	492,126	2,347	494,473
Other comprehensive income	-	-	-	(252,363)	2,505	(4,357)	(254,215)	-	(254,215)	-	(254,215)
COMPREHENSIVE INCOME	-	-	-	(252,363)	2,505	(4,357)	(254,215)	492,126	237,911	2,347	240,258
Issue of equity	55,447	-	-	-	-	-	-	-	55,447	-	55,447
Dividends	-	-	-	-	-	-	-	(172,834)	(172,834)	-	(172,834)
Increase (decrease) from transfers and other changes	13,620	(13,620)	-	-	-	84,204	84,204	-	84,204	(150,089)	(65,885)
Increase (decrease) from company's shares transactions	-	-	(30,237)	-	-	-	-	-	(30,237)	-	(30,237)
TOTAL CHANGES IN EQUITY	69,067	(13,620)	(30,237)	(252,363)	2,505	79,847	(170,011)	319,292	174,491	(147,742)	26,749
CLOSING BALANCE AS OF DECEMBER 31, 2011	761,425	-	(30,237)	(186,296)	11,750	278,382	103,836	7,004,877	7,839,901	8,579	7,848,480
Opening balance prior year 01/01/2010	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) from transfers and other changes	-	-	-	-	-	-	-	-	-	(3,803)	(3,803)
TOTAL CHANGES IN EQUITY	-	-	-	81,661	15,514	9,711	106,886	458,079	564,965	(1,327)	563,638
CLOSING BALANCE AS OF 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

Consolidated financial statements

INCOME STATEMENT - BY FUCTION OF EXPENSE

(A free translation from the original in Spanish)

	NOTE	FOR THE YEAR ENDED DECEMBER 31,	
		2011 ThUS\$	2010 ThUS\$
PROFIT			
Revenue	32	4,796,519	4,219,172
Cost of sales		(3,714,637)	(3,129,754)
GROSS PROFIT		1,081,882	1,089,418
Other income	12	291,283	230,361
Distribution costs		(227,790)	(197,812)
Administrative expense		(203,744)	(166,385)
Other expense		(166,284)	(145,156)
Other gains (losses)	33	(31,176)	52,992
Finance income		36,673	14,080
Finance costs	34	(162,918)	(134,672)
Share of profit (loss) of associates and joint ventures using equity method	16	11,544	17,480
Foreign exchange differences	35	31,235	(24,327)
Indexation unit results		(20,505)	(20,583)
PROFIT, BEFORE INCOME TAX		640,200	715,396
Income tax expense	36	(145,727)	(75,374)
PROFIT FROM CONTINUING OPERATIONS		494,473	640,022
PROFIT		494,473	640,022
PROFIT ATTRIBUTABLE TO			
Owners of the parent		492,126	637,546
Non- controlling interest		2,347	2,476
PROFIT		494,473	640,022
EARNINGS PER SHARE			
BASIC EARNINGS PER SHARE			
From continuing operations	31	0,2234	0,2898
From discontinued operations		-	-
PROFIT PER SHARE		0,2234	0,2898
DILUTED EARNINGS PER SHARE			
From continuing operations	31	0,2234	0,2898
From discontinued operations		-	-
PROFIT PER SHARE (DILUTED)		0,2234	0,2898
COMPREHENSIVE INCOME			
PROFIT		494,473	640,022
Other comprehensive income, before taxes			
Currency translation differences			
Profit (loss) from currency translation differences, before taxes	30	(252,363)	81,661
OTHER COMPREHENSIVE INCOME, BEFORE TAXES, CURRENCY TRANSLATION DIFFERENCES		(252,363)	81,661
Cash flow hedges			
Profit (loss) from cash flow hedges, before taxes		3,849	27,434
Reclassification adjustments in cash flow hedges, before taxes		(831)	(8,742)
OTHER COMPREHENSIVE INCOME, BEFORE TAXES, CASH FLOW HEDGES		3,018	18,692
Share of other comprehensive income of associates and joint ventures using equity method		(4,357)	9,711
OTHER COMPONENTS OF OTHER COMPREHENSIVE INCOME, BEFORE TAXES		(253,702)	110,064
Income tax related to cash flow hedges of other comprehensive income	21	(513)	(3,178)
SUM OF INCOME TAXES RELATED TO COMPONENTS OF OTHER COMPREHENSIVE INCOME		(513)	(3,178)
OTHER COMPREHENSIVE INCOME		(254,215)	106,886
TOTAL COMPREHENSIVE INCOME		240,258	746,908
COMPREHENSIVE INCOME ATTRIBUTABLE TO			
Owners of the parent		237,911	744,432
Non-controlling interest		2,347	2,476
TOTAL COMPREHENSIVE INCOME		240,258	746,908

STATEMENT OF CASH FLOWS

(A free translation from the original in Spanish)

	NOTE	FOR THE YEAR ENDED DECEMBER 31,	
		2011 ThUS\$	2010 ThUS\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES			
PROFIT		494,473	640,022
Incomex tax	36	145,727	75,374
Decrease (increase) in inventories		(74,402)	(201,313)
Decrease (increase) in trade receivables		(82,125)	(191,797)
Decrease (increase) in other receivables derived from operating activities		7,761	65,906
Increase (decrease) in trade payables		26,114	(3,141)
Increase (decrease) in other payables derived from operating activities		514	15,722
Depreciation and amortization expense	19	333,403	324,821
Provisions	25	26,088	27,647
Unrealized foreign exchange (profit) loss	35	(10,730)	44,910
Fair value (profit) loss	8	(289,034)	(248,235)
Undistributed associates (profit) loss	16	(11,544)	(17,480)
Other adjustments for items other than cash		264,181	166,235
Other adjustment for which effects on income are investment or financing cash flow		126,245	120,592
TOTAL ADJUSTMENTS FOR RECONCILING TO (PROFIT) LOSS FROM OPERATIONS		462,198	179,241
Income taxes reimbursed (paid)		(143,860)	(29,955)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		812,811	789,308
CASH FLOWS FROM (USED IN) INVESTMENT ACTIVITIES			
Cash flows from loss of control of subsidiaries and other business		43,347	-
Cash flows used to obtain control of subsidiaries and other business		-	(80,192)
Amounts received from disposal of property, plant & equipment		1,089	7,894
Additions of property, plant & equipment		(637,246)	(459,518)
Additions of other long-term assets		(128,619)	(115,976)
Payments derived from future, forward contracts, options and swaps		(7,641)	(5,096)
Dividends received		5,466	6,937
Interest received		29,661	11,613
Other cash inflow (outflow)	8	(138,669)	(266,102)
NET CASH FLOWS FROM (USED IN) INVESTMENT ACTIVITIES		(832,612)	(900,440)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES			
Payments to acquire or redeem the entity's shares		(37,366)	-
Amounts received from long-term loans		494,585	158,709
Amounts received from short-term loans		865,934	416,793
TOTAL AMOUNTS RECEIVED FROM LOANS		1,360,519	575,502
Loans paid		(901,698)	(630,092)
Dividends paid		(206,481)	(142,969)
Interest paid		(137,837)	(108,640)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		77,137	(306,199)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS, BEFORE THE EFFECT OF CHANGES ON THE EXCHANGE RATE		57,336	(417,331)
Effects of exchange rate fluctuation on cash and cash equivalents		(17,508)	46,124
NET INCREASE (DECREASE) OF CASH AND CASH EQUIVALENTS		39,828	(371,207)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	8	364,529	735,736
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	8	404,357	364,529

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As of december 31, 2011 and 2010

(A free translation from the original in Spanish)

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, Note 39 gives details of the CMPC S.A. shares held by shareholders with either direct or indirect control of 55.44% 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 jointly.

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

CMPC is one of the principal forestry companies in Latin America and participates in multi-segments of that industry. Its production and commercial activities are carried out through five business centers: Forestry, Pulp, Paper, Tissue and Paper Products. A central holding company is responsible for strategic coordination and provides administrative and financial support functions and relations with external entities.

CMPC has over 654 thousand hectares of forest plantations, principally of pine and eucalyptus, of which 491 thousand hectares are in Chile, 63 thousand hectares in Argentina and 100 thousand hectares in Brazil. The Company also has usufruct, sharecropping and lease contracts with third parties covering 29 thousand hectares of forest plantations distributed in Chile and Brazil.

CMPC has 45 manufacturing plants located in Chile, Argentina, Peru, Uruguay, Mexico, 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% in Chile. It also has commercial and financial subsidiaries in Europe, the United States and the Cayman Islands.

As of December 31, 2011 CMPC comprises 58 companies: Empresas CMPC S.A., the parent company, 53 subsidiaries and 4 associates. CMPC has consolidated all those companies in which it has control of the operation in their businesses, and in those cases in which the Company has significant influence, these investments are booked in accordance with the equity method and the proportional participation is shown in equity and the results.

The subsidiaries included in these consolidated financial statements are the following:

CONSOLIDATED COMPANY	TAX NO.	COUNTRY OF ORIGIN	FUNCTIONAL CURRENCY	PERCENTAGE OF EQUITY INVESTMENT					
				DECEMBER 31, 2011			DECEMBER 31, 2010		
				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. (absorbed in 2011)	79,879,430-2	Chile	US\$	0.0000	0.0000	0.0000	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. (absorbed in 2011)	96,601,000-2	Chile	US\$	0.0000	0.0000	0.0000	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.	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	CLP	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	100.0000	100.0000	0.0000	97.5138	97.5138
Industrias Forestales S.A. (absorbed in 2011)	91,656,000-1	Chile	US\$	0.0000	0.0000	0.0000	0.0000	81.9513	81.9513
Forestal Crecec S.A. (absorbed in 2011)	84,126,300-6	Chile	US\$	0.0000	0.0000	0.0000	0.0000	81.9513	81.9513
Papeles Río Vergara S.A.	76,150,883-0	Chile	US\$	99.9000	0.1000	100.0000	0.0000	0.0000	0.0000
Cooperativa Agrícola y Forestal El Probeste Ltda.	70,029,300-9	Chile	US\$	0.0000	74.2535	74.2535	0.0000	71.8600	71.8600
Bioenergías Forestales S.A.	76,188,197-3	Chile	US\$	0.0000	100.0000	100.0000	0.0000	0.0000	0.0000
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
Forestal Timbauva S.A.	Foreign	Argentina	US\$	0.0000	100.0000	100.0000	0.0000	0.0000	0.0000
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.	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
Guaíba Administracao Florestal Ltda.	Foreign	Brazil	BRL	0.0000	100.0000	100.0000	0.0000	0.0000	0.0000
CMPC Investments Ltd.	Foreign	Channell 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 del 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. (absorbed in 2011)	Foreign	Spain	ARS	0.0000	0.0000	0.0000	0.0000	100.0000	100.0000
CMPC Europe Ltd.	Foreign	England	US\$	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
Inversiones CMPC Cayman Ltd.	Foreign	Cayman Islands	US\$	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
Tissue Cayman Ltd.	Foreign	Cayman Islands	CLP	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
Propa Cayman Ltd.	Foreign	Cayman Islands	US\$	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
Grupo ABS Internacional S.A. de CV	Foreign	Mexico	MXN	0.0000	94.6916	94.6916	0.0000	87.1300	87.1300
ABS Bienes de Capital S.A. de CV (absorbed in 2011)	Foreign	Mexico	MXN	0.0000	0.0000	0.0000	0.0000	87.1200	87.1200
Absormex S.A. de CV	Foreign	Mexico	MXN	0.0000	94.6916	94.6916	0.0000	86.8200	86.8200
Convertidora de Productos Higiénicos S.A. de CV	Foreign	Mexico	MXN	0.0000	94.6916	94.6916	0.0000	87.0200	87.0200
Absormex CMPC Tissue S.A. de CV (ex-IPG S.A. de CV)	Foreign	Mexico	MXN	0.0000	94.6916	94.6916	0.0000	86.9810	86.9810
ABS License S.A. de CV (absorbed in 2011)	Foreign	Mexico	MXN	0.0000	0.0000	0.0000	0.0000	87.1200	87.1200
Forsac México S.A.	Foreign	Mexico	US\$	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
Protisa Perú S.A.	Foreign	Peru	PEN	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
Papelera del Rimac S.A.	Foreign	Peru	PEN	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
Forsac Perú S.A.	Foreign	Peru	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
Industria Papelera Uruguaya S.A. (Ipusa)	Foreign	Uruguay	UYU	0.0000	99.6100	99.6100	0.0000	99.6100	99.6100
CMPC USA Inc.	Foreign	United States	US\$	0.0000	100.0000	100.0000	0.0000	97.5386	97.5386

The subsidiary Inversiones CMPC S.A. is registered in the Chilean Securities Register of the SVS with the number 0672, and prepares consolidated financial statements which are available to the public. The accounting policies followed are consistent with those applied by CMPC in the preparation of its financial statements.

Merger of Industrias Forestales S.A. and Empresas CMPC S.A.

The extraordinary shareholders meeting held on April 29, 2011 approved the merger of its subsidiary Industrias Forestales S.A. (Inforsa) and Empresas CMPC S.A. through the incorporation of the former into the latter. To permit and facilitate this merger, the shareholders meeting agreed to increase the number of shares of Empresas CMPC S.A. from 220 million at that date to 2,200 million shares, without a capital increase, through the exchange of 10 new shares for each old share, and also agreed a capital increase of ThUS\$ 55,446.97, equivalent to 26,773,533 new shares for payment, corresponding to the participation of the minorities of Inforsa. There would also be the corporate restructurings necessary for carrying out this merger, plus other activities related to this matter (see Note 28).

On September 16, 2011, the exchange of CMPC shares referred to in the previous paragraph was carried out, by which the Company's capital passed from being divided into 220 million shares to being divided into 2,200 million shares, as agreed by the board of CMPC on September 8, 2011. On October 30, 2011 the capital increase mentioned in the previous paragraph was completed, amounting to ThUS\$ 55,446.97 divided into 26,773,533 new shares for payment, which were paid by the exchange of one share in CMPC for every 15 shares in Inforsa held by minority shareholders. Overall, considering the shares repurchased by Empresas CMPC S.A. (44,730) and shares repurchased by Inforsa (109,976,258 equivalent to 7,331,751 new shares in Empresas CMPC S.A.), the number of shares in circulation amounts to 2,219,397,052 out of a total of 2,226,773,533 issued shares.

The changes that occurred on the perimeter of the consolidation are the following:

- i) The following corporate restructurings were carried out in the context of the above-mentioned merger: On June 6, 2011 the company Papeles Río Vergara S.A. was constituted, whose corporate objectives include the production of pulps and/or chemical, semi-chemical and mechanical pastes and the manufacture of paper and cardboard; on June 15, 2011 the company Papeles San Roque S.A. was created out of the division of CMPC Papeles S.A.; on August 1, 2011 the company Inversiones Nacimiento S.A. was formed from the division of Inversiones CMPC S.A.; on September 1, 2011 Industrias Forestales S.A. made a capital contribution to its subsidiary Papeles Río Vergara S.A. amounting to ThUS\$ 80,989; on September 3, 2011, Inversiones Nacimiento S.A. was dissolved through having 100% of its shares held by Empresas CMPC S.A., and on September 13, Papeles San Roque S.A. was dissolved through having 100% of its shares held by Empresas CMPC S.A. (material information report of August 23, 2011). These corporate restructurings resulted in Empresas CMPC S.A., on October 30, 2011, becoming the direct holder of 81.95 % of the share capital of Industrias Forestales S.A. (86.21 % of the shares in circulation of that company). Its ownership was previously exercised through the subsidiary CMPC Papeles S.A.

At the end of legal period of time for exercising the right to withdraw, as established in the extraordinary shareholders meeting, some shareholders of the subsidiary Industrias Forestales S.A. exercised this right over 110,005,679 shares, of which 109,976,258 were repurchased by that company for ThUS\$ 37,151, thus causing the total holding of Empresas CMPC S.A. to rise to 86.21% of the shares in circulation as of October 30, 2011.

On October 30, 2011 all the legal and corporate acts required for formalizing the merger of Inforsa and CMPC were therefore concluded and, consequently, the exchange was made on that date of 291,626,732 shares of Inforsa held by the minority shareholders and 109,976,258 shares of Inforsa (equivalent to 7,331,751 shares of CMPC) repurchased by that company, for 26,773,533 shares of Empresas CMPC S.A., at a ratio of 1 for 15, with which this subsidiary was absorbed as a result of Empresas CMPC S.A. becoming the holder of all the issued shares.

Note 28 explains in greater detail the number of shares and the amounts involved with respect to the shareholders of Empresas CMPC S.A. that exercised their right to withdraw.

- ii) The extraordinary shareholders meeting of the subsidiary Forestal Mininco S.A. held on December 30, 2011 approved the merger by incorporation of Forestal Crecex S.A. and Forestal Coihueco S.A. with Forestal Mininco S.A. For this, the meeting agreed to increase the number of shares of Forestal Mininco S.A. from 237,300,000 to 328,362,775 shares of

no par value. This capital increase was approved for the sum of ThUS\$ 233,831, equivalent to 91,062,775 new shares for payment, corresponding to the participation of Empresas CMPC S.A. in the equity of the merged companies, in accordance with the expert report issued on December 21, 2011.

This merger, which is reflected in these financial statements, did not have any accounting effects as it was a reorganization of companies under joint control.

- iii) On December 29, 2011 Forestal Crecex S.A. sold 3,002 shares in CMPC Maderas S.A. to Inmobiliaria Pinares S.A. for ThUS\$ 152.
- iv) In November 28, 2011 the public deed recording the constitution of the company Bioenergías Forestales S.A. was registered in the Santiago Trade Register, The initial capital amounted to ThUS\$ 10 divided into 1,000 shares, of which 999 shares were subscribed and paid by the subsidiary Inversiones CMPC S.A. and one share was subscribed and paid by the subsidiary Inmobiliaria Pinares S.A.
- v) On November 20, 2011 Forestal Coihueco S.A. sold all its shares in Inmobiliaria y Forestal Maitenes S.A. to Forestal Mininco S.A. for ThUS\$ 59,524, producing the dissolution of Inmobiliaria y Forestal Maitenes S.A., and its absorption into Forestal Mininco S.A. as all its shares were held by Forestal Mininco S.A.
- vi) On September 29, 2011 the subsidiary Inversiones Protisa S.A. sold to the subsidiary Inversiones CMPC S.A. part of its participation in the Argentine company CMPC Inversiones Argentina S.A. (10.00%) and part of its participation in the Argentine company Naschel S.A. (10.00%).
- vii) On August 17, 2011 the deed of constitution of the company Forestal Timbauva S.A. was registered with the General Inspectorate of Justice of Argentina. The initial capital amounted to ARS 12,000 (ThUS\$ 3) divided into 12,000 shares, of which 11,400 shares were subscribed and paid by the subsidiary Inversiones Protisa S.A. and 600 shares were subscribed and paid by the subsidiary Inversiones CMPC S.A. Later, on November 15, 2011, the division and merger were approved of the subsidiary CMPC Inversiones Argentina S.A. and Forestal Timbauva S.A., the former passing all its forestry-related assets and liabilities to the latter. The new shareholdings in Forestal Timbauva S.A. are 90.00% Inversiones Protisa S.A. and 10.00% Inversiones CMPC S.A.
- viii) On August 22, 2011, the public deed recording the merger of the subsidiary Inversiones Protisa S.A. with its subsidiary Inversiones Protisa S.A. y Cía. S.R.C., Spain, through the incorporation of the latter into Inversiones Protisa S.A., was registered in the Santiago Trade Register. For this, the capital was increased by 941 new shares amounting to the equivalent of ThUS\$ 21,595, which was paid by the incorporation of the equity of Inversiones Protisa S.A. y Cía. S.R.C., Spain, in the part that relates to the minority shareholders. The participation of the investors in the equity of the subsidiary Inversiones Protisa S.A. was as follows: CMPC Tissue S.A. 95.499%, Inversiones CMPC S.A. 0.009%, CMPC Productos de Papel S.A. 4.435% and CMPC Celulosa S.A. 0.057%.
- ix) The merger was registered on July 28, 2011, in the Public Property and Trade Register of the state of Monterrey, Nuevo León, Mexico, of the subsidiaries Absormex CMPC Tissue S.A de CV, ABS License S.A. de CV and ABS Bienes de Capital S.A. de CV, by the incorporation of the two latter into Absormex CMPC Tissue S.A. de CV (ex-IPG S.A. de CV), Empresas CMPC S.A. maintaining its participation in that subsidiary.
- x) On June 22, 2011 the name of the Mexican subsidiary Internacional de Papeles del Golfo S.A. de CV (IPG S.A.) was changed to Absormex CMPC Tissue S.A de CV.
- xi) On May 10, 2011 the subsidiary Inversiones Protisa S.A. increased its capital by 10,000 new shares for a total equivalent to ThUS\$ 455,110, subscribed and paid by its shareholders (CMPC Tissue S.A. 99.99% and Inversiones CMPC S.A. 0.01%).
- xii) On March 2, 2011 the subsidiaries Inversiones Protisa S.A., CMPC Productos de Papel S.A. and CMPC Celulosa S.A. made a capital contribution of ThUS\$ 69 (50 thousand euros) in the subsidiary Inversiones Protisa S.A. y Cía. S.R.C., Spain, and maintain their participation in that company.

- xiii) On December 29, 2010, the subsidiary Inversiones CMPC S.A. sold its participation in the Brazilian company CMPC Celulose Riograndense Ltda. (0.0719%) to the subsidiary Inmobiliaria Pinares S.A.
- xiv) On September 30, 2010, the subsidiary CMPCTissue S.A. made a capital contribution of ThUS\$ 50,000 in Melhoramentos Papéis Ltda. The new participations in the equity of Melhoramentos Papéis Ltda. are CMPC Tissue S.A. 99.93% and Inversiones Protisa S.A. 0.07%.
- xv) On September 3, 2010 the process of closure and winding up of the company constituted in Japan, CMPC Asia Ltd., was concluded, with no equity effects for the Company.
- xvi) On July 31, 2010, the subsidiary CMPC Celulose Riograndense Ltda. absorbed all the assets and liabilities of its parent company Protisa do Brasil Ltda. Consequently, the investment companies maintain their percentage participations in the successor, CMPC Celulose Riograndense Ltda.: CMPC Celulosa S.A. (99.9281%) and Inversiones CMPC S.A. (0.0719%).
- xvii) On June 12, 2010 the name of the Brazilian subsidiary CMPC Celulose do Brasil Ltda. was changed to CMPC Celulose Riograndense Ltda.
- xviii) On March 1, 2010 the Brazilian subsidiary Melhoramentos Papéis Ltda. absorbed all the assets and liabilities of its parent company CMPC Participacoes Ltda. Consequently, the investment companies maintain their percentage participations in the successor Melhoramentos Papéis Ltda.: CMPC Tissue S.A. (99.93%) and Inversiones Protisa S.A. (0.07%).

Considering the Company's history of profitable operations, 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 its access to funds in the financial markets, the principle of a going concern is declared as fully complied with by management.

The total workforce of CMPC and its subsidiaries as of December 31, 2011 is 15,463, distributed among the various operating segments with the characteristics mentioned below:

SEGMENTS	MANAGERS	PROFESSIONALS AND TECHNICIANS	EMPLOYEES	TOTAL
Forest	17	639	1,313	1,969
Pulp	27	814	937	1,778
Paper	21	590	1,180	1,791
Tissue products	55	1,979	5,303	7,337
Paper products	27	367	1,803	2,197
Other	13	336	42	391
TOTALS	160	4,725	10,578	15,463

The average number of personnel of CMPC during 2011 was 15,317.

These financial statements are consolidated and include the classified statement of financial position, the statement of comprehensive income by function, the statement of cash flows (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 and the subsidiaries operating in Brazil, which use the local currency of each country as their functional currency, because local factors prevail in their business and of the relevance of those currencies in the allocation factors of the functional currency.

The subsidiaries that maintain their accounts 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 statement of comprehensive income and statement of cash flows at the daily or average monthly exchange rate, as appropriate.

The accompanying consolidated financial statements are shown 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 maturities equal to or less than twelve months, and non-current, those whose maturities exceed twelve months. In turn, in the statement of comprehensive income, expenses are shown classified by function, identifying depreciation and personnel expenses based on their nature, and the statement of cash flows is shown using the indirect method.

The consolidated financial statements show a true picture of the equity and financial position as of December 31, 2011, 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 explanatory Notes are shown compared to the figures as of December 31, 2010, 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 at the board meeting held on March 8, 2012, the management being authorized to publish and transmit them. 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, as well as ensuring a good return for shareholders.

To meet these objectives, the Company is constantly monitoring the return obtained by each business, controlling their correct operation and 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 reviews its balance of cash daily in order to make its investment decisions.

CMPC manages its capital structure so that its indebtedness does not put at risk its ability to pay its obligations or obtain an adequate return for its investors. Under certain of its debt obligations, 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, 2011 and 2010 this ratio was comfortably complied with, reaching levels of 0.43 and 0.38 times, respectively (see Note 22.2.e).

Together with the above, and as part of CMPC's financial covenants, the Company must maintain at the end of each quarter a minimum tangible equity of UF 71,580,000 (which as of December 31, 2011 and 2010 is equivalent to 3,074 million dollars and 3,282 million dollars, respectively) a condition which was comfortably met since the tangible equity amounts to 7,675 million dollars and 7,489 million dollars as of December 31, 2011 and 2010, respectively (see Note 22.2.e).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

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, 2011 and have been consistently applied to the years presented.

2.1. Preparation

These consolidated financial statements of Empresas CMPC S.A. as of December 31, 2011 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 Company'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 exception of hedging instruments, certain financial assets and liabilities and biological assets which are booked at fair value.

For a presentation consistent with the financial statements as of December 31, 2011, certain minor balances of the comparative financial statements of 2010 were reclassified.

2.2. 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 accompanied by 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 Empresas CMPC S.A. controls another entity. Subsidiaries are 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 CMPC. The cost of the acquisition is booked at the fair value of the assets acquired and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are booked initially at their fair value on the acquisition date, irrespective of the extent of any non-controller participations. The excess of the cost of acquisition over the fair value of CMPC's share of the identifiable net assets acquired is booked as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is booked directly in the income statement (Note 2.8).

b) Transactions and non-controller participations

As part of the consolidation process, the transactions, balances and unrealized income on operations between CMPC-related companies are eliminated. The 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 gain or loss attributable to the non-controlling interest is shown in the income statement as gain (loss) for the period. The results of transactions between non-controller shareholders and the shareholders of the companies where the ownership is shared are accounted for within equity and are therefore shown in the statement of changes in equity.

c) Associates

Associates are all entities over which Empresas CMPC S.A. has significant influence but no control over the financial and operating policies. Investments in associates are accounted for using the equity method of accounting and are initially booked at cost. The investment of Empresas CMPC S.A. in associates includes goodwill, net of any accumulated impairment loss, at the time of acquisition (Note 2.8).

The share of Empresas CMPC S.A. in its associates' post-acquisition earnings or losses is booked in the income statement, and its share of post-acquisition movements is booked in other comprehensive income forming part of the corresponding reserve within equity. When the share of Empresas CMPC S.A. in the losses of an associate equals or exceeds its participation in the associate, including any other unsecured receivable, the Company does not book any 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 - Financial Information by Segments.

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

Forestry
Pulp
Papers
Tissue
Paper products

The results of areas other than the segments mentioned, related to CMPC and others not transferred to operating segments, are shown under "Others" and do not individually represent significant amounts for their designation as an operating segment.

2.4. Foreign currency translation

Presentation currency and functional currency

Items included in the financial statements of each of 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 functional currency of the parent and 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 real). Consequently, the Company's presentation currency for its consolidated financial statements is the dollar.

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, and are booked at the exchange rate prevailing on the transaction date.

Balances of monetary assets and liabilities denominated in foreign currencies are valued at the exchange rate at the closing date of each period. The change between the original and closing values is booked in Exchange differences, except when such changes are deferred in equity such as cash flow hedges.

Changes in the fair value of investments in debt instruments denominated in foreign currency and classified as available for sale, if any, are separated between exchange differences and the increase corresponding to the gain on the investment measured in the functional currency. Exchange differences are booked in the results for the year and the investments' gain is booked in equity.

CMPC entities

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 other than the presentation currency are translated to the presentation currency as follows:

- a) Assets, liabilities and equity of each statement of financial position are translated at the year-end exchange rate;
- b) The revenue and expenses of each results account are translated at the daily exchange rate or, if not possible, at the average monthly rate as a reasonable approximation; and
- c) All resulting exchange differences are recognized in the translation reserve in equity.

The change determined by exchange difference between an investment in a company whose functional currency is other than the functional currency of the subsidiary is recorded as other comprehensive revenue, forming part of the exchange difference reserve within equity.

Exchange differences generated by balances maintained in long-term receivables/payables between subsidiaries with different functional currencies are eliminated from results and are booked in the exchange difference reserve within equity, since they are treated as the net investment in those subsidiaries.

Foreign currency exchange rates

As of December 31, 2011 and 2010 the exchange rates of the main foreign currencies used in accounting of CMPC's companies, with respect to the dollar, are the following:

CURRENCY		31/12/2011		31/12/2010	
		YEAR-END	ACCUMULATED MONTHLY AVERAGE	YEAR-END	ACCUMULATED MONTHLY AVERAGE
Chilean peso	CLP	519.20	483.67	468.01	510.25
Unidad de fomento (*)	CLF	0.02	0.02	0.02	0.02
Argentine peso	ARS	4.30	4.13	3.98	3.91
Peruvian nuevo sol	PEN	2.70	2.75	2.81	2.83
Mexican peso	MXN	13.99	12.43	12.35	12.63
Uruguayan peso	UYU	20.04	19.31	20.10	20.06
Colombian peso	COP	1,942.70	1,847.14	1,913.98	1,898.95
Euro	EUR	0.77	0.71	0.75	0.76
Brazilian reais	BRL	1.88	1.67	1.67	1.76

(*) The Unidad de Fomento (CLF) is a Chilean inflation index-linked, peso-denominated unit, set daily in advance on the basis of the fluctuation of the Consumer Price Index of the previous month rate

2.5. Property, plant and equipment

Additions to property, plant and equipment are booked at their cost. Acquisitions in a currency other than the functional currency are translated into that currency at the exchange rate on the date of the acquisition.

With respect to interest, in the event of financing of an asset through direct and indirect loans, the policy is to capitalize such costs incurred during the construction or acquisition period as long as these assets qualify by the length of their start-up period and size of the investment involved. The cost may also include gains or losses on qualified cash-flow 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 for fixed assets.

Depreciation of assets is calculated using the straight-line method, distributed systematically over their 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 production, and changes in market demand for the products obtained in the operation of such assets. Land is not depreciated.

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 book value (net of depreciation) and are booked in the income statement.

On the first application of IFRS (January 1, 2008), the Company showed its main property, plant & equipment at fair value, which was deemed to be its historic cost, based on the IFRS transition standard, in particular IFRS 1 paragraph D 5. Property, plant & equipment acquired from that date, except assets contained in newly-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. That value is then considered as the 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 their 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. Plantations in their first year are valued at their cost of establishment.

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

The costs of setting up forest plantations are classified as biological assets and the maintenance costs of these assets are booked as expenses in the period in which they are incurred and are shown as Cost 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, electricity line easements 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 trademark development are booked as operating expenses in the period when they are incurred. The Company considers that trademarks maintain their value through its investment in marketing and are therefore considered to have an 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 water from natural sources and were recorded at cost. Given that these rights are perpetual, they are not amortized; 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 booked cost, provided that payments exist, from the time the Company remains in a position to exert the emission controls 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 financial statement since no payment for has been made for them.

d) Electricity line easements

The Company has paid for electricity line easements to perform the various electrical wiring on third-party land, necessary for the operation of the industrial plants,. Given that these rights are perpetual, they are not amortized; 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 booked and amortized in the accounting period in which they generate revenue 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 subsidiary on the date of acquisition. Goodwill is tested annually for impairment and booked at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the book value of goodwill relating to the entity sold.

Goodwill originating from the acquisition of companies whose functional currency is other than the dollar is booked in the same way as if they were foreign currency assets, i.e. 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 losses on 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 book value does not exceed the realizable value.

Assets subject to amortization (property, plant and equipment) are tested for impairment provided that some event or change in the business's circumstances shows that the book value may not be realizable. An impairment loss is booked for the amount when the book value exceeds its realizable value. The realizable amount is the higher of an asset's fair value less sale costs and their value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flow.

Non-financial assets other than goodwill that suffer 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 booked in prior periods, so that the book value of these assets does not exceed the amount they would have had if such adjustments had not been made. This reversal is booked in Other gains (losses).

2.10. Financial assets

CMPC classifies its financial instruments in the following categories: at fair value through results, 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 their initial booking according to the purpose for which these financial instruments were acquired.

Investments are initially booked at fair value plus transaction costs for all financial assets not booked at fair value through results. Financial assets booked at fair value with changes to results are initially accounted for at fair value and transactions costs are charged to the income statement.

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

(a) Financial assets at fair value with changes to results

Financial assets at fair value with changes to results 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 booking any value changes in results, 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 clear 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 financial statement, which are classified as Other financial assets, current. They are booked at amortized cost and the accrual of earnings on the instrument is booked 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

on an active market. This category includes trade and other receivables of current assets except for those with maturities of over 12 months from the date of the financial statement, which are classified as non-current assets. They are booked at their amortized cost, the accrued income according to agreed conditions being booked directly to the income statement.

(d) Financial assets available for sale

Financial assets available for sale are non-derivative instruments that are designated in this category when the Company's management plans to use these resources in the medium or long term, before their respective maturities. They are later valued at fair value, booking the changes in value in equity. Once the instruments are sold, the reserve is taken to the income statement, forming part of the results for the period in which this instrument was sold.

CMPC evaluates on the date of each financial statement 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 booked at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of booking the resultant gain or loss depends on whether the derivative has been 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 (fair value hedge)
- Hedges of a particular risk associated with a recognized asset or liability or a highly probable forecasted 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 strategy for undertaking various hedging transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, as to whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in the 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 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, or 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 booked 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 to reduce the financial risk of sales in euros and pounds sterling of the wood and cardboard product businesses, 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 booked within equity as cash-flow hedge reserves. The gain or loss relating to the ineffective part is booked immediately in the income statement in Other gains/(losses).

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

Valuation methods

CMPC values its currency forward and currency option contracts based on computer models, which are 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 to 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 the 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 includes raw material, direct labor, depreciation of industrial 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 generating 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 debtors and other accounts receivable

Trade credits are shown at fair value and when it is quantified based on the collection value. Consequently, the Company books 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 booked as deferred revenue within current liabilities and the accrued portion is booked in Other ordinary revenue.

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 in the period they are produced. Trade credits are included under current assets in Trade debtors and other receivables to the extent that their estimated time of recovery does not exceed one year from the date of the financial statement.

2.14. Cash and cash equivalents

The Company considers cash and cash equivalents to be cash in hand and bank account balances, time deposits and other easily-realized 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 creditors and other accounts payable

Payables to suppliers are initially booked 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

Borrowings, classified in other financial liabilities, are initially booked at fair value, which corresponds to the value of the debt net of directly associated transaction expenses, and are the booked 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 for a term similar to those of the outstanding debt. Consequently, it considers the book value of the debt to be fair value.

2.18. Income tax and deferred 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 timing differences arising between the tax bases of assets and liabilities and their book value. However, deferred tax is not booked if it arises from the initial booking of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting result or taxable income or loss. Deferred tax is determined using income tax rates under current law or those that are about to be promulgated, in each country of operation, on the date of the financial statement and which are expected to apply when the related deferred tax asset is realized or deferred tax liability is settled.

Deferred tax assets are booked when it is considered probable that the group entities will generate sufficient taxable income against which the timing differences can be utilized.

In accordance with the criteria of IAS 12 no deferred taxes have been booked for timing differences arising between the tax and book values generated by investments in related companies since the Company maintains control of the consolidated companies. Therefore deferred tax arising from translation exchange differences or the participation in the other comprehensive result of associates booked directly in equity, disclosed in the statement of comprehensive income, has not been booked.

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 severance payments for years of service in any event, whether by voluntary retirement or dismissal. This liability is therefore booked according to technical standards using 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 projected unit credit method.

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 projected unit credit method.

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

The gains or losses from changes in the actuarial variables, if any, are booked 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 Employee benefits provisions under current liabilities.

2.20. Provisions

Provisions are booked 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 funds will be required to settle the obligation and when the amount can be 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 related to the sale 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 booked at the moment of transfer of risks and benefits to the customers in accordance with the terms of commercial agreements.

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

The structure of the booking of revenue is based on the grouping of Incoterms, in the following groups:

- "DAT (Delivered at Terminal), DAP (Delivered at Place), DDP (Delivered Duty Paid) and similar terms", whereby the Company is required to deliver the merchandise to the buyer at the port of destination or on the last means of transport used, or in the agreed place of destination, in whose case the sales point is the time of delivery to the buyer, booking the revenue is booked upon that delivery of the product.
- "CIF (Cost, Insurance & Freight) and similar terms", whereby the Company organizes and pays the expense for the transportation abroad and certain other expenses, although CMPC ceases to be responsible for the merchandise once it has been delivered to the shipping company or air carrier in conformity with the pertinent term. The point of sale is therefore 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 out in the contracts shall prevail.

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

In the particular case of sales that fail to meet the above conditions, they are booked as unearned revenue in current liabilities and are then booked as revenue once the conditions of transfer of the risks, benefits and ownership of the goods are met, as described above.

Should CMPC be responsible for organizing the transportation for its sale, these costs are not billed separately, but they are included in revenues for the value of the merchandise billed to the customers and the shipment expenses are shown in cost of sales.

Ordinary revenue from sales of services is booked when the service has been provided. A service is considered to be provided upon satisfactory receipt by the customer.

2.22. Lease contracts

Leases of property, plant and equipment, where the Company has substantially all the risks and benefits of ownership, are classified as financial leases. Financial leases are booked at the commencement of the lease at the fair value of the property leased. Each payment is split between the principal and financing charge in order to achieve a constant interest rate over the balance outstanding. The respective lease obligations, net of financial charges, are shown in interest-bearing loans.

The property, plant and equipment acquired under financial 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 operative leases, and the lease payments are expenses throughout the lease term on a straight-line basis.

2.23. Dividend distribution

Dividend distributions to the shareholders are booked as a liability on the closing date of the financial statements as a function of the dividend policy approved by the shareholders meeting.

2.24. The environment

Should there be environmental liabilities, these are booked on the basis of the current interpretation of environmental laws and regulations, when a current obligation is likely to be incurred and the amount of that responsibility can be estimated reliably.

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

2.25. Research & development

These expenses are shown in administrative expenses in the statement of comprehensive income, and they are booked in the period in which they are incurred.

2.26. Publicity expenses

Publicity expenses are booked in results when incurred.

2.27. Earnings per share

Earnings per share are calculated by dividing the earnings attributable to shareholders of the controller by the weighted average number of subscribed and paid ordinary shares during the period.

2.28. Insurance and casualty expenses

Payments of the various insurance policies contracted by the Company are shown in expenses in proportion to the period of time they cover, regardless of the terms of payment. The amounts paid and not consumed are booked as Other non-financial assets under current assets.

The costs of claims are booked to results immediately after they are known. The amounts recoverable are booked as a reimbursable asset by the insurance company as in Trade debtors and other accounts receivable, calculated according to the terms of the insurance policies, once all the conditions that guarantee recoverability have been met.

NOTE 3 - RISK MANAGEMENT

Empresas CMPC and its subsidiaries are exposed to a combination of market, financial and operating risks inherent to their businesses. 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 on a decentralized basis through the different business units. At the corporate level, the finance management and internal audit respectively co-ordinate and control the proper execution of the prevention and mitigation policies of the mains risk identified.

3.1. Market risk

A considerable percentage of CMPC's sales come from products considered as commodities, whose prices depend on the situation prevailing in international markets in which the Company has an insignificant impact and has no control over the factors that affect prices. Among those factors is the fluctuation in global demand (mainly determined by the economic conditions of Asia, North America, Europe and Latin America), variations in the installed capacity of the industry, inventory

levels, business strategies and comparative advantages of the main competitors in the forest industry, the availability of replacement products and the stage of the product's life cycle.

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

The first category of CMPC's products is bleached kraft pulp, which represents around 29% of consolidated sales in value and is marketed to over 250 customers in 52 countries in Asia, Europe, America and Oceania. CMPC benefits from business diversification and the vertical integration of its operations, thus having certain flexibility to manage its exposure to variation in the pulp price. The impact caused by a possible fall in pulp prices is partially offset by higher margins on sales of greater value-added products, particularly tissue and cardboard.

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 a large part of its financial operations of debt and funds placement, foreign exchange and derivatives trading in its subsidiary Inversiones CMPC S.A. The purpose of this policy is to optimize resources, achieve economies of scale, and improve operating control. The separate borrowing by subsidiaries occurs only when it is advantageous.

a) Risk of conditions in the financial market

- i) Exchange rate risk: CMPC is exposed to exchange rate fluctuations, expressed in two forms. The first is exchange risk, derived from a possible accounting mismatch existing between assets and liabilities in the statement of financial position denominated in currencies other than the functional currency, which is the dollar in the case of CMPC. The second relates to the Company's revenues and costs which are denominated directly or indirectly in currencies other than the functional currency.

During 2011, the exports of CMPC and its subsidiaries represented approximately 48% of total sales, the main destination being the markets of Asia, Europe, Latin America and the United States. Most of these export sales were denominated in dollars.

On the other hand, the domestic sales of CMPC in Chile and those of its subsidiaries in Argentina, Peru, Uruguay, Mexico, Ecuador, Brazil and Colombia, in their respective countries, represented 52% of the Company's total sales. Such sales were carried out both in local currencies, dollars and local currencies indexed to the dollar.

Consequently, the revenue flow in United States dollars or indexed to that currency is estimated to reach a percentage of close to 67% of the Company's total sales. In turn, on the side of disbursements, raw materials, supplies and spare parts required for the fixed asset investment, are also mostly denominated in dollars or 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, 2011 a significant proportion was hedged of the estimated sales of cardboard and wood to Europe in euros through to 2014.

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, as they receive revenue in local currency, a part of their debt is established in the same currency in order to reduce 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 of short-term forward operations and, in certain cases, transactions using options, which are subject to limits previously authorized by the board and represent a small amount in relation to the Company's total sales.

Sensitivity analysis

CMPC has an asset accounting exposure in relation to currencies other than the dollar (more assets than liabilities denominated in other currencies than the dollar), amounting to US\$ 2,295 million as of December 31, 2011 (US\$ 1,808 million as of December 31, 2010). If the total exchange rates of these currencies (mainly Brazilian reais and Chilean pesos) were to appreciate or depreciate by 10%, the effect on the Company's equity is estimated to be a gain or loss of US\$ 230 million respectively (US\$ 181 million as of December 31, 2010). The above effect would be booked as a credit or charge to reserves for exchange difference on translations and as a loss or gain for the year, as per the following table:

	DECEMBER 31, 2011		DECEMBER 31, 2010	
	APPRECIATION 10% ThUS\$	DEPRECIATION 10% ThUS\$	APPRECIATION 10% ThUS\$	DEPRECIATION 10% ThUS\$
Effect on reserves for currency translation difference	270,035	(270,035)	233,781	(233,781)
Effect on profit (loss)	(40,576)	40,576	(52,937)	52,937
NET EFFECT ON EQUITY	229,459	(229,459)	180,844	(180,844)

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

CMPC has financial liabilities at floating rates amounting to US\$ 500 million as of December 31, 2011 (US\$ 729 million as of December 31, 2010); consequently, they are subject to variations in interest flows as a result of changes in interest rates. If this rate has a 10% increase or decrease (over the average floating rate of financing equivalent to 3.1% and 2.6% as of December 31, 2011 and 2010 respectively), this implies that the annual financial expenses of CMPC increase or decrease by US\$ 1.55 million (US\$ 1.86 million as of December 31, 2010).

b) Credit risk

Credit risk mainly arises from the eventual insolvency of certain of CMPC's customers and therefore from the capability of recovering outstanding accounts receivable and concluding committed transactions.

CMPC manages these exposures through continuous review and evaluation of the payment capability of its customers through an internal Credit Committee that uses information from several alternative sources and through risk transfer (using letters of credit and credit insurance) which cover practically all export sales and approximately a half of domestic sales.

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

	31/12/2011	31/12/2010
ACCOUNTS RECEIVABLE	100%	100%
Credit insurance or letters of credit	60%	62%
Without cover	40%	38%

The effective management of credit risk and the wide distribution and diversity of sales have resulted in very low credit losses 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 exposure limits 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.

The following is a detail of the financial institutions with which CMPC has investments:

ISSUER	31/12/2011		31/12/2010	
	PORTFOLIO %	ThUS\$	PORTFOLIO %	ThUS\$
Bice Agente de Valores S.A. - Chile	15.69%	144,260	4.69%	35,082
Banco BCI - Chile	11.98%	110,134	14.45%	108,061
BBVA Corredores de Bolsa S.A. - Chile	9.84%	90,477	-	-
HSBC Bank - Chile	8.73%	80,321	3.71%	27,736
J.P. Morgan Chase Bank N.A. - United States	7.99%	73,465	11.67%	87,264
Banco de Chile	7.99%	73,435	25.37%	189,666
Banco Santander - Chile	7.33%	67,327	11.42%	85,414
Banco Corpbanca - Chile	7.23%	66,505	7.36%	55,071
BancoEstado S.A. Corredores de Bolsa - Chile	4.06%	37,315	6.85%	51,253
Banco Itaú - Chile	3.84%	35,310	0.32%	2,390
Banco BBVA - Chile	3.70%	34,064	0.05%	368
BancoEstado N.Y. - United States	2.18%	20,001	-	-
Corpbanca Corredores de Bolsa S.A. - Chile	1.82%	16,770	-	-
Citibank N.A. - England	1.75%	16,133	0.72%	5,364
Banco Santander - Mexico	1.43%	13,146	1.15%	8,588
Itaú Chile Corredor de Bolsa Ltda.	1.14%	10,487	0.82%	6,159
Banco Corpbanca N.Y. - United States	1.09%	10,002	-	-
Banco Bradesco - Brazil	0.58%	5,345	-	-
Banco de Crédito del Perú	0.57%	5,254	0.42%	3,178
Banco BBVA - Peru	0.30%	2,772	1.15%	8,623
BNP Paribas - France	0.30%	2,725	0.19%	1,389
BancoEstado - Chile	0.21%	1,951	6.92%	51,789
HSBC Bank PLC - England	0.07%	638	0.08%	634
Wachovia Bank N.A. - United States	0.06%	521	-	-
Banco Scotiabank - Chile	0.04%	397	0.25%	1,849
HSBC Bank USA. N.A. - United States	0.04%	325	-	-
Rothschild Asset Management - England	0.02%	221	0.03%	235
J.P. Morgan Money Market Chase Bank N.A. - United States	0.02%	202	0.01%	65
Citibank N.A. N.Y. - United States	0.00%	24	0.16%	1,217
Banco BICE - Chile	0.00%	4	0.00%	37
BBH & Co. Money Market Fund - United States	0.00%	2	0.00%	2
Banco Citibank N.A. - Chile	0.00%	1	-	-
Banco Security - Chile	-	-	1.95%	14,574
Banco Itaú - Brazil	-	-	0.14%	1,027
Banchile Corredores de Bolsa S.A.	-	-	0.07%	541
J. Aron & Company - United States	-	-	0.03%	208
J.P. Morgan Money Market Fund - United States	-	-	0.02%	137
Deutsche Bank - Chile	-	-	0.00%	10
Banco BBVA - Colombia	-	-	0.00%	7
Banco Santander - Colombia	-	-	0.00%	3
TOTAL GENERAL	100.00%	919,534	100.00%	747,941
Plus: Cash in hand and bank current accounts		13,439		23,421
TOTAL CASH AND CASH EQUIVALENTS AND OTHER FINANCIAL ASSETS		932,973		771,362

c) Liquidity risk

This risk considers the possibility that the Company could not fulfill its obligations as a result of insufficient liquidity. CMPC manages these risks through the proper distribution, the extension of maturity dates and limits on the amount of its debt, as well as the maintenance of an adequate liquidity reserve and a wise management of its operating and investment cash flows.

As a policy, the Company concentrates its financial debt 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+ according to Standard & Poor's and Fitch Ratings, one of the highest ratings in the forestry, paper and pulp industry worldwide (see liability liquidity analysis in Note 22.2 g).

It also important to mention that the board of Empresas CMPC S.A., together with the management, has established a policy of financial objectives, beyond those required by creditors, in order to maintain a sound financial position.

The financial objectives policy considers the following criteria:

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

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

(**) Financial debt with third parties: total interest-bearing loans - other obligations + liabilities on swaps and cross-currency swaps transactions + 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.

The board and management will ensure compliance with these objectives constantly. 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, a reduction in the dividend policy or capital increases, among others. At the closing of these financial statements, the financial objectives referred to above are satisfactorily met.

3.3. Operating risks**a) Operating and fixed asset risks**

The CMPC's operating risks are managed by each Company business unit in accordance with the rules and standards defined at the 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 are managed on a balanced basis to prevent accidents and losses and provide insurance cover. 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 conditions of cover offered in the market. CMPC is also developing a continuous improvement plan of its operating-risk condition in order to minimize the probability of occurrence and limit the effects of eventual incidents.

CMPC and its subsidiaries have insurance cover for its principal risks. A significant part of the risks are reasonably covered by transfer to first-class local insurance companies which in turn agree reinsurance for a substantial part of the risk with high-standard international reinsurers. Risks associated with business operating activities are constantly re-evaluated in order to optimize coverage, according to competitive market offers. In general, the conditions of limits and deductibles of insurance policies are established based on the maximum estimated losses for each risk category and the conditions of coverage offered in the market.

The operating risks of all the Company's infrastructure (buildings, installations, machinery, etc.) are reasonably covered by insurance policies at their replacement value.

The forest plantations have fire and other natural risks, which are also covered by insurance, with maximum limits and deductibles determined in accordance with historic and projected losses. Other risks not covered, like 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 on political and economic conditions in the countries where CMPC operates

A significant part of the assets of CMPC are located in Chile, and some 66% of sales originate from the Chilean operations. Business results therefore depend considerably on Chilean economic conditions. The future evolution of the Chilean economy could have adverse effects on the financial position or results of CMPC and could limit its capacity to develop the business plan. The Chilean state has had and will continue to have a substantial influence over many aspects of the private sector and in the past has modified monetary, fiscal and taxation policies and other regulations with effects on the economy. CMPC has no control whatsoever not can forecast what kinds of state intervention might exist in the future and its potential direct or indirect influence on CMPC's businesses.

Apart from Chile, CMPC has industrial operations in Argentina, Uruguay, Peru, Ecuador, Mexico, Colombia and Brazil. It also has forests in Argentina and Brazil. Some of these countries have passed through periods of political and economic instability in recent decades, periods in which governments have intervened in business and financial aspects with effects on foreign investors and the companies. It is not possible to state that these situations could not be repeated in the future and therefore affect the Company's operations in those countries adversely. Approximately 34% of the Company's consolidated sales relate to local sales or exports of the foreign subsidiaries.

c) Continuity and costs of supplies of inputs and services

The development of CMPC's businesses involves complex logistics in which the timely supply in quality and cost of inputs and services is fundamental for maintaining competitiveness.

The international prices of oil remained high during the year, mainly due to supply restrictions for occasional geopolitical reasons, tensions in the Middle East, and the limited capacity of suppliers to meet the growing global demand.

With respect to electricity, CMPC's principal plants mainly have their own power supply by 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 that in the future tight electricity supplies might generate discontinuities in the power supply and/or higher costs to CMPC's plants. There is concern about the high 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 businesses in which electricity has a high incidence on its costs, as is the case of newsprint.

Among CMPC's many suppliers of products and services in Chile, there are contractors that provide specialized support and logistical services for its forestry 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 could be affected.

CMPC seeks to maintain a close long-term relationship with its contractors with which it has worked in the development of high operating standards, with an emphasis on employee safety and the improvement of working conditions in general.

d) Environmental factor 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 fluid relations with the communities where it operates, collaborating in different areas, notable among which is its support for public-school education in Chile by the Fundación CMPC over several years in the areas where the Company has industrial facilities.

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 who demand ancestral rights over certain land. The affected zones have a high level of poverty and serious social problems. Less than 1% of the plantations owned by CMPC in Chile are affected by this problem. CMPC has made efforts to create employment and education programs and to promote productive development and micro-business initiatives. mitigate the poverty problems of the families who live there. All this has been carried out notwithstanding the government's social programs.

As neighbor of the different communities, the Company has an open-door and cooperation attitude with the desires and challenges of these communities.

The Fundación CMPC has been more than 10 years now supporting public-school educational work in schools where CMPC has its installations. Its purpose is to improve the education of the children in order to give them increased opportunities. Its programs benefit more than 9 thousand students from 46 establishments in 11 communities. 4,050 hours of training were given in 2011 for teachers and directors of education establishments.

f) Compliance risks

This risk is associated with the Company's ability to comply with legal, regulatory, contractual, extra-contractual liability obligations, beyond the aspects covered in the factors discussed above. Every part of 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 of them. In addition, CMPC is characterized by maintaining a proactive attitude in matters relating to safety, the environment, labor conditions, market functioning and relationships with the community. CMPC, with a history of over 91 years, maintains a proven and recognized track record of rigor and prudence in the conduct of its businesses.

Furthermore, and in compliance with Law 20,393 which establishes the corporate criminal liability for assets laundering, financing of terrorism and bribery activities, a "Prevention Model" of the offenses has been implemented in order to regulate the conduct of its employees for preventing the perpetration of these unlawful acts and trying to avoid their occurrence. This Prevention Model is added to the Company's existing internal audit processes, whose objectives include ensuring 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 believed reasonable in 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 amounts of revenues and expenses during the year. Consequently, the actual results observed later 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 of standing timber less the harvesting costs and transfer expenses to the points of sale.

New plantations (over the last year) are valued at 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 until the moment 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 booked and measured at fair value separately from the land.

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

The model also uses two price groups to value assets. The first group is used to value short-term sales and is based on current market values. The second group uses medium to long-term sales and is based on historic prices and forecasts of structural changes in the markets.

The estimate of the prices of wood in the long term is based on historic information from several years and on the forecast of variables which might affect the future economic environment, with these prices being limited to values that have been historically observed in reality. Variations between consecutive years are small and are not corrected if they are not significant. The short-term price fixing for the first two years of the valuation model are based on market conditions.

The percentage variations in timber prices will affect the valuation of plantations in the following way: a 5% change in average prices modify the value of the asset by 7.7% (7.8% in 2010).

In addition, a sensitivity test of direct costs was carried out (including the harvest and transport), where variations of 5% generate a change of 2.5% (2.6% in 2010).

Finally, downward variations in the discount rate of 100 bps increases the value of plantations by 4.2% (4.5% in 2010). This test considers a base annual discount rate of 8% in Chile, 11% in Argentina and 8% in Brazil.

4.2. Post-employment benefit obligations

The Company books this liability in accordance with technical 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 totally or partially unfavorable, provisions have been charged to expenses as a function of estimates of the most likely amounts payable.

The detail of these lawsuits and contingencies is 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 that management has estimated for each of these productive assets. This estimate might change significantly as a consequence of technological innovations and actions by competitors in response 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.

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

In addition, according to 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 each cash generating unit (CGU), including the proportionate goodwill determined, to prove whether there are impairment losses in the value of assets. If, as a result of this evaluation, the fair value results lower than the net book value, an impairment loss is booked 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 market conditions existing as of the date of each financial statement.

These valuation techniques consist of comparing market variables agreed at the inception of a contract and market variables at the time of valuation to then calculate the present value of such differences, by 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, 2011 include no changes in the accounting policies with respect to the same period of the previous year.

NOTE 6 - NEW ACCOUNTING PRONOUNCEMENTS

The following new accounting pronouncement had real application from January 1, 2011:

STANDARDS, INTERPRETATIONS AND AMENDMENTS	MANDATORY APPLICATION FOR:
Amendment to IAS 32: Classification of rights issues	Annual period starting on or after February 1, 2010
IAS 24 revised: Related party disclosures	Annual period starting on or after January 1, 2011
IFRIC 19: Extinguishing financial liabilities with equity instruments	Annual periods starting on or after July 1, 2010
Amendment to IFRIC 14: Prepayments of a minimum funding requirement	Annual periods starting on or after January 1, 2011
Improvements of IFRSs (issued in 2010)	Mostly to annual period starting on or after January 1, 2011

The application of these pronouncements has had no significant effects on CMPC. The rest of the accounting principles applied in 2011 have not changed with respect to those used in 2010.

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

STANDARDS, INTERPRETATIONS AND AMENDMENTS	MANDATORY APPLICATION FOR:
IFRS 9: Financial instruments: Classification and measurement	Annual periods starting on or after January 1, 2015
Amendment to IFRS 7: Disclosures	Annual periods starting on or after January 1, 2011
Amendment to IFRS 7: Financial instruments: Disclosures	Annual periods starting on or after July 1, 2011
Amendment to IAS 12: Income taxes	Annual periods starting on or after January 1, 2012
IFRS 10: Consolidated financial statements	Annual periods starting on or after January 1, 2013
IFRS 11: Joint arrangements	Annual periods starting on or after January 1, 2013
IFRS 12: Disclosure of interests in other entities	Annual periods starting on or after January 1, 2013
IFRS 13: Fair value measurement	Annual periods starting on or after January 1, 2013
Amendment to IAS 1: Presentation of financial statements	Annual periods starting on or after July 1, 2012
IAS 27: Consolidated and separate financial statements	Annual periods starting on or after January 1, 2013
IAS 28: Investments in associates	Annual periods starting on or after January 1, 2013
Amendment to IAS 19 Employee benefits	Annual periods starting on or after July 1, 2013
Amendments to IAS 32 Financial Statements: Presentation	Annual periods starting on or after January 1, 2014

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 REPORTING

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:

Forestry

The forestry 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 resources and the management of the solid-wood business. 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 654 thousand hectares of forest plantations, basically of pine and eucalyptus, of which 491 thousand hectares are located in Chile, 63 thousand hectares in Argentina and 100 thousand hectares in Brazil. Forestal Mininco S.A. and Forestal y Agrícola Monte Águila S.A. are the main subsidiaries in Chile in terms of forest resources. In addition, the Company has usufruct contracts and rentals with third parties comprising 29 thousand hectares of forest plantations distributed between Chile and Brazil.

CMPC Maderas S.A. has four sawmills in the regions VII and VIII of Chile: Bucalemu, Mulchén, Nacimiento and Las Cañas, with an annual production capacity of close to 1,2 million cubic meters of sawn lumber. CMPC Maderas exports 62% of its production to the five continents. It also has two remanufacturing plants, in Coronel and Los Angeles, which are capable of producing 190 thousand cubic meters, approximately, of manufactured products from dry sawn lumber (moldings, boards and laminated timber), and a plywood plant with a production capacity of 240 thousand cubic meters annually.

The main customers for lumber are the industrial plants of the Company's cellulose and paper segments. With regard to the solid-wood products, the main external customers 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).

Pulp

The activities in this business area are carried out by the subsidiary CMPC Celulosa S.A. This company operates 4 production lines in Chile and one in Brazil, with a total annual production capacity of around 2.4 million metric tons of pulp (plus 146 thousand tons of paper of different kinds and weight of the paper segment). The production of pulp corresponds to 700 thousand tons of bleached softwood kraft pulp (BSKP, based on pinus radiate wood) and 1.7 million tons of bleached hardwood kraft pulp (BHKP, based on eucalyptus wood). All of them have ISO 9001, ISO 14001 and OHSAS 18001 certifications. In addition, the Chilean plants have their custody chain certified under CERTFOR-PEFC standards, ensuring that their raw material come 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 Guaiba unit in Brazil in mid-December 2009 increased CMPC's total capacity for pulp production by 400 thousand annual tons.

Of the total pulp produced, approximately 280 thousand tons are sold to subsidiaries and the difference is exported from Chile and Brazil to more than 200 customers in America, Europe, Asia and Oceania. CMPC Celulosa S.A. is positioned among the leading companies of the world industry and has an efficient logistics network which enables the Company to provide a first-class dispatch service to its customers.

The main external customers 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 of which participate in the production and marketing of cardboard, paper for corrugation and industrial-use paper, and newsprint. It also has a subsidiary specializing in the distribution of paper and another one engaged in recycling.

The subsidiary Cartulinas CMPC S.A. sells 400 thousand tons annually of cardboard to 45 countries in Latin America, Europe, Asia, North America and Oceania, which are produced in Chile in the factories of Maule (Maule Region) and Valdivia (Los Rios Region).

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 machines. The most important produces corrugation paper based on recycled fibers, with a capacity of 290 thousand tons annually.

The subsidiary Papeles Río Vergara S.A. (ex Inforsa) sells newsprint produced at its paper mill in Nacimiento (Bio-Bio Region) 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.

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 can be recycled and re-used 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 consumption in institutions and public places, in Chile, Argentina, Peru, Uruguay, Mexico, Colombia, Ecuador and Brazil.

The main producer and marketing subsidiaries comprising this segment are CMPC Tissue S.A. (Chile), La Papelera del Plata S.A. (Argentina), Melhoramentos Papéis Ltda. (Brazil), Protisa Perú S.A. (Peru), IPUSA (Uruguay), Absormex CMPC Tissue S.A. de C.V. (Mexico), Protisa Colombia S.A., Drypers Andina S.A. (Colombia) and Protisa Ecuador S.A.

CMPC's tissue business 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 own brand names which have achieved high levels of recall 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 brands in their markets in the categories of toilet paper and paper towels, respectively. Disposable diapers for babies and adults, humid towels, 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, Peru, Uruguay, Ecuador, Colombia and Mexico).

Paper Products

The Paper Products business has seven 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 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, wine and salmon sectors at its three industrial plants located in Til-Til and Quilicura in the Metropolitan Region and in Osorno in the Los Rios Region.

The multi-ply paper sacks business is operated by the subsidiary Forsac S.A. in Chile with a plant in the city of Chillán (Bío-Bío Region of 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 Mexico S.A., with operations in the city of Zapopan, state of Jalisco. The respective local markets are serviced from these different locations, particularly the cement and construction materials industry and also exports to various countries in 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 for apple and avocado exports, as well as egg trays and cases.

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

Others

The results of areas other than the segments referred to above, referring to general administrative services (finance, procurement, accounting, information technology, human resources, port services, etc.) are not transferred to the operating segments, and are shown as "Others" and do not represent significant amounts individually for their designation as an operating segment.

General information on results and cash flows as of December 31, 2011 and 2010 is as follows:

ITEMS	BUSINESS AREAS (OPERATING SEGMENTS)							ADJUSTMENTS AND ELIMINATIONS THUS\$	TOTAL ENTITY THUS\$
	FORESTRY THUS\$	PULP THUS\$	PAPER THUS\$	TISSUE THUS\$	PAPER PRODUCTS THUS\$	TOTAL SEGMENTS THUS\$	OTHERS (3) THUS\$		
CUMULATIVE AS OF DECEMBER 31, 2011									
Total ordinary revenue from external clients	485,882	1,495,813	801,100	1,606,286	407,438	4,796,519	-	-	4,796,519
Total ordinary revenue between segments	292,110	261,343	164,070	3,865	24,667	746,055	46,379	(792,434)	-
Total interest income	2,482	683	15,896	1,605	10	20,676	210,446	(194,449)	36,673
Total interest expense	(46,803)	(101,335)	(12,459)	(51,563)	(18,344)	(230,504)	(126,863)	194,449	(162,918)
TOTAL INTEREST INCOME, NET	(44,321)	(100,652)	3,437	(49,958)	(18,334)	(209,828)	83,583	-	(126,245)
Total depreciation and amortization	(24,673)	(196,449)	(40,798)	(65,707)	(10,931)	(338,558)	(1,062)	6,217	(333,403)
TOTAL EBITDA (1)	135,317	572,958	174,454	174,966	32,694	1,090,389	(12,513)	530	1,078,406
TOTAL OPERATING PROFIT (LOSS) (2)	88,565	428,932	133,656	109,259	21,763	782,175	(13,575)	6,747	775,347
TOTAL PROFIT (LOSS) OF SEGMENT BEFORE TAXES	125,919	331,358	149,895	(11,512)	23,269	618,929	498,070	(476,799)	640,200
Profit (loss) of investments in associates	17	5	-	-	-	22	11,522	-	11,544
Total income tax (charge) credit	(38,655)	(70,905)	(31,722)	4,634	(3,614)	(140,262)	(5,465)	-	(145,727)
Total disbursements of non-monetary assets of segments	(143,880)	(413,735)	(12,263)	(164,110)	(25,626)	(759,614)	(2,250)	-	(761,864)

ITEMS	BUSINESS AREAS (OPERATING SEGMENTS)							ADJUSTMENTS AND ELIMINATIONS THUS\$	TOTAL ENTITY THUS\$
	FORESTRY THUS\$	PULP THUS\$	PAPER THUS\$	TISSUE THUS\$	PAPER PRODUCTS THUS\$	TOTAL SEGMENTS THUS\$	OTHERS (3) THUS\$		
CUMULATIVE AS OF DECEMBER 31, 2010									
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 depreciation 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 TAXES	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 non-monetary assets of segments	(88,821)	(297,011)	(3,926)	(174,190)	(9,787)	(573,735)	(27)	-	(573,762)

- (1) Corresponds to the gross revenues plus depreciation, plus the cost of formation of harvested plantations, plus the higher cost of the portion exploited and sold of the plantations deriving from the revaluation for their natural growth (see Note 12 Biological assets), less distribution cost, less administrative expenses and less Other expenses, by function.
- (2) Corresponds to the earnings (loss) before the charge for income tax, finance income and costs, exchange differences, indexation results, Other gains/losses and results of associates.
- (3) "Others" does not include the accrued results of Inversiones CMPC S.A. and CMPC in their subsidiaries, which are shown separately in each of the segments.

General information on accumulated assets and liabilities as of December 31, 2011 and 2010 is as follows:

ITEMS	BUSINESS AREAS (OPERATING SEGMENTS)								TOTAL ENTITY ThUS\$
	FORESTRY ThUS\$	PULP ThUS\$	PAPER ThUS\$	TISSUE ThUS\$	PAPER PRODUCTS ThUS\$	TOTAL SEGMENTS ThUS\$	OTHERS ThUS\$	ADJUSTMENTS AND ELIMINATIONS ThUS\$	
CUMULATIVE AS OF DECEMBER 31, 2011									
Total assets of segment	4,367,489	4,510,993	1,300,307	2,228,404	489,398	12,896,591	4,815,526	(4,418,541)	13,293,576
Total amount in investments in associates	234	371	-	-	-	605	76,422	-	77,027
Total liabilities of segments	1,269,527	2,838,048	433,180	1,481,630	359,980	6,382,365	3,257,701	(4,194,970)	5,445,096

ITEMS	BUSINESS AREAS (OPERATING SEGMENTS)								TOTAL ENTITY ThUS\$
	FORESTRY ThUS\$	PULP ThUS\$	PAPER ThUS\$	TISSUE ThUS\$	PAPER PRODUCTS ThUS\$	TOTAL SEGMENTS ThUS\$	OTHERS ThUS\$	ADJUSTMENTS AND ELIMINATIONS ThUS\$	
CUMULATIVE AS OF DECEMBER 31, 2010									
Total assets of segment	4,309,433	4,419,554	1,959,281	2,060,120	455,721	13,204,109	3,992,356	(4,320,009)	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

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 state that these be carried out at market prices, and consider that balances, transactions and gains or losses remain in the segment of origin and are only eliminated in the entity's consolidated financial statements.

Given CMPC's policy of concentrating a large part 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.

Administration services provided by the subsidiaries Inversiones CMPC S.A. and Servicios Compartidos CMPC S.A. are charged to each segment on the basis of 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, as market conditions are used.

Sales revenues from CMPC's external clients, at the closing of each period, are distributed among the following geographical areas:

CONCEPTS	2011 ThUS\$	2010 ThUS\$
Chile (Company's country of domicile)	1,169,750	1,022,156
Brazil	487,071	447,324
Rest of Latin America	1,531,380	1,251,050
United States and Canada	158,148	137,496
Asia	750,569	718,968
Europe	603,490	564,375
Others	96,111	77,803
TOTAL	4,796,519	4,219,172

The revenues from the ordinary activities allocated to the different regions consider exports to those zones and the local sales made by the subsidiaries domiciled in those same geographical zones.

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

DESCRIPTION OF GEOGRAPHICAL AREA	31/12/2011		31/12/2010	
	%	ThUS\$	%	ThUS\$
Chile (Company's country of domicile)	74.57%	7,491,267	73.90%	7,278,292
Brazil	17.05%	1,712,348	17.88%	1,760,747
Rest of Latin America	8.38%	841,993	8.22%	809,690
TOTAL	100.00%	10,045,608	100.00%	9,848,729

NOTE 8 - FINANCIAL ASSETS

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

CLASSES OF FINANCIAL ASSETS	CLASSIFICATION				
	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS ThUS\$	FINANCIAL ASSETS HELD TO MATURITY ThUS\$	LOANS AND ACCOUNTS RECEIVABLE ThUS\$	FINANCIAL ASSETS AVAILABLE FOR SALE ThUS\$	TOTAL FINANCIAL ASSETS ThUS\$
BALANCE AS OF DECEMBER 31, 2011					
CASH AND CASH EQUIVALENTS	425	-	403,932	-	404,357
Time deposits over 90 days	-	-	417,464	-	417,464
Cross currency swap operations	90,304	-	-	-	90,304
Forward exchange contract operations	7,334	-	-	-	7,334
Hedging assets	4,115	-	-	-	4,115
OTHER FINANCIAL ASSETS	101,753	-	417,464	-	519,217
Hedging assets	9,399	-	-	-	9,399
OTHER FINANCIAL ASSETS - NON-CURRENT	9,399	-	-	-	9,399
TOTAL FINANCIAL ASSETS	111,577	-	821,396	-	932,973
BALANCE AS OF DECEMBER 31, 2010					
CASH AND CASH EQUIVALENTS	439	-	364,090	-	364,529
Time deposits over 90 days	-	-	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

8.1. Cash and cash equivalents

Cash and cash equivalents include cash in hand and bank checking accounts, time deposits and other financial investments with original maturities of 90 days or less. This item also includes investments as part of cash management such as repurchase and resale agreements whose maturities are in accordance with the above, as described in IAS 7.

As of December 31, 2011 and 2010, the composition of cash and cash equivalents, classified by currencies of origin, is as follows:

CASH AND CASH EQUIVALENTS	CHILEAN PESO ThUS\$	DOLLAR ThUS\$	EURO ThUS\$	ARGENTINE PESO ThUS\$	URUGUAYAN PESO ThUS\$	PERUVIAN NUEVO SOL ThUS\$	COLOMBIAN PESO ThUS\$	MEXICAN PESO ThUS\$	POUND STERLING ThUS\$	BRAZILIAN REAIS ThUS\$	TOTAL ThUS\$
BALANCE AS OF DECEMBER 31, 2011											
Cash & banks	2,061	3,059	1,075	2,111	32	674	1,902	1,245	28	1,252	13,439
Time deposits, less than 90 days	24,729	37,174	16,106	-	-	6,879	-	285	666	5,345	91,184
Marketable securities, highly liquid	299,309	361	64	-	-	-	-	-	-	-	299,734
TOTAL	326,099	40,594	17,245	2,111	32	7,553	1,902	1,530	694	6,597	404,357
BALANCE 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

Cash & bank checking accounts are available resources and their book value is equal to their fair value (ThUS\$ 13,439 as of December 31, 2011 and ThUS\$ 23,421 as of December 31, 2010).

Time deposits are booked at amortized cost with maturities of less than 90 days; they are detailed as follows:

ENTITIES	CURRENCY	31/12/2011 ThUS\$	31/12/2010 ThUS\$
Banco BCI - Chile	CLP	24,706	69,405
BancoEstado N.Y. - United States	US\$	20,001	-
Citibank N.A. London - England	EUR	16,106	362
Corpbanca N.Y. - United States	US\$	10,002	-
J.P. Morgan Chase Bank N.A. - United States	US\$	6,000	13,275
Banco Bradesco - Brazil	BRL	5,345	-
Banco de Crédito del Perú	PEN	4,107	2,250
Banco BBVA - Peru	PEN	2,772	8,623
Banco de Crédito del Perú	US\$	1,147	928
HSBC Bank PLC - England	GBP	638	634
Banco Santander - Mexico	MXN	285	384
Citibank N.A. London - England	GBP	27	-
Citibank N.A. N.Y. - United States	US\$	24	1,217
Banco de Chile	CLP	19	34,901
Banco BICE - Chile	CLP	4	37
Banco Citibank N.A. - Chile	GBP	1	-
Banco Santander - Chile	CLP	-	26,774
Banco Corpbanca - Chile	CLP	-	24,324
HSBC Bank - Chile	CLP	-	15,431
Banco Security - Chile	CLP	-	14,574
HSBC Bank - Chile	US\$	-	10,309
Banco BBVA - Chile	CLF	-	9,956
Banco Citibank N.A. - England	EUR	-	5,002
Banco BICE - Chile	CLF	-	4,980
Banco Scotiabank - Chile	CLP	-	1,849
Banco Itaú - Chile	US\$	-	1,382
Banco Itaú - Brazil	BRL	-	1,027
Banco BBVA - Colombia	COP	-	7
Banco Santander - Colombia	COP	-	3
TOTAL		91,184	247,634

Placements are made following parameters of counterparty risk authorized by the board of CMPC. Provided these parameters are met, the counterparty is determined using criteria of diversification and financial return.

Liquid marketable securities are the following:

ENTITIES	CURRENCY	31/12/2011 ThUS\$	31/12/2010 ThUS\$
Investments in Investment Fund quotas (abroad):			
Rothschild Asset Management - England	US\$	221	235
J.P. Morgan Money Market Fund - United States	US\$	138	137
J.P. Morgan Money Market Chase Bank N.A. - United States	EUR	64	65
BBH & Co. Money Market Fund - United States	US\$	2	2
Marketable securities under resale agreement			
BICE Agente de Valores S.A. - Chile	CLP	144,260	35,082
BBVA Corredores de Bolsa S.A. - Chile	CLP	90,477	-
BancoEstado S.A. Corredores de Bolsa - Chile	CLP	37,315	51,253
Corpbanca Corredores de Bolsa S.A. - Chile	CLP	16,770	-
Itaú Chile Corredor de Bolsa Ltda.	CLP	10,487	6,159
Banchile Corredores de Bolsa S.A.	CLP	-	541
TOTAL		299,734	93,474

As of December 31, 2011 and 2010, the book value of time deposits and marketable securities does not differ significantly from its fair value.

The cash and cash equivalents shown in the statement of cash flows are as follows:

CLASSES OF ASSETS	31/12/2011 ThUS\$	31/12/2010 ThUS\$
Cash and cash equivalents	404,357	364,529
CASH AND CASH EQUIVALENTS PRESENTED IN THE STATEMENT OF CASH FLOWS	404,357	364,529

8.2. Other financial assets, current

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 exchange and interest-rate risks of the Company is also included. In addition, they incorporate the effects of forward contract instruments used to hedge the potential financial risk associated with the volatility of sales in euros and pounds of the businesses of wood products and cardboard.

As of December 31, 2011 and 2010, other financial assets are detailed as follows:

Balances as of December 31, 2011

a) Time deposits between 90 days and one year

ENTITY	CURRENCY	ThUS\$
Banco BCI - Chile	CLP	83,420
Banco HSBC - Chile	CLF	80,221
Banco Corpbanca - Chile	US\$	45,142
Banco de Chile	CLF	40,755
Banco Itaú - Chile	CLF	35,302
Banco Santander - Chile	US\$	30,104
Banco Santander - Chile	CLF	26,989
Banco BBVA - Chile	CLP	22,484
Banco Corpbanca - Chile	CLP	19,612
Banco de Chile	CLP	17,573
Banco BBVA - Chile	CLF	9,824
Banco Santander - Chile	CLP	6,038
SUBTOTAL		417,464

The amounts related to investment and settlement of this type of instrument are shown in the statement of cash flows in Other inflows (outflows) of cash under Cash flows from (used in) investment activities (ThUS\$ 138,669).

b) Cross-currency swap transactions

ENTITIES	RIGHTS			OBLIGATIONS			FAIR VALUE OF NET ASSETS ThUS\$	EFFECT ON INCOME PROFIT (LOSS) ThUS\$	MATURITY
	CURRENCY	INTEREST RATE %	AMOUNT ThUS\$	CURRENCY	INTEREST RATE %	AMOUNT ThUS\$			
J.P. Morgan Chase Bank N.A. - United States	CLF	2.68	158,839	US\$	Libor+0.58	100,359	58,480	5,115	01/03/2015
Banco de Chile	CLF	2.88	66,700	US\$	Libor+1.82	58,768	7,932	2,244	24/03/2014
Banco de Chile	CLF	2.88	66,700	US\$	Libor+1.81	60,149	6,551	(786)	24/03/2014
Banco Santander - Chile	CLF	2.70	44,684	US\$	3.87	43,058	1,626	(1,042)	15/06/2013
Banco Corpbanca - Chile	CLF	2.68	44,670	US\$	3.83	42,919	1,751	(1,050)	01/03/2015
Banco Santander - Chile	US\$	Libor+0.55	37,638	CLF	2.19	36,535	1,103	11	01/03/2015
Banco Santander - Mexico	US\$	Libor+0.45	50,000	MXN	6.17	37,195	12,861	2,237	10/09/2013
SUBTOTAL			469,231			378,983	90,304	6,729	

c) Forward currency transactions

ENTITIES	RIGHTS		OBLIGATIONS		FAIR VALUE OF NET ASSETS ThUS\$	EFFECT ON INCOME PROFIT (LOSS)	MATURITY
	CURRENCY	AMOUNT ThUS\$	CURRENCY	AMOUNT ThUS\$			
Banco de Chile	US\$	20,385	CLP	20,304	81	82	13/08/2012
Banco de Chile	US\$	18,122	CLP	17,598	524	524	09/03/2012
Banco de Chile	US\$	5,000	CLP	5,000	-	-	03/01/2012
Banco Itaú - Chile	CLP	15,985	CLF	15,977	8	8	18/01/2012
Banco Santander - Chile	US\$	868	EUR	862	6	28	15/03/2012
Banco Santander - Chile	US\$	861	EUR	853	8	30	15/06/2012
Banco Santander - Chile	US\$	861	EUR	851	10	32	17/09/2012
Banco Santander - Chile	US\$	853	EUR	843	10	32	17/12/2012
Banco Santander - Chile	US\$	868	EUR	857	11	34	15/03/2013
Banco Santander - Chile	US\$	861	EUR	849	12	35	17/06/2013
Banco Santander - Chile	US\$	861	EUR	848	13	36	16/09/2013
Banco Santander - Chile	US\$	853	EUR	840	13	36	16/12/2013
Banco Santander - Chile	CLP	3,687	US\$	3,600	87	87	14/03/2012
Banco Santander - Chile	CLP	4,052	US\$	4,000	52	52	14/06/2012
Banco Santander - Chile	CLP	6,026	US\$	6,000	26	26	12/09/2012
Banco Santander - Chile	BRL	2,080	US\$	2,025	55	55	17/01/2012
Banco Santander - Chile	BRL	1,428	US\$	1,402	26	26	15/02/2012
Banco Santander - Chile	BRL	2,021	US\$	1,999	22	22	15/03/2012
Banco Santander - Chile	BRL	1,510	US\$	1,506	4	4	17/04/2012
Banco Santander - Chile	CLP	3,631	US\$	3,600	31	31	14/03/2012
Banco BBVA - Chile	US\$	10,299	CLP	9,821	478	478	08/02/2012
Banco BBVA - Chile	CLP	10,670	CLF	10,662	8	8	08/02/2012
Banco BBVA - Chile	US\$	17,113	CLP	16,556	557	557	29/02/2012
Banco BBVA - Chile	US\$	10,073	CLP	9,761	312	312	07/03/2012
Banco BBVA - Chile	US\$	10,085	CLP	9,768	317	317	23/03/2012
Banco BBVA - Chile	US\$	6,049	CLP	5,965	84	83	28/03/2012
Banco BCI - Chile	US\$	20,396	CLP	20,313	83	83	20/08/2012
Banco BCI - Chile	US\$	20,396	CLP	20,313	83	83	20/08/2012
Banco BCI - Chile	US\$	20,378	CLP	20,297	81	81	13/08/2012
Banco BCI - Chile	US\$	18,086	CLP	17,584	502	502	03/02/2012
Banco BCI - Chile	US\$	14,082	CLP	13,500	582	582	17/02/2012
Banco BCI - Chile	US\$	16,102	CLP	15,431	671	671	24/02/2012
Banco BCI - Chile	US\$	12,100	CLP	12,094	6	6	04/01/2012
HSBC Bank - Chile	US\$	15,274	CLP	15,174	100	101	13/08/2012
J.P. Morgan Chase Bank N.A. - United States	US\$	1,737	EUR	1,724	13	57	15/03/2012
J.P. Morgan Chase Bank N.A. - United States	US\$	1,723	EUR	1,706	17	60	15/06/2012
J.P. Morgan Chase Bank N.A. - United States	US\$	1,723	EUR	1,702	21	63	17/09/2012
J.P. Morgan Chase Bank N.A. - United States	US\$	1,707	EUR	1,685	22	64	17/12/2012
J.P. Morgan Chase Bank N.A. - United States	US\$	1,737	EUR	1,713	24	67	15/03/2013
J.P. Morgan Chase Bank N.A. - United States	US\$	1,723	EUR	1,697	26	69	17/06/2013
Banco Scotiabank - Chile	BRL	2,080	US\$	2,034	46	46	17/01/2012
Banco Scotiabank - Chile	BRL	1,428	US\$	1,408	20	20	15/02/2012
Banco Scotiabank - Chile	BRL	2,021	US\$	2,008	13	13	15/03/2012
Banco Scotiabank - Chile	BRL	1,329	US\$	1,278	51	51	15/06/2012
Banco Scotiabank - Chile	CLP	2,028	US\$	2,000	28	28	03/02/2012
Banco Scotiabank - Chile	US\$	10,054	CLP	9,884	170	170	02/03/2012
Banco Scotiabank - Chile	US\$	9,008	CLP	8,939	69	69	06/01/2012
BancoEstado - Chile	US\$	12,043	CLP	11,788	255	255	18/01/2012
BancoEstado - Chile	US\$	20,237	CLP	19,686	551	551	03/05/2012
BancoEstado - Chile	US\$	20,273	CLP	19,968	305	305	01/06/2012
BancoEstado - Chile	US\$	6,045	CLP	5,828	217	217	15/03/2012
BancoEstado - Chile	US\$	6,045	CLP	5,828	217	217	14/03/2012
BancoEstado - Chile	US\$	6,040	CLP	5,825	215	215	02/03/2012
BancoEstado - Chile	US\$	15,044	CLP	14,853	191	190	03/02/2012
SUBTOTAL		415,941		408,607	7,334	7,771	

d) Hedging assets

ENTITIES	NATURE OF HEDGED RISKS	RIGHTS		OBLIGATIONS		FAIR VALUE OF NET ASSETS	
		CURRENCY	MONTO MU\$	CURRENCY	AMOUNT ThUS\$	ThUS\$	MATURITY
Banco Santander - Chile	Flows from sales of cardboard and wood to Europe	US\$	12,135	EUR	11,150	985	Quarterly
J.P. Morgan Chase Bank N.A. - United States	Flows from sales of cardboard and wood to Europe	US\$	24,486	EUR	22,202	2,284	Quarterly
Wachovia Bank N.A. - United States	Flows from sales of cardboard and wood to Europe	US\$	18,567	EUR	18,046	521	Quarterly
HSBC Bank USA, N.A. - United States	Flows from sales of cardboard and wood to Europe	US\$	9,348	EUR	9,023	325	Quarterly
SUBTOTAL			64,536		60,421	4,115	
TOTAL OTHERS FINANCIAL ASSETS						519,217	

Balance as of December 31, 2010

a) Time deposits of between 90 days and 1 year

ENTITIES	CURRENCY	ThUS\$
Banco de Chile	CLF	110,332
BancoEstado - Chile	CLF	51,789
Banco BCI - Chile	CLP	36,557
Banco Santander - Chile	CLF	29,851
Banco Corpbanca - Chile	CLP	25,329
Banco Santander - Chile	CLP	14,896
Banco de Chile	CLP	11,171
Banco BCI - Chile	CLF	2,099
HSBC Bank - Chile	CLP	1,996
Banco Itaú - Chile	CLP	1,008
Banco BBVA - Chile	CLP	368
SUBTOTAL		285,396

The amounts related to the investment in and settlement of this type of instrument are shown in the statement of cash flows in Other inflows (outflows) of cash under Cash flows from (used in) investment activities (ThUS\$ 266,102).

b) Cross-currency swap transactions

ENTITIES	RIGHTS			OBLIGATIONS			FAIR VALUE OF NET ASSETS ThUS\$	EFFECT ON INCOME PROFIT (LOSS) ThUS\$	MATURITY
	CURRENCY	INTEREST RATE %	AMOUNT ThUS\$	CURRENCY	INTEREST RATE %	AMOUNT ThUS\$			
J.P. Morgan Chase Bank N.A. - United States	CLF	2.68	167,255	US\$	Libor+0.58	100,372	66,883	2,075	01/03/2015
Banco de Chile	CLF	2.88	72,057	US\$	Libor+1.82	61,102	10,955	317	24/03/2014
Banco de Chile	CLF	2.88	72,057	US\$	Libor+1.81	59,706	12,351	295	24/03/2014
Banco Santander - Chile	CLF	2.70	47,706	US\$	3.87	42,442	5,264	(261)	15/06/2013
Banco Corpbanca - Chile	CLF	2.68	47,679	US\$	3.83	42,261	5,418	(255)	01/03/2015
Banco Santander - Mexico	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	

c) Forward currency transactions

ENTITIES	RIGHTS		OBLIGATIONS		FAIR VALUE OF NET ASSETS ThUS\$	EFFECT OF INCOME PROFIT (LOSS) ThUS\$	MATURITY
	CURRENCY	AMOUNT ThUS\$	CURRENCY	AMOUNT 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
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 ASSETS ThUS\$	MATURITY
		CURRENCY	AMOUNT ThUS\$	CURRENCY	AMOUNT ThUS\$		
Banco Santander - Chile	Flows from sales of cardboard and wood to Europe	US\$	8,216	GBP	6,548	1,668	Quarterly
Banco Santander - Chile	Flows from sales of cardboard and wood to Europe	US\$	8,646	EUR	8,027	619	Quarterly
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	Quarterly
SUBTOTAL			47,897		43,871	4,026	
TOTAL OTHER FINANCIAL ASSETS						399,455	

8.3. Other financial assets, non-current

Hedging assets

These assets represent the accumulated result of forward exchange instruments used to hedge the potential financial risk associated with the volatility of sales in euros and pounds of the businesses of wood and cardboard products.

ENTITIES	NATURE OF HEDGED RISKS	RIGHTS		OBLIGATIONS		FAIR VALUE OF NET ASSETS ThUS\$	MATURITY
		CURRENCY	AMOUNT ThUS\$	CURRENCY	AMOUNT ThUS\$		
BALANCE AS OF DECEMBER 31, 2011							
Banco Santander - Chile	Flows from sales of cardboard and wood to Europe	US\$	3,489	EUR	3,393	96	Quarterly
BNP Paribas - France	Flows from sales of cardboard and wood to Europe	US\$	30,934	EUR	28,209	2,725	Quarterly
J.P. Morgan Chase Bank N.A. - United States	Flows from sales of cardboard and wood to Europe	US\$	63,017	EUR	56,439	6,578	Quarterly
TOTAL			97,440		88,041	9,399	
BALANCE 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
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	

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

The purpose is to reduce the financial risk on sales in euros and pounds of the wood and cardboard businesses through the introduction of a series of EUR-US\$ and GBP-US\$ exchange contracts. Hedges are documented and tested to measure their effectiveness.

Based on a comparison of critical terms, the hedge is highly effective given that the hedged amount coincides with the proportion of sales expected to be hedged. Hedge contracts coincide with the currency in which the sales are denominated and their expiry date coincides with the expected date on which the sales proceeds are expected to be received, i.e. between the first quarter of 2012 and the third quarter of 2016.

For cash flow hedges settled during the period ended December 31, 2011, a net gain of ThUS\$ 831 was booked (ThUS\$ 369 and ThUS\$ 462 booked in ordinary revenues and in exchange differences, respectively), following the liquidation of the instruments.

For cash flow hedges settled during the period ended December 31, 2010, a net gain of ThUS\$ 8,742 was booked (ThUS\$ 4,648 and ThUS\$ 4,094 booked in ordinary revenues and in exchange differences, respectively), following the liquidation of the instruments.

During the years ended December 31, 2011 and 2010, no ineffective hedging instruments have been booked in the respective results.

8.4. Hierarchies of fair value

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

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 shows the financial and hedging assets that are measured at fair value as of December 31, 2011 and 2010:

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE	HIERARCHY USED TO DETERMINE THE FAIR VALUE		
	LEVEL I ThUS\$	LEVEL II ThUS\$	LEVEL III ThUS\$
BALANCE AS OF DECEMBER 31, 2011			
Investment in mutual funds	425	-	-
Cross currency swap operations	-	90,304	-
Forward exchange contract operations	-	7,334	-
Hedging assets	-	13,514	-
TOTAL FINANCIAL ASSETS AT FAIR VALUE	425	111,152	-
BALANCE AS OF DECEMBER 31, 2010			
Investment in mutual funds	439	-	-
Cross currency swap operations	-	109,075	-
Forward exchange contract operations	-	958	-
Hedging assets	-	11,404	-
TOTAL FINANCIAL ASSETS AT FAIR VALUE	439	121,437	-

The statement of cash flows also incorporates the adjustment of losses (profits) of fair value both of the financial assets described above and the biological assets (Note 12) and financial liabilities (Note 22), as shown below:

	31/12/2011 ThUS\$	31/12/2010 ThUS\$
Profit on growth biological assets at fair value (note 12)	(291,283)	(230,361)
Loss (profit) on valuation of derivative contracts at fair value (note 33)	2,249	(17,874)
TOTAL FAIR VALUE PROFITS ADJUSTMENTS	(289,034)	(248,235)

NOTE 9 - TRADE DEBTORS AND OTHER ACCOUNTS RECEIVABLE

The composition of this account is as follows:

ACCOUNTS	31/12/2011		31/12/2010	
	ThUS\$	%	ThUS\$	%
Clients domestic market	215,466		209,326	
Less impairment provision	(4,250)		(3,169)	
CLIENTS DOMESTIC MARKET, NET	211,216	23.2	206,157	22.4
Export clients	347,281		364,780	
Less impairment provision	(531)		(420)	
EXPORT CLIENTS, NET	346,750	38.1	364,360	39.6
Clients foreign subsidiaries	244,984		204,315	
Less impairment provision	(4,833)		(2,841)	
CLIENTS FOREIGN SUBSIDIARIES, NET	240,151	26.4	201,474	21.9
Notes domestic market	25,252		26,991	
Less impairment provision	(80)		(140)	
NOTES DOMESTIC MARKET, NET	25,172	2.8	26,851	2.9
Notes foreign subsidiaries	15,671		15,384	
Less impairment provision	(2)		(16)	
NOTES FOREIGN SUBSIDIARIES, NET	15,669	1.7	15,368	1.7
Advances to suppliers	26,296	2.9	19,245	2.1
Current accounts with third parties	11,646	1.3	7,577	0.8
Insurance claims	5,757	0.6	47,108	5.1
Current accounts with employees	13,507	1.5	13,102	1.4
Other	13,803	1.5	19,537	2.1
TOTAL TRADE AND OTHER RECEIVABLES	909,967	100.0	920,779	100.0

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The aging of trade debtors and other accounts receivable is as follows:

AGING	31/12/2011 ThUS\$	31/12/2010 ThUS\$
Less than 30 days overdue	120,804	103,248
31 to 60 days overdue	14,962	17,114
61 to 90 days overdue	4,849	6,641
91 to 180 days overdue	10,065	9,810
Over 180 days overdue	10,339	5,721
Non-overdue receivables	758,644	784,831
SUBTOTAL, WITHOUT IMPAIRMENT PROVISION	919,663	927,365
Less: allowance for doubtful accounts	(9,696)	(6,586)
TOTAL	909,967	920,779

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

CURRENCIES		31/12/2011 ThUS\$	31/12/2010 ThUS\$
Chilean peso	CLP	214,955	213,738
United States dollar	US\$	410,325	443,579
Euro	EUR	21,084	28,994
Argentine peso	ARS	57,741	47,955
Uruguayan peso	UYU	15,571	14,213
Peruvian nuevo sol	PEN	23,818	19,148
Colombian peso	COP	31,943	27,128
Mexican peso	MXN	41,570	39,051
Brazilian reais	BRL	81,873	77,949
Pound sterling	GBP	11,087	9,024
TOTAL		909,967	920,779

For trade debtors over 90 days overdue, basically wholesale customers with unforeseen economic difficulties, an estimate of impairment loss has been booked, which considers the partial recovery of these overdue receivables.

The movement in this impairment loss provision for trade debtors and other accounts receivable is as follows:

ITEMS	31/12/2011 ThUS\$	31/12/2010 ThUS\$
Opening balance	6,586	7,321
Provision for the period	4,703	347
Uses	(1,270)	(1,062)
Exchange difference	(323)	(20)
CLOSING BALANCE	9,696	6,586

In the year ended December 31, 2011, provisions for doubtful accounts amounted to ThUS\$ 4,703 (ThUS\$ 347 in 2010) was produced, being booked as a decrease in ordinary revenue for the year in the income statement. Normally, the impaired accounts charged to the provisions account are written off when there are no expectations of recovering more cash.

There are no customers that individually have outstanding accounts with the Company that exceed 10% of consolidated annual sales.

NOTE 10 - ACCOUNTS RECEIVABLE FROM RELATED ENTITIES

Accounts receivable from related entities are as follows:

TAX NO. RELATED PARTY	NAME RELATED PARTY	NATURE OF RELATIONSHIP WITH RELATED PARTY	COUNTRY OF ORIGIN	DETAIL OF ACCOUNT RECEIVABLE	BALANCES OUTSTANDING		CURRENCY OR INDEXATION UNIT	MATURITY DATE OF TRANSACTION WITH RELATED PARTY	EXPLANATION OF THE NATURE OF THE CONSIDERATION FIXED FOR SETTLEMENT
					31/12/2011 ThUS\$	31/12/2010 ThUS\$			
96,569,760-8	Sociedad Industrial Pizarreño S.A.	Key personnel from the management of the entity or controlling party	Chile	Product selling	639	415	CLP	60 days	Monetary
78,023,030-4	Sofruco Alimentos Ltda.	Key personnel from the management of the entity or controlling party	Chile	Product selling	163	86	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	Product selling	146	70	CLP	60 days	Monetary
96,848,750-7	Aislantes Volcán S. A.	Key personnel from the management of the entity or controlling party	Chile	Product selling	104	82	CLP	30 days	Monetary
77,215,640-5	Adm. de Ventas al Detalle Ltda.	Key personnel from the management of the entity or controlling party	Chile	Product selling	65	-	CLP	60 days	Monetary
Foreign	Alto Paraná S.A.	Key personnel from the management of the entity or controlling party	Argentina	Product selling	58	-	US\$	30 days	Monetary
85,805,200-9	Forestal Celco S.A.	Key personnel from the management of the entity or controlling party	Chile	Product selling	52	-	US\$	60 days	Monetary
97,080,000-k	Banco Bice	Key personnel from the management of the entity or controlling party	Chile	Product selling	40	-	CLP	30 days	Monetary
96,622,320-0	Hotelera Luz S.A.	Key personnel from the management of the entity or controlling party	Chile	Product selling	28	-	CLP	45 days	Monetary
82,777,100-7	Puerto de Lirquén S.A.	Key personnel from the management of the entity or controlling party	Chile	Product selling	22	-	CLP	30 days	Monetary
96,567,940-5	Forestal Valdivia S.A.	Key personnel from the management of the entity or controlling party	Chile	Product selling	11	-	CLP	30 days	Monetary
96,929,960-7	Orizon S.A.	Key personnel from the management of the entity or controlling party	Chile	Product selling	11	-	CLP	45 days	Monetary
70,884,700-3	Universidad Finis Terrae	Key personnel from the management of the entity or controlling party	Chile	Product selling	4	-	CLP	30 days	Monetary
96,656,410-5	Bice Vida Compañía de Seguros S.A.	Key personnel from the management of the entity or controlling party	Chile	Product selling	2	-	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	Product selling	-	80	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	Product selling	-	17	US\$	30 days	Monetary
93,390,000-2	Melón S.A.	Key personnel from the management of the entity or controlling party	Chile	Product selling	-	739	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	Product selling	-	555	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	Product selling	-	197	CLP	30 days	Monetary
96,636,590-0	Melón Morteros S.A.	Key personnel from the management of the entity or controlling party	Chile	Product selling	-	83	CLP	75 days	Monetary
78,081,820-4	Dosa Chile Ltda.	Key personnel from the management of the entity or controlling party	Chile	Product selling	-	4	CLP	60 days	Monetary
TOTAL ACCOUNTS RECEIVABLE FROM RELATED ENTITIES - CURRENT					1.345	2.328			

NOTE 11 - INVENTORIES

The composition of inventories at the end of each year is as follows:

CLASSES OF INVENTORIES	31/12/2011 ThUS\$	31/12/2010 ThUS\$
Finished products	382,328	395,681
Work in process	37,527	21,257
Raw materials	308,301	296,144
Materials	272,948	240,571
Agricultural and other products	21,655	6,700
Impairment losses	(845)	(1,876)
TOTAL	1,021,914	958,477

The cost of inventories booked as cost of sales in 2011 amounted to ThUS\$ 3,243,247 (ThUS\$ 2,715,495 in 2010).

No losses for impairment were booked in the year ended December 31, 2011. In the year before, the Company performed impairment tests to inventories, specifically to evaluate the effects of the earthquake that occurred on February 27, 2010 in the center-south zone of Chile. It determined that there had been physical losses, chiefly in the Forestry and Pulp segments (see Note 41), which were included into the amounts claimed from the insurance company and the deductibles in results.

No inventories have been pledged in guarantee during 2011 and 2010.

The book value of inventories does not exceed the current realizable prices, net of selling expenses (net realizable value).

NOTE 12 - BIOLOGICAL ASSETS

The CMPC's biological assets comprise the 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:

	31/12/2011 ThUS\$	31/12/2010 ThUS\$
Assets, current	220,871	219,169
Assets, non-current	3,261,039	3,142,319
TOTAL	3,481,910	3,361,488

The movement of the biological assets (increases, decreases and balances) in 2011 and 2010 is detailed below:

ITEMS	31/12/2011 ThUS\$	31/12/2010 ThUS\$
COST		
OPENING BALANCE AS OF JANUARY 1	1,294,919	1,148,977
Additions through acquisitions to third parties and new plantations	164,497	141,892
Additions through business combinations	-	54,347
Sales of standing forest plantations	(9,690)	(244)
Transfer of plantations to lumber inventories (logs)	(74,887)	(67,573)
Currency translation adjustment	(68,222)	19,647
Forest loss write-downs	-	(2,127)
CLOSING BALANCE OF COST	1,306,617	1,294,919
FAIR VALUE		
OPENING BALANCE AS OF JANUARY 1	2,066,569	2,004,399
Profit from adjustment to fair value, less estimated cost at point of sale	291,283	230,361
Transfer of plantations to lumber inventories (logs)	(182,453)	(168,344)
Sales of standing forest plantations	(106)	(675)
Forest loss write-downs	-	828
CLOSING BALANCE FAIR VALUE	2,175,293	2,066,569
TOTAL BIOLOGICAL ASSETS	3,481,910	3,361,488

CMPC owns over 654 thousand hectares of forest plantations, basically pine and eucalyptus, of which 491 thousand hectares are located in Chile, 63 thousand hectares in Argentina and 100 thousand hectares in Brazil.

The establishment of new plantations as of December 31, 2011 reached 35,200 hectares (in 2010 37,000 hectares were established; this included the reforestation of harvested forests).

At each year-end, the effect of the natural growth of the forest plantations, expressed in their fair value (sale price less estimated costs in the point of sale), is booked according to technical studies made by qualified professionals. The resulting higher or lower value is booked in Other revenues by function in the income statement. This revenue in the year ended December 31, 2011 was ThUS\$ 291,283 (ThUS\$ 230,361 as of December 31, 2010). The higher cost of the part harvested and sold as a result of this revaluation is shown as part of the cost of sales and amounts to ThUS\$ 180,927 as of December 31, 2011 (ThUS\$ 170,987 as of December 31, 2010), along with the cost of formation of the harvested plantations which amounted to ThUS\$ 80,012 as of December 31, 2011 (ThUS\$ 61,905 as of December 31, 2010).

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

The Company determines the value of its forest plantations using a model based on forest appraisal as a function of the discounted future cash flows that the plantation will produce according to the long-term harvesting programs and the optimum age for harvesting. This model determines the values considering variables such as future product prices, interest rates, harvesting and transport costs and biological growth of the plantations, which are reviewed periodically to ensure their validity and representativeness. The Company received official subsidies relating to biological assets amounting to ThUS\$ 62 in 2011 (nil in 2010).

The Company has usufruct contracts with third parties amounting to ThUS\$ 100,641 that cover 29 thousand hectares of plantations.

NOTE 13 - TAX ASSETS AND LIABILITIES, CURRENT

Tax assets, current, are detailed below:

ITEMS	31/12/2011 ThUS\$	31/12/2010 ThUS\$
VAT surplus (fiscal credit)	72,049	72,137
Benefit from carryback of tax losses for the year	651	370
Companies with balances of monthly advance payments net of income tax for the year	20,582	35,276
Other income taxes in process of recovery	44,283	31,090
TOTAL	137,565	138,873

Tax liabilities, current, are detailed below:

ITEMS	31/12/2011 ThUS\$	31/12/2010 ThUS\$
Companies with income tax balance payable, net of monthly advance payments for the year	27,931	64,314
TOTAL	27,931	64,314

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

ITEMS	31/12/2011 ThUS\$	31/12/2010 ThUS\$
Companies with balance of monthly advance payments net of income tax for the year	20,582	35,276
LESS:		
Companies with income tax balance payable, net of of monthly advance payments for the year	(27,931)	(64,314)
NET INCOME TAX (LIABILITIES) ASSETS NET OF MONTHLY ADVANCE PAYMENTS FOR THE YEAR	(7,349)	(29,038)
Income tax expense for the year (See note 36)	(108,535)	(100,521)
LESS:		
Monthly advance payments for the year	101,186	71,483
NET INCOME TAX (LIABILITIES) ASSETS, NET OF MONTHLY ADVANCE PAYMENTS FOR THE YEAR	(7,349)	(29,038)

In addition, the heading Collection rights, non-current, shows recoverable taxes of subsidiaries located in Argentina and Brazil for an amount of ThUS\$ 10,892 as of December 31, 2011 (ThUS\$ 4,674 as of December 31, 2010).

NOTE 14 - BUSINESS COMBINATION

Investments in subsidiaries made by Empresas CMPC S.A. that affected the consolidated financial statements were the following:

14.1. Purchase of forest and industrial assets of 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. ("Aracruz").

On December 15, 2009, Protisa do Brasil Ltda., a subsidiary of Empresas CMPC S.A., signed a document in "Closing Memorandum" with the Brazilian company Aracruz whereby it took over 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 closing memorandum were signed for the purchase from the Brazilian company Aracruz of its forestry and industrial assets of the pulp, paper and wood businesses related to the unit of Guaíba, in the State of Rio Grande Do Sul, Brazil, reducing the purchase price from the initially established price of US\$ 1,430 million to US\$ 1,370 million.

The companies acquired 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 goodwill of ThUS\$ 8,426 attributable to the future return and future synergies expected from this investment project for the production and marketing of pulp and paper in Brazil and the rest of the world.

The final study of fair value of the assets, liabilities and contingent liabilities of the acquired company ended in December 2010. In accordance with paragraph 62 of IFRS No.3, certain reclassifications and adjustments between asset and liability accounts have been introduced to the statement of financial position of 2009 which have had no effect on the equity and results of the Company as of December 31, 2009.

14.2. Purchase 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 a 100% interest in Melhoramentos Papéis Ltda. from Melpaper. This company manufactures and sells tissue products in Brazil. It has 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 final study of fair value of the assets, liabilities and contingent liabilities of the acquired company ended in July 2010. In accordance with paragraph 62 of IFRS No.3, certain reclassifications and adjustments between asset and liability accounts have been introduced to the statement of financial position of 2009 which have had no effect on the equity and results of the Company as of December 31, 2009.

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	31/12/2011		31/12/2010	
	ASSETS ThUS\$	LIABILITIES ThUS\$	ASSETS ThUS\$	LIABILITIES ThUS\$
Current	3,996,415	1,801,282	3,727,552	1,465,840
Non-current	13,835,943	5,414,816	13,818,027	4,782,669
TOTAL SUBSIDIARIES	17,832,358	7,216,098	17,545,579	6,248,509

REVENUE AND EXPENSE	2011 ThUS\$	2010 ThUS\$
Sum of revenue of subsidiaries	3,005,443	2,829,670
Sum of other items of the income statement	(2,311,822)	(1,814,407)
PROFIT FOR THE YEAR, SUBSIDIARIES	693,621	1,015,263

The separate information on 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.	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Country of incorporation	Chile	Chile	Chile	Chile	Chile	Chile
Functional currency	US\$	US\$	US\$	US\$	CLP	CLP
Interest percentage	100%	100%	100%	100%	100%	100%
Total assets	3,521,515	2,595,243	3,847,648	3,739,402	1,203,834	1,148,110
Current assets	291,606	203,106	555,119	583,258	311,175	678,783
Non-current assets	3,229,909	2,392,137	3,292,529	3,156,144	892,659	469,327
Total liabilities	777,613	643,505	2,175,889	2,013,338	451,860	343,178
Current liabilities	166,534	143,132	766,472	597,433	427,004	318,807
Non-current liabilities	611,079	500,373	1,409,417	1,415,905	24,856	24,371
Ordinary revenue	469,093	377,955	1,612,263	1,533,277	480,768	416,468
Profit (loss)	39,823	540	260,501	322,271	(4,094)	44,458

	INDUSTRIAS FORESTALES S.A.*		CARTULINAS CMPC S.A.		INVERSIONES CMPC S.A.	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Country of incorporation	-	Chile	Chile	Chile	Chile	Chile
Functional currency	-	US\$	US\$	US\$	US\$	US\$
Interest percentage	-	81.95%	100%	100%	100%	100%
Total assets	-	883,425	593,117	571,384	8,666,244	8,608,015
Current assets	-	124,638	222,683	201,896	2,615,832	1,935,871
Non-current assets	-	758,787	370,434	369,488	6,050,412	6,672,144
Total liabilities	-	60,924	142,721	143,061	3,668,015	3,044,503
Current liabilities	-	32,124	77,903	93,357	363,369	280,987
Non-current liabilities	-	28,800	64,818	49,704	3,304,646	2,763,516
Ordinary revenue	-	118,495	439,731	380,405	3,588	3,070
Profit (loss)	-	17,809	65,670	49,390	331,721	580,795

* The subsidiary Industrias Forestales S.A. was absorbed by Empresas CMPC S.A. on October 30, 2011.

The parent CMPC's receivables and payables with the most significant subsidiaries are as follows:

Accounts receivable

TAX NO. RELATED PARTY	NAME RELATED PARTY	COUNTRY OF ORIGIN	DETAIL OF ACCOUNT RECEIVABLE	BALANCES OUTSTANDING		CURRENCY	TERMS OF TRANSACTION WITH RELATED PARTY	EXPLANATION OF THE NATURE OF THE CONSIDERATION ESTABLISHED TO SETTLE THE TRANSACTION
				31/12/2011 THUS\$	31/12/2010 THUS\$			
CURRENT ASSETS								
96,532,330-9	CMPC Celulosa S.A.	Chile	Trademark lease	1,104	3,069	CLP	30 days	Monetary
			Services	394	-	CLP	30 days	Monetary
96,529,310-8	CMPC Tissue S.A.	Chile	Trademark lease	29,191	32,101	CLP	30 days	Monetary
			Services	2,941	-	CLP	30 days	Monetary
96,731,890-6	Cartulinas CMPC S.A.	Chile	Services	265	265	CLP	30 days	Monetary
96,596,540-8	Inversiones CMPC S.A.	Chile	Services	1,723	-	CLP	30 days	Monetary

Accounts payable

TAX NO. RELATED PARTY	NAME RELATED PARTY	COUNTRY OF ORIGIN	DETAIL OF ACCOUNT RECEIVABLE	BALANCES OUTSTANDING		CURRENCY	TERMS OF TRANSACTION WITH RELATED PARTY	EXPLANATION OF THE NATURE OF THE CONSIDERATION ESTABLISHED TO SETTLE THE TRANSACTION
				31/12/2011 THUS\$	31/12/2010 THUS\$			
CURRENT LIABILITIES								
96,532,330-9	CMPC Celulosa S.A.	Chile	Loans	-	69,885	US\$	30 days	Monetary
96,596,540-8	Inversiones CMPC S.A.	Chile	Loans	232,205	35,575	CLP	30 / 360 days	Monetary
NON-CURRENT LIABILITIES								
96,596,540-8	Inversiones CMPC S.A.	Chile	Loans	63,668	120,603	CLP	December 2018	Monetary
96,596,540-9	Inversiones CMPC S.A.	Chile	Loans	51,652	-	US\$	December 2018	Monetary

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

TAX NO. RELATED PARTY	NAME	COUNTRY OR ORIGIN	DETAIL OF TRANSACTIONS WITH RELATED PARTY	NATURE OF TRANSACTION WITH RELATED PARTY	TRANSACTION AMOUNT		EXPLANATION OF OTHER INFORMATION ON TRANSACTIONS WITH RELATED PARTIES
					2011 ThUS\$	2010 ThUS\$	
96,596,540-8	Inversiones CMPC S.A.	Chile	Average balance payable	Financial transaction	248,139	86,302	Effects on income were: 12/2011 expenditure of ThUS\$ 12,398; 12/2010 expenditure of ThUS\$ 7,323. Effects on income were: 12/2011 revenue of ThUS\$ 1,228; 12/2010 revenue of ThUS\$ 1,424.
			Sale of services	Commercial transaction	1,228	1,424	
96,529,310-8	CMPC Tissue S.A.	Chile	Trademark lease and services	Commercial transaction	24,409	24,938	Effects on income were: 12/2011 revenue of ThUS\$ 24,409; 12/2010 revenue of ThUS\$ 24,938. Effects on income were: 12/2011 revenue of ThUS\$ 251; 12/2010 revenue of ThUS\$ 50.
			Sales of services	Commercial transaction	251	50	
96,532,330-9	CMPC Celulosa S.A.	Chile	Trademark lease and services	Commercial transaction	1,756	2,693	Effects on income were: 12/2011 revenue of ThUS\$ 1,756; 12/2010 revenue of ThUS\$ 2,693.
96,731,890-6	Cartulinas CMPC S.A.	Chile	Leases	Commercial transaction	240	229	Effects on income were: 12/2011 revenue of ThUS\$ 240; 12/2010 revenue of ThUS\$ 229.
91,440,000-7	Forestal Mininco S.A.	Chile	Leases	Commercial transaction	208	164	Effects on income were: 12/2011 revenue of ThUS\$ 208; 12/2010 revenue of ThUS\$ 164.

NOTE 16 - INVESTMENTS IN ASSOCIATES

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

Bicercorp 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.

Its objects are the investment and participation in banking companies and insurance entities, participation in companies whose objects are the management of third-party funds; carry out factoring transactions; create, finance, promote and manage any kind of business, companies or partnerships and form part of them; the representation of other Chilean and foreign companies with similar objects and the provision of services of consultancy, planning and advice in the areas of administration, economy and finance to individuals or legal entities, whether public or private.

Controladora de Plagas Forestales S.A. is a company constituted by the main forestry companies in Chile, and is dedicated to pest control.

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

Bioenercel S.A. is a company whose object is the conversion of ligno-cellulosic biomass into a bio-fuel.

On July 13, 2011 Empresas CMPC S.A. sold its shareholding (38.77%) in its associate Inversiones El Raulí S.A. for US\$ 43.9 million, obtaining a post-tax gain of approximately US\$ 6.1 million. The purchasers were Forestal Bureo S.A. (34.01%) and Forestal, Constructora y Comercial del Pacífico Sur S.A. (4.76%), both belonging to the controller group of CMPC.

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These investments are booked in accordance with IAS 28 applying the participation method. The Company booked the corresponding gains and losses in these companies, according to its shareholder participation.

Commercial transactions made 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.

The participations of CMPC in its associates are as follows:

TAX NO.	NAME	COUNTRY OF INCORPORATION	FUNCTIONAL CURRENCY	EQUITY INVESTMENT %	EQUITY OF COMPANIES ThUS\$	INCOME ThUS\$	ACCRUED (LOSS) INCOME ThUS\$	BOOK VALUE OF INVESTMENT ThUS\$
BALANCES AS OF DECEMBER 31, 2011								
85,741,000-9	Bicecorp S.A.	Chile	CLP	7.738	987,659	110,804	8,574	76,422
96,895,660-4	Inversiones El Raulí S.A.	Chile	CLP	-	-	-	2,948	-
96,657,900-5	Controladora de Plagas Forestales S.A.	Chile	CLP	29.010	565	17	5	164
76,743,130-9	Genómica Forestal S.A.	Chile	CLP	25.000	280	49	12	70
76,077,468-5	Bioenercel S.A.	Chile	CLP	42.750	869	11	5	371
TOTAL					989,373	110,881	11,544	77,027
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
TOTAL					1,107,428	174,036	17,480	113,628

The influence exercised by Empresas CMPC S.A. in its associate Bicecorp S.A., despite its participation being only 7.738%, is considered as significant given that the boards of both companies are partially composed of common directors and have the same controller.

The stock market value (similar to fair value) of the investment in Bicecorp S.A., as of the closing of the financial statements, amounts to ThUS\$ 91,300.

In the other associate companies, which do not have stock market quotations, the Company also exercises significant influence, in accordance with IAS 28.

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

ASSETS AND LIABILITIES OF ASSOCIATES	31/12/2011		31/12/2010	
	ASSETS ThUS\$	LIABILITIES ThUS\$	ASSETS ThUS\$	LIABILITIES ThUS\$
Current	6,861,695	5,616,173	6,148,744	4,257,343
Non-current	3,948,028	4,204,177	3,794,024	4,577,997
TOTAL ASSOCIATES	10,809,723	9,820,350	9,942,768	8,835,340

The revenues and ordinary expenses and results of the associates as of each year-end are as follows:

REVENUE AND EXPENSE	2011 ThUS\$	2010 ThUS\$
Sum of ordinary revenue and expense of associates	1,007,989	903,276
Sum of other items of the income statement	(897,108)	(729,240)
PROFIT (LOSS) OF ASSOCIATES FOR THE PERIOD	110,881	174,036

The movements during 2011 and 2010 in investments booked using the participation method were as follows:

ITEMS	31/12/2011 ThUS\$	31/12/2010 ThUS\$
Opening balance as of January 1	113,628	95,714
New investments in associates	432	-
Sale of investments in associates	(35,127)	-
Equity movements in associates	(13,450)	434
Share in profit (loss) for the period	11,544	17,480
CLOSING BALANCE	77,027	113,628

The equity adjustment in associates mainly corresponds to the booking of the dividend receivable regarding the earnings of each year and the translation adjustment from Chilean pesos to the Company's functional currency.

As of December 31, 2011 the Company holds an investment in the associated company Bicecorp S.A. of ThUS\$ 76,422 (ThUS\$ 78,701 as of December 31, 2010), the equivalent of a 7.738% holding, which has been booked using the participation method 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 prepared in accordance with local regulations issued by the Superintendence of Banks and Financial Institutions and the SVS respectively, which do not necessarily accord with IFRS.

The financial statements of Banco Bice are prepared in accordance with regulations established in the Accounting Regulations Handbook issued by the Superintendence of Banks and Financial Institutions and the financial statements of Bice Vida Compañía de Seguros S.A. are prepared in accordance with accounting principles generally accepted in Chile and specific instructions issued by the Superintendence of Securities and Insurance. The latter is currently in the process of convergence to IFRS according to the schedule for adoption defined by the regulator.

Regarding the investment by the associate in Bice Vida Compañía de Seguros S.A., it is believed that the effect for CMPC of the conversion to IFRS will not be significant.

NOTE 17 - INTANGIBLE ASSETS

As of December 31, 2011 and 2010 respectively, the balances and movements of the main types of intangible assets are detailed as follows:

	RIGHTS ON BOUNDARY LAND ThUS\$	OTHER INTANGIBLE ASSETS ThUS\$	TOTAL ThUS\$
Opening balance as of 01/01/2011	-	11,712	11,712
Increases	-	123	123
Transfer of trade and other receivables, current	-	(1,327)	(1,327)
Variation from foreign exchange differences	-	(464)	(464)
CLOSING BALANCE AS OF 31/12/2011	-	10,044	10,044
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

(1) The rights over boundary land relate to land and forests located on the Brazilian frontier for which CMPC has a purchase option that depends on the authorization of the Ministry of Security of Brazil, for the forestry exploitation of the 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 relate mainly to computer software, trademarks, water rights, emission rights and electricity-line easements, all them with indefinite useful life and without restrictions on their use or ownership.

NOTE 18 - GOODWILL

The balance of goodwill at each year-end comprised the following:

INVESTORS	ISSUER/UGE	CURRENCY OF ORIGIN	31/12/2011 ThUS\$	31/12/2010 ThUS\$
Inversiones CMPC S.A.	CMPC Celulosa S.A., Pacífico Pulp Plant	US\$	51,081	51,081
Inversiones Protisa S.A.	La Papelera del Plata S.A., Zárate, Naschel and Roca Plants	ARS	13,671	14,800
Inversiones CMPC S.A.	CMPC Celulosa S.A., Santa Fé 1 Pulp Plant	US\$	254	254
Inversiones CMPC S.A.	Forsac S.A., Chillán Plant	US\$	5,854	5,854
CMPC Productos de Papel S.A.	Chilena de Moldeados S.A., 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.	Forestal Bosque de Plata S.A., Farms of S.A. Agrop. 4 M*	US\$	2,531	2,531
Forestal Bosques del Plata S.A.	Forestal Bosque de Plata S.A., Farms of Caabi Pora S.A.*	US\$	2,149	2,149
Forestal Bosques del Plata S.A.	Forestal Bosque de Plata S.A., Farms of Baserri S.A.	US\$	1,006	1,006
Subsidiarias Forestales - Chile	C.A. y F. El Proboste Ltda., Farms of El Proboste	US\$	221	221
CMPC Tissue S.A.	Grupo ABS International S.A. de CV, Mexico Plants	MXN	671	760
Melhoramentos Papéis Ltda.	Melhoramentos Papéis Ltda., Sao Paulo Plants	BRL	63,602	71,611
CMPC Celulose Riograndense Ltda.	Guaíba Unit, Brazil	BRL	7,853	8,841
	TOTAL		154,651	164,866

* Companies absorbed by Forestal Bosques del Plata S.A., Argentina

The movements in goodwill were as follows:

GOODWILL	31/12/2011 ThUS\$	31/12/2010 ThUS\$
Opening balance	164,866	161,800
Variation from foreign exchange differences	(10,215)	3,066
CLOSING BALANCE	154,651	164,866

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:

	31/12/2011 MU\$	31/12/2010 MU\$
PROPERTY, PLANT & EQUIPMENT, NET		
Work in process	784,974	396,107
Land	1,420,714	1,460,547
Buildings	1,396,253	1,420,735
Plant and equipment	2,572,749	2,788,730
Information technology equipment	3,231	4,091
Fixtures and appurtenances	3,069	2,081
Motor vehicles	3,218	2,352
Other property, plant & equipment	125,928	129,915
TOTAL PROPERTY, PLANT & EQUIPMENT	6,310,136	6,204,558
PROPERTY, PLANT & EQUIPMENT, GROSS		
Work in process	784,974	396,107
Land	1,420,714	1,460,547
Buildings	1,649,877	1,606,618
Plant and equipment	3,477,770	3,440,914
Information technology equipment	7,848	7,666
Fixtures and appurtenances	8,156	6,385
Motor vehicles	5,700	4,278
Other property, plant & equipment	150,860	144,403
TOTAL PROPERTY, PLANT & EQUIPMENT	7,505,899	7,066,918

Accumulated depreciation by category of property, plant & equipment as of December 31, 2011 and 2010 is as follows:

DEPRECIATION	31/12/2011 ThUS\$	31/12/2010 ThUS\$
Buildings	253,624	185,883
Plant and equipment	905,021	652,184
Information technology equipment	4,617	3,575
Fixtures and appurtenances	5,087	4,304
Motor vehicles	2,482	1,926
Other property, plant & equipment	24,932	14,488
TOTAL	1,195,763	862,360

The accounting changes in Property, plant & equipment (net) were as follows:

	WORK IN PROCESS ThUS\$	LAND ThUS\$	BUILDINGS NET ThUS\$	PLANT AND EQUIPMENT, NET ThUS\$	INFORMATION TECHNOLOGY EQUIPMENT NET ThUS\$	FIXTURES AND APPURTENANCES NET ThUS\$	MOTOR VEHICLES NET ThUS\$	OTHER PROPERTY PLANT & EQUIPMENT, NET ThUS\$	TOTALS ThUS\$
MOVEMENT IN 2011									
Opening balance as of January 1, 2011	396,107	1,460,547	1,420,735	2,788,730	4,091	2,081	2,352	129,915	6,204,558
Additions	501,074	13,597	18,735	81,146	56	744	1,099	929	617,380
Disposals/ asset transfers	(106,953)	(3,896)	52,891	24,484	142	1,050	324	10,532	(21,426)
Depreciation expense	-	-	(67,741)	(252,837)	(1,042)	(783)	(556)	(10,444)	(333,403)
Increase (decrease) in foreign currency translation	(5,254)	(49,534)	(28,367)	(68,774)	(16)	(23)	(1)	(5,004)	(156,973)
CLOSING BALANCE AS OF DECEMBER 31, 2011	784,974	1,420,714	1,396,253	2,572,749	3,231	3,069	3,218	125,928	6,310,136
MOVEMENT IN 2010									
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/ asset transfers	(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

New properties, plant & equipment are booked at cost. Acquisitions denominated in a currency other than the functional currency are translated at the exchange rate prevailing on the acquisition date. Acquisitions made by subsidiaries whose functional currency is other than the dollar are booked at the value in their functional currency, being translated to dollars at the closing exchange rate of each period.

As of December 31, 2011, 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 historic cost model was used.

The costs of daily maintenance and common repairs are booked to the results for the year. However, the replacement of significant parts or pieces and strategic spare parts, which are considered as improvements, are capitalized and depreciated along the remaining useful life of assets, based on component accounting.

Gains and losses on from the sale of property, plant & equipment are calculated by comparing the proceeds of the sale to the book value of the asset and are included in the income statement.

The depreciation of assets is calculated using the straight-line method over 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 these 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	34
Plant and equipment	5	40	18
Information technology equipment	5	15	9
Fixtures and appurtenances	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 for the year ended December 31, 2011 have not been influenced by internal or external factors that might have made it advisable to make tests for impairment of the Company's assets. In general there have been no significant reductions in the market value of assets, the use of the installed capacity has not been reduced, there have been no losses of markets for the products or services the entity provides (due to quality, price, substitute products, etc.) nor has there been any physical damage to the assets. Market interest rates or other rates of return on investments have not increased significantly during the year, and such increases do not affect the discount rate used in calculation the value in use of assets, not affecting their recovery value.

During 2010, the effects were booked of the damages caused by the earthquake which affected the center-south of Chile on February 27, 2010, which damaged part of the Company's industrial facilities. This had a negative influence on the production marketed by CMPC, mainly wood, pulp and paper, following the temporary halt of operations at its industrial plants, with a fall in the production and sales volumes. This situation was reversed from the second quarter of that year, so that by December 31, 2010 all the affected plants were in full operation. The damage to the physical assets and stoppage of production at the industrial plants affected was partially compensated by the foreseen payments under the insurance policies.

The above made it unnecessary to carry out impairment tests, as provided 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 an improvement in international prices and a rise in demand for the products manufactured and marketed by CMPC in those segments. The only adverse effect for CMPC with respect to the earthquake was the charge to results booked for the partial physical damages not subject to claim (deductibles) under the insurance policies. The damage derived from the temporary stoppage in production of the affected industrial plants was partially offset by the amount claimed under the insurance policies (see Notes 33 and 41).

For the rest of the Company's operating segments, in Chile and abroad, no impairment tests were made as there were no factors (internal or external) that might make it advisable to perform these measurements. In general, significant reductions in the market value of its assets have not occurred, the installed capacity has not been reduced in any significant way, there have been no market losses of the products or services provided by the entity (for quality, price, substitute products, etc.) nor have physical damages occurred to the assets, except for those of the earthquake in the areas indicated. The interest rates in the market or other rates of return on investments have not been significantly increased during the period, and such increases do not affect the discount rate used in the calculation of the assets' value in use, not affecting their recovery value.

Property, plant & equipment in guarantee:

For guaranteeing compliance with all current and future obligations of Empresas CMPC S.A. and its subsidiaries with Banco Bice, Empresas CMPC S.A. has granted a first mortgage over the first nine floors and basement of the building located at 1343 Agustinas Street. The value assigned for these purposes is ThUS\$ 13,752, as per public deed dated July 22, 2011 signed before the notary Francisco Javier Leiva Carvajal

NOTE 20 - FINANCIAL AND OPERATIVE LEASES**20.1. Financial leases**

The net book value as of December 31, 2011 and 2010 of the assets under financial lease, classified as buildings, plant and equipment and others in the statement of financial position, is as follows:

ASSETS UNDER FINANCE LEASE, NET	31/12/2011 ThUS\$	31/12/2010 ThUS\$
Building	16,333	17,000
Plant and equipment	79,612	63,663
TOTAL	95,945	80,663

The minimum payments of the financial lease are as follows:

	31/12/2011			31/12/2010		
	GROSS AMOUNT ThUS\$	TOTAL INTEREST ThUS\$	CURRENT VALUE ThUS\$	GROSS AMOUNT ThUS\$	TOTAL INTEREST ThUS\$	CURRENT VALUE ThUS\$
One year or less	16,623	1,480	15,143	10,096	1,239	8,857
Over one year but less than five years	44,236	6,348	37,888	36,282	6,065	30,217
Over five years	38,071	2,569	35,502	41,517	3,224	38,293
TOTAL	98,930	10,397	88,533	87,895	10,528	77,367

The most significant financial lease agreements are the following:

CMPC Celulosa S.A.

On October 22, 2004, the Chilean subsidiary CMPC Celulosa S.A. contracted the supply of sodium chlorate ("chlorate") for its Pacífico, Laja and Santa Fe plants with Comercial e Industrial ERCO (Chile) Limitada, Chile, for a period of thirty years, in the amount of ThUS\$ 50,000 with an annual interest rate of 7.8% and annual quota payments. The contract states that after 30 years the fixed assets of the chlorate production plant become the property of CMPC Celulosa S.A. through the final payment of US\$ 1. The financial lease was therefore booked effective from the start date of operation (July 2006). This contract is shown in the asset, Buildings and Plant and Equipment for ThUS\$ 40,833 and in the liabilities Other financial liabilities, current and non-current, for ThUS\$ 41,519 (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 for ThUS\$ 10,071, with an annual interest rate of 9.96% and monthly payments. The contract states that after a term of 10 years the property becomes the property of CMPC Celulosa S.A. Consequently, the financial lease was booked with its effects from the starting date of operation. This contract is shown in the asset Buildings and Plant and Equipment for ThUS\$ 9,613 and in the liabilities in Other financial liabilities, current and non-current, for ThUS\$ 9,223 (See Note 22.1).

Forsac Perú S.A.

On July 18, 2008, the subsidiary Forsac Perú S.A. signed a financial lease contract with BBVA Banco Continental for the construction of new industrial premises and acquisition of a production line for Windmoller & Holscher multiwall paper sacks for a total of PEN 15,057,337 payable in 61 monthly installments at an annual interest rate of 6.7%. On October 25, 2010 this financial lease contract was restructured to ThUS\$ 3,779 payable in 43 monthly installments at an annual interest rate of 5.4%. Upon the termination of the contract and by the payment of the final installment of the financial lease, Forsac

Perú S.A. will be able to exercise the purchase option, thus acquiring title to these assets. The expiry date is May 2014. This contract is shown in the asset Buildings and Plant and Equipment for ThUS\$ 3,790 and in the liabilities, in Other financial liabilities, current and non-current, for ThUS\$ 2,388 (See Note 22.1).

On April 20, 2011 the subsidiary Forsac Perú S.A. signed a financial lease contract with Banco de Crédito del Perú Continental for the acquisition of a production line for Windmoller & Holscher multiwall paper sacks for a total of ThUS\$ 5,700, payable in 60 monthly installments at an annual interest rate of 4.62%. On the expiry date and with the payment of the last installment, Forsac Perú S.A. will be able to exercise the purchase option, thus acquiring full title to the above assets. This contract is shown in the asset Plant and Equipment for ThUS\$ 5,700 and in the liabilities, in Other financial liabilities, current and non-current, for ThUS\$ 5,700 (See Note 22.1).

Protisa Perú S.A.

On January 21, 2009, the subsidiary Protisa Perú S.A. signed a financial 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 expiry of the contract in January 2016, and with the payment of the final installment of the financial lease, Protisa Perú S.A. will be able to exercise the purchase option, thus acquiring the title to these assets. This contract is shown in the assets Plant and Equipment for ThUS\$ 7,225 and in the liabilities, in Other financial liabilities, current and non-current, for ThUS\$ 6,683 (See Note 22.1).

On December 29, 2011 a financial lease operation was agreed (which had been cancelled in January 2010) for the acquisition of a paper roll production line, for a total amount of PEN 33,423,575 payable in 44 monthly installments, with an annual interest rate of 6.15% and expiry in August 2015. The amount and the new conditions will be incorporated by addendum to the contract signed on January 21, 2009. This operation is shown in the asset Plant and Equipment for ThUS\$ 12,939 and in liabilities, in Other financial liabilities, current and non-current, for ThUS\$ 13,505 (see Note 22.1)

On December 29, 2011, a financial lease contract was signed with BBVA Banco Continental del Perú for the acquisition of a paper-roll conversion line and a machine for the production of napkins for a total of PEN 11,493,224 payable in 43 monthly installments at an annual interest rate of 6.3% and with expiry in July 2015. This contract is shown in the asset Plant and Equipment for ThUS\$ 4,079 and in the liabilities, in Other financial liabilities, current and non-current, for ThUS\$ 4,261 (See Note 22.1).

On the expiry of each contract and with the payment of the last lease installment, Protisa Perú S.A. will be exercising its purchase option, so acquiring full title to these assets.

Papelera del Rimac S.A. - Perú

On February 2, 2010 the subsidiary Papelera del Rimac S.A. signed a financial lease contract with the BBVA Banco Continental for the acquisition of a RECARD paper production machine and a PERINI paper roll conversion line for 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 in January 2013, and with the payment of the final installment of the financial lease, Papelera del Rimac S.A. will exercise the purchase option, thus acquiring full title to the assets. This contract is shown in the assets Plant and Equipment for ThUS\$ 11,532 and in the liabilities, Other financial liabilities, current and non-current, for ThUS\$ 5,225 (see Note 22.1).

20.2. Operative leases

The main operative leases contracted by the Company, for an indefinite term or over one year, 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 forestry vehicles (light trucks)

The composition of the future minimum payments of operative leases is as follows:

FUTURE MINIMUM PAYMENTS OUTSTANDING	31/12/2011 ThUS\$	31/12/2010 ThUS\$
Payable within 12 months	25,260	24,745
Later than one year but not later than five years	97,592	83,318
TOTAL	122,852	108,063

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 operative lease payments shown in the income statement are the following:

	2011 ThUS\$	2010 ThUS\$
Installment of leases and subleases recognized in the income statement	26,621	26,539

There are no special operative lease agreements that commit CMPC to terms or conditions beyond market standards.

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 years, relating to timing 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 years. The main deferred tax liability payable in future years corresponds to the timing differences arising from the restatement of biological assets (forest plantations) and the restatement of property, plant & equipment at the date of transition to IFRS and by the application of accelerated depreciation for tax purposes.

As of December 31, 2011 and 2010, deferred tax assets relate to the following items:

ITEM	31/12/2011 ThUS\$	31/12/2010 ThUS\$
Tax losses	89,005	103,344
Provisions	28,523	24,794
Others	11,506	8,525
TOTAL	129,034	136,663

The Company estimates that the period of recovery of deferred tax assets will be:

ITEM	31/12/2011		31/12/2010	
	LEES THAN ONE YEAR ThUS\$	MORE THAN ONE YEAR ThUS\$	LEES THAN ONE YEAR ThUS\$	MORE THAN ONE YEAR ThUS\$
Tax losses	1,034	87,971	314	103,030
Provisions	14,244	14,279	6,367	18,427
Others	11,506	-	8,525	-
TOTAL	26,784	102,250	15,206	121,457

As of December 31, 2011 and 2010, the deferred tax liabilities are as follows:

ITEM	31/12/2011 ThUS\$	31/12/2010 ThUS\$
Property, plant & equipment	542,848	530,197
Biological assets	415,023	377,088
Others	4,274	27,030
TOTAL	962.145	934.315

Deferred taxes for timing differences between the tax and book values arising from investments in related companies have not been booked. No deferred tax has therefore been shown for the translation adjustments and adjustments of associates directly booked in equity, disclosed in the statement of other comprehensive income.

As of December 31, 2011 deferred tax assets arising from tax losses amount to ThUS\$ 89,005, which losses may be charged against earnings generated in the future, in the companies in that condition, are as follows:

SUBSIDIARIES	COUNTRY	DEFERRED TAX FROM TAX LOSS		VARIATION WITH EFFECT ON INCOME CREDIT (CHARGE)	VARIATION WITHOUT EFFECT ON INCOME (EXCHANGE DIFFERENCE)
		31/12/2011 ThUS\$	31/12/2010 ThUS\$	31/12/2011 ThUS\$	31/12/2011 ThUS\$
CMPC Maderas S.A.	Chile	34,206	35,359	(1,153)	-
Melhoramentos Papéis Ltda.	Brazil	20,798	25,932	6,360	(11,494)
Drypers Andina S.A.	Colombia	13,343	11,663	1,853	(173)
CMPC Celulose Riograndense Ltda.	Brazil	5,652	1,542	4,282	(172)
Forestal Coihueco S.A.	Chile	-	5,343	(5,343)	-
Inversiones Protisa S.A.	Chile	-	3,865	(3,256)	(609)
Inmobiliaria y Forestal Maitenes S.A.	Chile	-	3,626	(3,626)	-
Forestal y Agrícola Monte Águila S.A.	Chile	2,056	3,880	(1,824)	-
Grupo ABS Internacional S.A. de C.V.	Mexico	2,616	2,430	471	(285)
Envases Impresos S.A.	Chile	2,485	2,802	(317)	-
Protisa Colombia S.A.	Colombia	4,522	2,169	2,386	(33)
La Papelera del Plata S.A.	Argentina	971	272	719	(20)
CMPC Productos de Papel S.A.	Chile	850	1,757	(907)	-
Forsac S.A. (Ex Propa S.A.)	Chile	366	1,123	(757)	-
Productos Tissue del Ecuador S.A.	Ecuador	709	463	292	(46)
Forestal Bosques del Plata S.A.	Argentina	349	1,041	(692)	-
Forsac México S.A.	Mexico	-	28	(25)	(3)
Inmobiliaria Pinares S.A.	Chile	15	18	(3)	-
CMPC Inversiones de Argentina S.A.	Argentina	3	17	(14)	-
Naschel S.A.	Argentina	64	14	50	-
TOTAL		89,005	103,344	(1,504)	(12,835)

With regard to the prescription terms of the tax losses which can be imputed against future earnings, we 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 Mexico where they prescribe in 10 years. In the case of the companies incorporated in Argentina and Ecuador, tax losses prescribe in 5 years.

Deferred taxes booked for the effects of cash flow hedges and disclosed in the statement of other comprehensive income, were as follows:

ITEM	2011 ThUS\$	2010 ThUS\$
Cash flow hedge flows, gross	3,018	18,692
Deferred tax	(513)	(3,178)
CASH FLOW HEDGES, NET	2,505	15,514

The movement in deferred tax liabilities in 2011 and 2010 was as follows:

CHANGE IN DEFERRED TAX LIABILITIES	31/12/2011 ThUS\$	31/12/2010 ThUS\$
Deferred tax, opening balance as of January 1	934,315	941,646
Property, plant & equipment	12,651	(24,220)
Biological assets	37,935	7,324
Others	(22,756)	9,565
CLOSING BALANCE	962,145	934,315

The timing differences that generated deferred tax assets and liabilities in 2011 and their effect on results were:

TYPE OF TEMPORARY DIFFERENCE	DEFERRED TAXES RECOGNIZED WITH EFFECT ON INCOME		DEFERRED TAXES RECOGNIZED WITHOUT EFFECT ON INCOME (*)		DEFERRED TAX PROFIT (LOSS) ThUS\$
	INCREASE (DECREASE) ASSETS ThUS\$	(INCREASE) DECREASE LIABILITIES ThUS\$	INCREASE (DECREASE) LIABILITIES ThUS\$	(INCREASE) DECREASE LIABILITIES ThUS\$	
Tax losses	(1,504)	-	(12,835)	-	(1,504)
Provisions	5,020	-	(1,291)	-	5,020
Other assets	2,981	-	-	-	2,981
Property, plant & equipment	-	(23,012)	-	10,361	(23,012)
Biological assets	-	(41,458)	-	3,523	(41,458)
Other liabilities	-	20,964	-	1,792	20,964
SUBTOTALS	6,497	(43,506)	(14,126)	15,676	(37,009)

(*) The deferred taxes booked in 2011 without affecting results relate to the use of tax losses for a total of ThUS\$ 8,048 of the company Melhoramentos Papéis Ltda. This follows the promulgation by the Brazilian government in 2009 of Law 11.941 which permitted the renegotiation of refinancing (REFIS - program of delayed tax payments) with new term and interest conditions, considering also the possibility of including new debts within the program and of paying the debt with tax losses declared until the year 2008. Melhoramentos Papéis Ltda. adhered to the program and requested the partial payment of REFIS with tax losses accumulated to the year 2008. Also included is the positive effect of exchange differences of ThUS\$ 9,598, which are distributed among the respective concepts of deferred tax.

To reflect the effect of the legal modification of the income tax, which raises the tax rate in Chile from 17% to 20% for year 2011, and to 18.5% for 2012, returning to 17% in 2013, a charge to income of ThUS\$ 6,864 has been booked for deferred taxes for difference between the tax valuation and the financial valuation of property, plant and equipment and biological assets, in relation to that proportion of the difference which is reversed in the years mentioned. This effect is booked in the concepts indicated above.

The timing differences that generated deferred tax assets and liabilities in 2010 and their effect on results were:

TYPE OF TEMPORARY DIFFERENCE	DEFERRED TAXES RECOGNIZED WITH EFFECT ON INCOME		DEFERRED TAXES RECOGNIZED WITHOUT EFFECT ON INCOME (*)		DEFERRED TAX PROFIT (LOSS) ThUS\$
	INCREASE (DECREASE) ASSETS ThUS\$	(INCREASE) DECREASE LIABILITIES ThUS\$	INCREASE (DECREASE) LIABILITIES ThUS\$	(INCREASE) DECREASE LIABILITIES 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)
SUBTOTALS	23,174	9,560	2,865	(2,229)	32,734

(*) Deferred taxes booked in 2010 without effect on results relate to the positive effect of exchange differences of ThUS\$ 636, which has been distributed among the respective deferred tax concepts.

NOTE 22 - OTHER FINANCIAL LIABILITIES

As of December 31, 2011 and 2010, other financial liabilities are as follows:

ITEM	31/12/2011 ThUS\$	31/12/2010 ThUS\$
Interest-bearing loans - current	274,122	467,885
Swap and cross currency swap operations - current	16,250	23,416
Forward contract operations	3,074	9,899
Hedging liabilities, current	-	176
SUBTOTAL OTHER FINANCIAL LIABILITIES, CURRENT	293,446	501,376
Interest-bearing loans - non-current	3,137,196	2,516,211
Hedging liabilities, non-current	-	226
SUBTOTAL OTHER FINANCIAL LIABILITIES - NON-CURRENT	3,137,196	2,516,437
TOTAL	3,430,642	3,017,813

22.1. Composition of the balance and maturities

a) Interest-bearing loans, current and non-current

The interest-bearing loans grouped by maturities were the following:

BALANCE AS OF DECEMBER 31, 2011				AMOUNT OF CLASS OF LOANS EXPOSED TO LIQUIDITY RISK (ThUS\$)						TYPE OF AMORTIZATION	EFFECTIVE RATE %	NOMINAL VALUE OF OBLIGATIONS	NOMINAL RATE %	PRACTICAL EXPLANATION RISK MANAGEMENT	
TAX NO. DEBTOR	NAME OF DEBTOR	CURRENCY	NAME OF CREDITOR	UP TO ONE MONTH	TWO TO THREE MONTHS	FOUR 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 - Tax No 97,030,000-7	-	2,042	-	149,760	-	151,802	Maturity	3.45%	150,000	Libor+3.0%		
96,532,330-9	CMPC Celulosa S.A.	US\$	BancoEstado - Chile - Tax No 97,030,000-7	40,025	-	-	-	-	40,025	Maturity	0.88%	40,000	Libor+0.6%		
96,532,330-9	CMPC Celulosa S.A.	US\$	BancoEstado - Chile - Tax No 97,030,000-7	-	40,033	-	-	-	40,033	Maturity	1.14%	40,000	Libor+0.75%		
96,532,330-9	CMPC Celulosa S.A.	US\$	BancoEstado - Chile - Tax No 97,030,000-7	-	1,291	-	99,845	-	101,136	Maturity	3.47%	100,000	Libor+3.0%		
96,532,330-9	CMPC Celulosa S.A.	US\$	Banco Scotiabank - Chile - Tax No 97,018,000-1	-	-	20,021	-	-	20,021	Maturity	1.47%	20,000	Libor+0.79%		
96,596,540-8	Inversiones CMPC S.A.	US\$	J.P. Morgan Chase Bank N.A. - United States	-	20	48,000	-	-	48,020	Half-yearly	0.59%	48,000	Libor+0.275%	Swap	
96,596,540-8	Inversiones CMPC S.A.	US\$	Bank of Tokio - Mitsubishi UFJ, Ltd. - United States	-	20	-	39,646	-	39,666	Half-yearly	1.11%	40,000	Libor+0.55%	Swap/Cross Currency Swap	
96,596,540-8	Inversiones CMPC S.A.	US\$	Bank of Tokio - Mitsubishi UFJ, Ltd. - United States	-	881	-	395,050	-	395,931	Quarterly	1.09%	400,000	Libor+0.65%	Swap	
96,596,540-8	Inversiones CMPC S.A.	US\$	Obligations with the public - abroad, Rule 144 A - US\$	-	-	487	262,942	-	263,429	Maturity	4.89%	300,000	4.88%		
96,596,540-8	Inversiones CMPC S.A.	US\$	Obligations with the public - abroad, Rule 144 A - US\$	-	-	4,679	-	494,204	498,883	Maturity	6.25%	500,000	6.13%		
96,596,540-8	Inversiones CMPC S.A.	US\$	Obligations with the public - abroad, Rule 144 A - US\$	-	-	10,622	-	495,197	505,819	Maturity	4.83%	500,000	4.75%		
96,596,540-8	Inversiones CMPC S.A.	CLF	Obligations with the public, series A, Reg. 413 SVS	-	-	2,687	295,924	-	298,611	Maturity	3.22%	300,574	2.70%	Swap/Cross Currency Swap	
96,596,540-8	Inversiones CMPC S.A.	CLF	Obligations with the public, series B, Reg. 456 SVS	-	-	2,360	-	167,416	169,776	Maturity	4.43%	171,757	4.20%		
96,596,540-8	Inversiones CMPC S.A.	CLF	Obligations with the public, series D, Reg. 569 SVS	-	-	999	127,785	-	128,784	Maturity	3.25%	128,818	2.90%	Cross Currency Swap	
96,596,540-8	Inversiones CMPC S.A.	CLF	Obligations with the public, series F, Reg. 570 SVS	-	-	3,446	-	291,332	294,778	Maturity	4.55%	300,574	4.30%		
Foreign	La Papelera del Plata S.A.	ARS	Banco BBVA - Argentina	-	-	3,512	5,229	-	8,741	Half-yearly	16.75%	8,713	16.75%		
Foreign	La Papelera del Plata S.A.	ARS	Banco Citibank - Argentina	2,478	-	-	-	-	2,478	Maturity	16.00%	2,326	16.00%		
Extranjera	La Papelera del Plata S.A.	ARS	Banco Citibank - Argentina	1,662	-	-	-	-	1,662	Maturity	25.00%	1,628	25.00%		

Continuation

BALANCE AS OF DECEMBER 31, 2011				AMOUNT OF CLASS OF LOANS EXPOSED TO LIQUIDITY RISK (THUS\$)						TYPE OF AMORTIZATION	EFFECTIVE RATE %	NOMINAL VALUE OF OBLIGATIONS	NOMINAL RATE %	PRACTICAL RISK MANAGEMENT
TAX NO. DEBTOR	NAME OF DEBTOR	CURRENCY	NAME OF CREDITOR	UPTO ONE MONTH	TWO TO THREE MONTHS	FOUR TO TWELVE MONTHS	TWO TO FIVE YEARS	SIX YEARS OR MORE	TOTAL					
Foreign	La Papelera del Plata S.A.	ARS	Banco Galicia - Argentina	-	1,237	-	-	-	1,237	Maturity	17.00%	1,162	17.00%	
Foreign	La Papelera del Plata S.A.	ARS	Banco HSBC - Argentina	1,766	-	-	-	-	1,766	Monthly	16.25%	1,743	16.25%	
Foreign	La Papelera del Plata S.A.	ARS	Banco Macro - Argentina	1,859	-	-	-	-	1,859	Maturity	16.25%	1,743	16.25%	
Foreign	La Papelera del Plata S.A.	ARS	Banco Santander Rio - Argentina	-	-	1,579	774	-	2,353	Half-yearly	16.85%	2,326	16.85%	
Foreign	La Papelera del Plata S.A.	ARS	Banco Santander Rio - Argentina	3,079	-	-	-	-	3,079	Daily	28.00%	3,079	28.00%	
Foreign	La Papelera del Plata S.A.	ARS	Banco Macro - Argentina	5,228	-	-	-	-	5,228	Daily	26.17%	5,228	26.17%	
Foreign	La Papelera del Plata S.A.	ARS	Banco Supervielle - Argentina	33	-	-	-	-	33	Daily	25.00%	33	25.00%	
Foreign	La Papelera del Plata S.A.	ARS	Banco Galicia - Argentina	5,344	-	-	-	-	5,344	Daily	21.00%	5,344	21.00%	
Foreign	La Papelera del Plata S.A.	US\$	Banco Corpbanca - Chile - Tax No 97,023,000-9	-	-	-	14,063	-	14,063	Maturity	2.51%	14,000	Libor+1.89%	
Foreign	La Papelera del Plata S.A.	US\$	Banco de Chile - Tax No 97,004,000-5	-	-	-	10,077	-	10,077	Maturity	2.28%	10,000	Libor+1.8%	
Foreign	La Papelera del Plata S.A.	US\$	Banco Santander - Chile - Tax No 97,036,000-K	-	-	-	6,073	-	6,073	Maturity	1.87%	6,000	Libor+1.45%	
Foreign	Protisa Perú S.A.	PEN	Banco de Crédito del Perú	152	307	1,346	8,544	-	10,349	Maturity	7.44%	10,284	7.44%	
Foreign	Protisa Perú S.A.	PEN	BBVA Banco Continental - Perú	-	-	2,869	-	-	2,869	Maturity	5.99%	2,784	5.99%	
Foreign	Protisa Perú S.A.	PEN	BBVA Banco Continental - Perú	-	-	6,656	-	-	6,656	Maturity	5.44%	6,433	5.44%	
Foreign	Protisa Perú S.A.	PEN	BBVA Banco Continental - Perú	-	-	-	653	-	653	Maturity	6.30%	653	6.30%	
Foreign	Ipusa S.A.	US\$	Banco Citibank - Uruguay	48	-	-	-	-	48	Monthly	3.40%	48	3.40%	
Foreign	Ipusa S.A.	US\$	Banco Citibank - Uruguay	1,906	-	-	-	-	1,906	Half-yearly	4.00%	1,900	4.00%	
Foreign	Ipusa S.A.	US\$	Banco Citibank - Uruguay	-	-	1,500	-	-	1,500	Half-yearly	3.40%	1,500	3.40%	
Foreign	Ipusa S.A.	UYU	Banco Citibank - Uruguay	20	-	-	-	-	20	Monthly	8.50%	20	8.50%	
Foreign	Ipusa S.A.	UYU	Banco Citibank - Uruguay	-	1,337	-	-	-	1,337	Monthly	8.50%	1,337	8.50%	
Foreign	Ipusa S.A.	US\$	Banco HSBC - Uruguay	-	1,370	-	-	-	1,370	Monthly	4.44%	1,350	4.44%	
Foreign	Ipusa S.A.	UYU	Banco HSBC - Uruguay	911	-	-	-	-	911	Half-yearly	9.50%	902	9.50%	
Foreign	Ipusa S.A.	UYU	Banco Itaú - Uruguay	-	1,724	-	-	-	1,724	Half-yearly	9.50%	1,654	9.50%	
Foreign	Ipusa S.A.	US\$	Banco Itaú - Uruguay	-	-	1,510	-	-	1,510	Half-yearly	4.50%	1,500	4.50%	
Foreign	Ipusa S.A.	UYU	Banco Lloyd's - Uruguay	-	1,954	-	-	-	1,954	Half-yearly	9.25%	1,904	9.25%	
Foreign	Ipusa S.A.	UYU	Banco Lloyd's - Uruguay	-	755	-	-	-	755	Half-yearly	9.25%	752	9.25%	
Foreign	Ipusa S.A.	US\$	Banco Santander - Uruguay	-	2,622	-	-	-	2,622	Half-yearly	4.55%	2,600	4.55%	
Foreign	Ipusa S.A.	US\$	Banco Santander - Uruguay	4	-	-	-	-	4	Half-yearly	4.55%	4	4.55%	
Foreign	Ipusa S.A.	US\$	Banco Santander - Uruguay	-	-	1,023	-	-	1,023	Half-yearly	4.55%	1,023	4.55%	
Foreign	Ipusa S.A.	US\$	Banco Santander - Uruguay	-	607	-	-	-	607	Half-yearly	4.55%	600	4.55%	
Foreign	Ipusa S.A.	US\$	Banco Santander - Uruguay	-	-	600	-	-	600	Half-yearly	4.55%	600	4.55%	
Foreign	Ipusa S.A.	UYU	Banco Santander - Uruguay	4,157	-	-	-	-	4,157	Half-yearly	9.50%	4,157	9.50%	
Foreign	Ipusa S.A.	UYU	Banco BBVA - Uruguay	3,732	-	-	-	-	3,732	Half-yearly	9.00%	3,732	9.00%	
Foreign	Ipusa S.A.	US\$	Banco BBVA - Uruguay	1,839	-	-	-	-	1,839	Half-yearly	4.50%	1,839	4.50%	
Foreign	Ipusa S.A.	US\$	Banco BBVA - Uruguay	-	1,064	-	-	-	1,064	Half-yearly	4.50%	1,064	4.50%	
Foreign	Ipusa S.A.	US\$	Banco BBVA - Uruguay	1,401	-	-	-	-	1,401	Half-yearly	4.50%	1,400	4.50%	

Continuation

BALANCE AS OF DECEMBER 31, 2011				AMOUNT OF CLASS OF LOANS EXPOSED TO LIQUIDITY RISK (ThUS\$)						TYPE OF AMORTIZATION	EFFECTIVE RATE %	NOMINAL VALUE OF OBLIGATIONS	NOMINAL RATE %	PRACTICAL EXPLANATION RISK MANAGEMENT
TAX NO. DEBTOR	NAME OF DEBTOR	CURRENCY	NAME OF CREDITOR	UPTO ONE MONTH	TWOTO THREE MONTHS	FOURTO TWELVE MONTHS	TWO TO FIVE YEARS	SIX YEARS OR MORE	TOTAL					
BANK OBLIGATIONS AND OBLIGATIONS WITH THE PUBLIC														
Foreign	Drypers Andina S.A.	US\$	BancoEstado - Chile - Tax No 97,030,000-7	230	-	-	25,500	-	25,730	Maturity	1.82%	25,500	Libor+1.42%	
Foreign	Drypers Andina S.A.	COL	Bancolombia	-	1,170	-	-	-	1,170	Maturity	7.88%	1,169	7.88%	
Foreign	Drypers Andina S.A.	COL	Bancolombia	-	713	-	-	-	713	Maturity	7.88%	713	7.88%	
Foreign	Drypers Andina S.A.	COL	Bancolombia	1,704	-	-	-	-	1,704	Maturity	7.50%	1,704	7.50%	
Foreign	Drypers Andina S.A.	COL	Bancolombia	367	-	-	-	-	367	Maturity	7.59%	360	7.59%	
Foreign	Drypers Andina S.A.	COL	Bancolombia	681	-	-	-	-	681	Maturity	7.54%	669	7.54%	
Foreign	Drypers Andina S.A.	COL	Bancolombia	-	2,530	-	-	-	2,530	Maturity	8.65%	2,522	8.65%	
Foreign	Drypers Andina S.A.	COL	Bancolombia	-	863	-	-	-	863	Maturity	7.40%	862	7.40%	
Foreign	Drypers Andina S.A.	COL	Banco BBVA - Colombia	1,365	-	-	-	-	1,365	Maturity	6.65%	1,362	6.65%	
Foreign	Drypers Andina S.A.	COL	Banco BBVA - Colombia	-	1,229	-	-	-	1,229	Maturity	8.40%	1,228	8.40%	
Foreign	Protisa Colombia S.A.	US\$	Banco BBVA - Chile - Tax No 97,032,000-8	397	-	-	40,000	-	40,397	Maturity	2.02%	40,000	Libor+1.62%	
Foreign	Protisa Colombia S.A.	US\$	Banco Santander - Chile - Tax No 97,036,000-K	-	-	10	44,000	-	44,010	Maturity	2.02%	44,000	Libor+1.62%	
Foreign	Protisa Colombia S.A.	US\$	BancoEstado - Chile - Tax No 97,030,000-7	95	-	-	10,500	-	10,595	Maturity	1.82%	10,500	Libor+1.42%	
Foreign	Protisa Colombia S.A.	COL	Banco BBVA - Colombia	730	-	-	-	-	730	Maturity	6.65%	730	6.65%	
Foreign	Melhoramentos Papéis Ltda.	BRL	Banco Itaú / BBA - Brazil	23	47	-	-	27,268	27,338	Monthly	4.50%	27,268	4.50%	
Foreign	Melhoramentos Papéis Ltda.	BRL	Banco Itaú / BBA - Brazil	16	5	-	-	2,024	2,045	Monthly	5.50%	2,024	5.50%	
Foreign	Grupo ABS Int. S.A. de CV	US\$	Banco Santander - Mexico	-	-	-	50,000	-	50,000	Half-yearly	1.35%	50,000	Libor+0.80%	Cross Currency Swap
TOTAL BANK OBLIGATIONS AND OBLIGATIONS WITH THE PUBLIC				81,252	63,821	113,906	1,586,365	1,477,441	3,322,785					
FINANCE LEASE OBLIGATIONS														
Foreign	Ipusa S.A.	US\$	Banco Santander - Uruguay	-	-	4	8	-	12	Monthly	6.50%	12	6.50%	
Foreign	Forsac Perú S.A.	US\$	BBVA Banco Continental - Peru	88	176	865	1,259	-	2,388	Monthly	5.40%	2,388	5.40%	
Foreign	Forsac Perú S.A.	US\$	Banco de Crédito del Perú	105	211	553	4,831	-	5,700	Monthly	4.62%	5,700	4.62%	
Foreign	Protisa Perú S.A.	PEN	Banco de Crédito del Perú	118	238	1,105	5,222	-	6,683	Monthly	7.44%	6,683	7.44%	
Foreign	Protisa Perú S.A.	PEN	Banco de Crédito del Perú	282	569	2,632	10,022	-	13,505	Monthly	6.15%	13,505	6.15%	
Foreign	Protisa Perú S.A.	PEN	BBVA Banco Continental - Peru	88	180	827	3,166	-	4,261	Monthly	6.30%	4,261	6.30%	
Foreign	Protisa Perú S.A.	PEN	BBVA Banco Continental - Peru	1	1	6	9	-	17	Monthly	5.45%	17	5.45%	
Foreign	Papelera del Rimac S.A.	PEN	BBVA Banco Continental - Peru	394	1,190	3,231	410	-	5,225	Monthly	3.98%	5,225	3.98%	
TOTAL OBLIGACIONES POR ARRENDAMIENTO FINANCIERO				1,076	2,565	9,223	24,927	-	37,791					
OTRAS OBLIGACIONES														
96,532,330-9	CMPC Celulosa S.A.	US\$	Comercial e Industrial ERCO (Chile) Ltda. - Tax No 76,163,730-4	131	262	1,181	6,401	33,544	41,519	Monthly	7.80%	41,519	7.80%	
96,532,330-9	CMPC Celulosa S.A.	US\$	Comercial e Industrial ERCO (Chile) Ltda. - Tax No 76,163,730-4	56	114	535	3,637	4,881	9,223	Monthly	9.96%	9,223	9.96%	
TOTAL OTHER OBLIGATIONS				187	376	1,716	10,038	38,425	50,742					
TOTAL INTEREST-BEARING LOANS				82,515	66,762	124,845	1,621,330	1,515,866	3,411,318					
TOTAL INTEREST-BEARING LOANS AT FAIR VALUE				82,515	66,762	124,845	1,621,330	1,515,866	3,411,318					

BALANCE AS OF DECEMBER 31, 2010				AMOUNT OF CLASS OF LOANS EXPOSED TO LIQUIDITY RISK (THUS\$)						TYPE OF AMORTIZATION	EFFECTIVE RATE %	NOMINAL VALUE OF OBLIGATIONS	NOMINAL RATE %	PRACTICAL EXPLANATION RISK MANAGEMENT
TAX NO. DEBTOR	NAME OF DEBTOR	CURRENCY	NAME OF CREDITOR	UP TO ONE MONTH	TWO TO THREE MONTHS	FOUR 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 - Tax No. 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 - Tax No. 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 - Tax No. 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 - Tax No. 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 - Tax No. 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 - Tax No. 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 - Tax No. 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 N.A. - United States Bank of Tokio	-	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\$	Mitsubishi UFJ, Ltd. - United States Obligations with the public - abroad, Rule 144 A - US\$	-	80	83,334	124,405	-	207,819	Half-yearly	0.99%	208,333	Libor+0.55%	Swap/Cross Currency Swap
96,596,540-8	Inversiones CMPC S.A.	US\$	Obligations with the public - abroad, Rule 144 A - US\$	-	-	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 - US\$	-	-	4,678	-	493,464	498,142	Maturity	6.25%	500,000	6.13%	
96,596,540-8	Inversiones CMPC S.A.	CLF	Obligations with the public, series A, Reg. 413 SVS	-	-	2,869	314,508	-	317,377	Maturity	3.22%	308,860	2.70%	Swap/Cross Currency Swap
96,596,540-8	Inversiones CMPC S.A.	CLF	Obligations with the public, 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.	CLF	Obligations with the public, 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.	CLF	Obligations with the public, 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%	

Continuation

BALANCE AS OF DECEMBER 31, 2010				AMOUNT OF CLASS OF LOANS EXPOSED TO LIQUIDITY RISK (THUS\$)						TYPE OF AMORTIZATION	EFFECTIVE RATE %	NOMINAL VALUE OF OBLIGATIONS	NOMINAL RATE %	PRACTICAL EXPLANATION RISK MANAGEMENT
TAX NO. DEBTOR	NAME OF DEBTOR	CURRENCY	NAME OF CREDITOR	UP TO ONE MONTH	TWO TO THREE MONTHS	FOUR TO TWELVE MONTHS	TWO TO FIVE YEARS	SIX YEARS OR MORE	TOTAL					
BANK OBLIGATIONS AND OBLIGATIONS WITH THE PUBLIC														
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%	
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 - Peru	-	-	2,090	-	-	2,090	Maturity	4.00%	2,090	4.00%	
Foreign	Protisa Perú S.A.	PEN	BBVA Banco Continental - Peru	-	-	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	Half-yearly	4.00%	1,900	4.00%	
Foreign	Ipusa S.A.	UYU	Banco Citibank - Uruguay	-	1,244	-	-	-	1,244	Monthly	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%	

Continuation

BALANCE AS OF DECEMBER 31, 2010				AMOUNT OF CLASS OF LOANS EXPOSED TO LIQUIDITY RISK (THUS\$)						TYPE OF AMORTIZATION	EFFECTIVE RATE %	NOMINAL VALUE OF OBLIGATIONS	NOMINAL RATE %	PRACTICAL EXPLANATION RISK MANAGEMENT
TAX NO. DEBTOR	NAME OF DEBTOR	CURRENCY	NAME OF CREDITOR	UP TO ONE MONTH	TWO TO THREE MONTHS	FOUR TO TWELVE MONTHS	TWO TO FIVE YEARS	SIX YEARS OR MORE	TOTAL					
BANK OBLIGATIONS AND OBLIGATIONS WITH THE PUBLIC														
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.	COP	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 / BBA - Brasil	-	-	39	-	18,700	18,739	Monthly	4.50%	18,700	4.50%	
Foreign	Melhoramentos Papéis Ltda.	BRL	Banco Itaú / BBA - Brasil	-	-	17	-	1,671	1,688	Monthly	4.50%	1,671	4.50%	
Foreign	Melhoramentos Papéis Ltda.	BRL	Banco Itaú / BBA - Brasil	-	-	1	-	273	274	Monthly	4.50%	273	4.50%	
Foreign	Melhoramentos Papéis Ltda.	BRL	Banco Itaú / BBA - Brasil	-	-	5	-	609	614	Monthly	4.50%	609	4.50%	
Foreign	Melhoramentos Papéis Ltda.	BRL	Banco Itaú / BBA - Brasil	-	-	4	-	597	601	Monthly	5.50%	597	5.50%	
Foreign	Melhoramentos Papéis Ltda.	BRL	Banco Itaú / BBA - Brasil	-	-	7	-	595	602	Monthly	5.50%	595	5.50%	
Foreign	Melhoramentos Papéis Ltda.	BRL	Banco Itaú / BBA - Brasil	-	-	-	-	616	616	Monthly	5.50%	616	5.50%	
Foreign	Grupo ABS Int. S.A. de CV	US\$	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					

BALANCE AS OF DECEMBER 31, 2010				AMOUNT OF CLASS OF LOANS EXPOSED TO LIQUIDITY RISK (ThUS\$)						TYPE OF AMORTIZATION	EFFECTIVE RATE %	NOMINAL VALUE OF OBLIGATIONS	NOMINAL RATE %	PRACTICAL EXPLANATION RISK MANAGEMENT
TAX NO. DEBTOR	NAME OF DEBTOR	CURRENCY	NAME OF CREDITOR	UP TO ONE MONTH	TWO TO THREE MONTHS	FOUR TO TWELVE MONTHS	TWO TO FIVE YEARS	SIX YEARS OR MORE	TOTAL					
FINANCE LEASE OBLIGATIONS														
Foreign	Forsac Perú S.A.	US\$	BBVA Banco Continental - Peru	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	BBVA Banco Continental - Peru	-	-	-	1,320	-	1,320	Monthly	6.30%	1,320	6.30%	
Foreign	Papelera del Rimac S.A.	PEN	BBVA Banco Continental - Peru	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. - Tax No. 76,163,730-4	130	260	1,174	6,401	35,118	43,083	Monthly	7.80%	43,083	7.80%	
96,532,330-9	CMPC Celulosa S.A.	US\$	Comercial e Industrial ERCO (Chile) Ltda. - Tax No. 76,163,730-4	51	103	485	3,637	5,596	9,872	Monthly	9.96%	9,872	9.96%	
TOTAL OTHER OBLIGATIONS				181	363	1,659	10,038	40,714	52,955					
TOTAL INTEREST-BEARING LOANS				43,449	34,655	389,781	1,469,952	1,046,259	2,984,096					
TOTAL INTEREST-BEARING LOANS AT FAIR VALUE				43,449	34,655	389,781	1,469,952	1,046,259	2,984,096					

b) Swaps and cross-currency swap operations, current

This liability represents the accumulated results of derivatives contracts signed in order to properly manage the Company's exchange and interest-rate risks.

ENTITIES	RIGHTS			OBLIGATIONS			FAIR VALUE OF NET LIABILITIES ThUS\$	EFFECT ON INCOME PROFIT (LOSS) ThUS\$	MATURITY
	CURRENCY	INTEREST RATE %	AMOUNT ThUS\$	CURRENCY	INTEREST RATE %	AMOUNT ThUS\$			
BALANCE AS OF DECEMBER 31, 2011									
Banco Santander - Chile	US\$	Libor	20,000	US\$	4.53	20,380	380	515	04/06/2012
Banco Santander - Chile	US\$	Libor	14,000	US\$	4.43	14,259	259	(684)	04/06/2012
HSBC Bank USA N.A. - United States	US\$	Libor	80,000	US\$	1.16	80,640	640	(640)	18/10/2016
HSBC Bank USA N.A. - United States	US\$	Libor	80,000	US\$	1.18	80,542	542	(542)	18/10/2016
J. Aron & Company - United States	US\$	Libor	50,000	US\$	4.57	56,640	6,640	(2,164)	01/03/2015
J. Aron & Company - United States	US\$	Libor	50,000	US\$	4.72	56,385	6,385	(2,306)	01/03/2015
J.P. Morgan Chase Bank N.A. - United States	US\$	Libor	80,000	US\$	1.19	80,529	529	(529)	18/10/2016
J.P. Morgan Chase Bank N.A. - United States	US\$	Libor	37,500	US\$	1.99	37,976	476	(282)	15/06/2013
J.P. Morgan Chase Bank N.A. - United States	US\$	Libor	80,000	US\$	1.50	80,399	399	(399)	18/10/2016
TOTAL			491,500			507,750	16,250	(7,031)	
BALANCE AS OF DECEMBER 31, 2010									
Banco Santander - Chile	US\$	Libor+0.55	62,799	CLF	2.19	65,770	2,971	(335)	01/03/2015
Banco Santander - Chile	US\$	Libor	60,000	US\$	4.53	62,358	2,358	(3,463)	04/06/2012
Banco Santander - Chile	US\$	Libor	42,000	US\$	4.43	43,613	1,613	(2,362)	04/06/2012
Banco Santander - Colombia	US\$	Libor+0.45	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
J. Aron & Company - United States	US\$	Libor	50,000	US\$	4.72	56,548	6,548	(2,118)	01/03/2015
J. Aron & Company - United States	US\$	Libor	50,000	US\$	4.57	56,225	6,225	(2,262)	01/03/2015
J.P. Morgan Chase Bank N.A. - United States	US\$	Libor	62,500	US\$	1.99	63,653	1,153	(1,241)	15/06/2013
TOTAL			338,299			361,715	23,416	(13,130)	

c) Forward currency transactions

AS OF DECEMBER 31, 2011	RIGHTS		OBLIGATIONS		FAIR VALUE OF NET LIABILITIES ThUS\$	EFFECT ON INCOME PROFIT (LOSS) ThUS\$	MATURITY
	CURRENCY	AMOUNT ThUS\$	CURRENCY	AMOUNT ThUS\$			
J.P. Morgan Chase Bank N.A. - United States	EUR	6,694	US\$	7,183	489	(489)	15/06/2012
J.P. Morgan Chase Bank N.A. - United States	EUR	6,685	US\$	7,183	498	(498)	15/08/2012
J.P. Morgan Chase Bank N.A. - United States	EUR	3,293	US\$	3,541	248	(248)	17/09/2012
J.P. Morgan Chase Bank N.A. - United States	EUR	1,144	US\$	1,232	88	(88)	15/11/2012
Banco Santander - Chile	CLP	2,786	US\$	2,800	14	(14)	12/12/2012
Banco Santander - Chile	CLP	2,742	US\$	2,800	58	(58)	12/06/2013
Banco Santander - Chile	BRL	1,914	US\$	1,921	7	(7)	15/05/2012
Banco Santander - Chile	BRL	1,258	US\$	1,272	14	(14)	15/06/2012
Banco Santander - Chile	BRL	1,836	US\$	1,869	33	(33)	17/07/2012
Banco Santander - Chile	BRL	1,976	US\$	2,025	49	(49)	15/08/2012
Banco Santander - Chile	BRL	1,811	US\$	1,869	58	(58)	17/09/2012
Banco Santander - Chile	BRL	1,326	US\$	1,376	50	(50)	15/10/2012
Banco Santander - Chile	BRL	844	US\$	883	39	(39)	16/11/2012
Banco Santander - Chile	BRL	246	US\$	260	14	(14)	17/12/2012
Banco Santander - Chile	BRL	171	US\$	182	11	(11)	15/01/2013
Banco Santander - Chile	BRL	267	US\$	286	19	(19)	15/02/2013
Banco Santander - Chile	CLP	3,991	US\$	4,000	9	(9)	14/06/2012
Banco Santander - Chile	CLP	5,936	US\$	6,000	64	(64)	12/09/2012
Banco Santander - Chile	CLP	2,744	US\$	2,800	56	(56)	12/12/2012
Banco Santander - Chile	CLP	2,701	US\$	2,800	99	(99)	12/06/2013
Banco Scotiabank - Chile	BRL	1,510	US\$	1,512	2	(2)	17/04/2012
Banco Scotiabank - Chile	BRL	1,914	US\$	1,930	16	(16)	15/05/2012
Banco Scotiabank - Chile	BRL	1,836	US\$	1,878	42	(42)	17/07/2012
Banco Scotiabank - Chile	BRL	1,976	US\$	2,034	58	(58)	15/08/2012
Banco Scotiabank - Chile	BRL	1,811	US\$	1,878	67	(67)	17/09/2012
Banco Scotiabank - Chile	BRL	1,326	US\$	1,382	56	(56)	15/10/2012
Banco Scotiabank - Chile	BRL	844	US\$	887	43	(43)	16/11/2012
Banco Scotiabank - Chile	BRL	246	US\$	261	15	(15)	17/12/2012
Banco Scotiabank - Chile	BRL	171	US\$	183	12	(12)	15/01/2013
Banco Scotiabank - Chile	BRL	267	US\$	287	20	(20)	15/02/2013
Banco Scotiabank - Chile	CLP	3,431	US\$	3,500	69	(69)	16/08/2012
Banco Scotiabank - Chile	CLP	7,398	US\$	7,500	102	(102)	14/06/2012
Banco Scotiabank - Chile	CLP	11,964	US\$	12,000	36	(36)	15/03/2012
Banco Scotiabank - Chile	CLP	12,573	CLF	12,641	68	(68)	18/01/2012
HSBC Bank - Chile	CLP	11,997	US\$	12,000	3	(3)	15/03/2012
HSBC Bank - Chile	CLP	7,418	US\$	7,500	82	(82)	14/06/2012
HSBC Bank - Chile	CLP	3,441	US\$	3,500	59	(59)	16/08/2012
HSBC Bank - Chile	US\$	6,049	CLP	6,054	5	(5)	21/03/2012
Banco BBVA - Chile	US\$	18,318	CLP	18,381	63	(63)	13/08/2012
Banco BBVA - Chile	US\$	12,215	CLP	12,257	42	(42)	13/08/2012
Banco BBVA - Chile	US\$	10,177	CLP	10,212	35	(35)	13/08/2012
Banco BBVA - Chile	US\$	12,900	CLP	13,016	116	(116)	04/01/2012
Banco Corpbanca - Chile	CLP	19,257	CLF	19,296	39	(39)	13/08/2012
Banco Corpbanca - Chile	CLP	10,699	CLF	10,720	21	(21)	13/08/2012
Banco Corpbanca - Chile	CLP	12,842	CLF	12,864	22	(22)	13/08/2012
Banco Corpbanca - Chile	CLP	21,263	CLF	21,301	38	(38)	13/08/2012
Banco BCI - Chile	CLP	15,702	CLF	15,728	26	(26)	13/08/2012
TOTAL		259,910		262,984	3,074	(3,074)	

AS OF DECEMBER 31, 2010	RIGHTS		OBLIGATIONS		FAIR VALUE OF NET LIABILITIES ThUS\$	EFFECT ON INCOME PROFIT (LOSS) ThUS\$	MATURITY
	CURRENCY	AMOUNT ThUS\$	CURRENCY	AMOUNT ThUS\$			
ENTITIES							
Banco de Chile	US\$	49,104	CLF	50,778	1,674	(1,674)	02/06/2011
Banco de Chile	US\$	10,610	CLF	10,947	337	(337)	05/05/2011
Banco de Chile	US\$	10,196	CLF	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	CLF	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	CLF	3,115	93	(93)	05/01/2011
Banco de Chile	US\$	10,195	CLF	10,470	275	(275)	26/01/2011
Banco de Chile	US\$	16,176	CLF	16,753	577	(577)	13/01/2011
Banco de Chile	US\$	6,824	CLF	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	CLF	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	CLF	10,269	118	(118)	05/07/2011
Banco Santander - Chile	US\$	4,825	CLF	4,958	133	(133)	13/01/2011
Banco Santander - Chile	US\$	3,048	CLF	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	CLF	6,093	10	(10)	13/07/2011
Banco BCI - Chile	US\$	2,010	CLF	2,077	67	(67)	22/01/2011
HSBC Bank - Chile	US\$	6,003	CLP	6,050	47	(47)	05/01/2011
HSBC Bank - Chile	US\$	6,314	CLP	6,360	46	(46)	11/02/2011
HSBC Bank - Chile	US\$	6,009	CLP	6,053	44	(44)	18/02/2011
HSBC Bank - Chile	US\$	6,013	CLP	6,023	10	(10)	23/02/2011
HSBC Bank - Chile	US\$	2,505	CLP	2,579	74	(74)	05/01/2011
J.P. Morgan Chase Bank N.A. - United States	US\$	1,737	EUR	1,784	47	121	15/03/2011
J.P. Morgan Chase Bank N.A. - United States	US\$	1,723	EUR	1,768	45	120	15/06/2011
J.P. Morgan Chase Bank N.A. - United States	US\$	1,723	EUR	1,767	44	120	15/09/2011
J.P. Morgan Chase Bank N.A. - United States	US\$	1,707	EUR	1,750	43	120	15/12/2011
J.P. Morgan Chase Bank N.A. - United States	US\$	1,737	EUR	1,781	44	124	15/03/2012
J.P. Morgan Chase Bank N.A. - United States	US\$	1,723	EUR	1,766	43	126	15/06/2012
J.P. Morgan Chase Bank N.A. - United States	US\$	1,723	EUR	1,766	43	128	17/09/2012
J.P. Morgan Chase Bank N.A. - United States	US\$	1,707	EUR	1,750	43	129	17/12/2012
J.P. Morgan Chase Bank N.A. - United States	US\$	1,737	EUR	1,780	43	133	15/03/2013
J.P. Morgan Chase Bank N.A. - 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	CLF	6,126	CLP	6,126	-	-	13/07/2011
Banco Scotiabank - Chile	US\$	1,106	CLF	1,138	32	(32)	26/01/2011
BancoEstado - Chile	US\$	17,336	CLF	17,950	614	(614)	14/06/2011
BancoEstado - Chile	US\$	16,308	CLF	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	CLF	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)	

d) Hedging liabilities, current and non-current

ENTITIES	NATURE OF HEDGED RISKS	RIGHTS		OBLIGATIONS		FAIR VALUE OF NET LIABILITIES	MATURITY
		CURRENCY	AMOUNT ThUS\$	CURRENCY	AMOUNT ThUS\$		
CURRENT BALANCE 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	Trimestral
			25,025		25,201	176	
NON-CURRENT BALANCE 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	

22.2. Additional information on the main financial liabilities

a) Interest-bearing loans

The principal 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 agreement of US\$ 150 million payable in one installment. This loan will accrue interest at 180-day Libor plus 3.00% throughout the whole term. Interest is payable semi-annually from February 11, 2010.
- ii) CMPC Celulosa S.A. with BancoEstado de Chile: on August 19, 2009, the company signed a 5-year loan agreement for US\$ 100 million with repayment on maturity. This loan will accrue interest at 180-day Libor plus 3.00% throughout the whole term. Interest is payable semi-annually from February 19, 2010.
- iii) Inversiones CMPC S.A. with The Bank of Tokyo - Mitsubishi UFJ, Ltd., USA (acting as the managing agent): In October 2011, the company through its Cayman Island agency, signed a syndicated loan amounting to US\$ 400 million for a 5-year term, with 4 semi-annual repayments, and an interest rate of Libor plus 0.65% for the whole term of the loan. The first repayment is due in March 2015, with payments continuing to September 2016.
- iv) Inversiones CMPC S.A. with JP Morgan Chase Bank N.A., USA (which acts as the management agent): On May 25, 2006, the company, through its agency in the Cayman Islands, expanded the syndicated loan signed 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 Libor plus a spread of 0.225%, which increased to 0.25% from the second half of 2007 and to 0.275% from the second half of 2010. Its repayment is in 5 installments commencing June 2010 and until June 2012. As of December 31, 2011, the principal outstanding amounts to US\$ 48 million. The proceeds of the original loan were used to repay a foreign bond issue amounting to US\$ 250 million, which matured on the same day.
- v) Inversiones CMPC S.A. with The Bank of Tokyo - Mitsubishi UFJ, Ltd., USA (acting as managing agent): In June 2008, the company, through its agency in the Cayman Islands, signed a 5-year syndicated loan for US\$ 250 million, with 6 equal and semi-annual repayments, at Libor plus 0.55% for the whole term of the loan. The first repayment was paid in December 2010, and subsequent payments continue to June 2013. On December 15, 2011 an additional repayment was made of US\$ 85 million with which the principal outstanding as of December 31, 2011 amounts to US\$ 40 million.

- vi) La Papelera del Plata S.A. with Banco BBVA de Argentina: the company signed a loan for ARS 50 million (US\$ 11.63 million) in December 2009 at a fixed interest rate of 16.75%, with semi-annual repayments of principal starting July 2011 and ending in June 2014, whose balance outstanding is ARS 37.5 million (US\$ 8.71 million).
- vii) La Papelera del Plata S.A. with Banco Citibank de Argentina: In August 2011 a loan was signed for ARS 10 million (US\$ 2.33 million) with a fixed interest rate of 16.0% and repayment of principal in January 2012; in December 2011 a loan for ARS 7 million (US\$ 1.63 million) was renewed at fixed interest rate of 25.0%, with a principal repayment in January 2012.
- viii) La Papelera del Plata S.A. with Banco Galicia de Argentina: In August 2011 a loan was signed for ARS 5 million (US\$ 1.16 million) with a fixed interest rate of 17.0% and repayment due in January 2012.
- ix) La Papelera del Plata S.A. with Banco HSBC de Argentina: In August 2011 a loan was signed for ARS 7.5 million (US\$ 1.74 million) with a fixed interest rate of 16.25% and repayment due in January 2012.
- x) La Papelera del Plata S.A. with Banco Macro de Argentina: In August 2011 a short-term loan was signed for ARS 7.5 million (US\$ 1.74 million) with a fixed interest rate of 16.25% and repayment due in January 2012.
- xi) La Papelera del Plata S.A. with Banco de Chile: In August 2011 a loan was signed of US\$ 10 million with interest of 180-day Libor plus 1.8% and one repayment due in February 2014.
- xii) La Papelera del Plata S.A. with Banco Santander Río de Argentina: In June 2010 a loan was signed for ARS 20 million (US\$ 4.65 million) with a fixed interest rate of 16.85% and semi-annual repayments starting in June 2011 and ending in May 2013, whose balance outstanding amounts to ARS 10 million (US\$ 2.33 million).
- xiii) La Papelera del Plata S.A. with Banco Santander, Chile: In May 2011 a loan was signed for US\$ 6 million at an interest rate of 6-month Libor plus 1.45% with one repayment due in November 2013.
- xiv) La Papelera del Plata S.A. with Banco Corpbanca, Chile: In October 2011 a loan was signed for US\$ 14 million with a floating interest rate of Libor + 1.89% and repayment due in April 2014.

These loans of the subsidiary La Papelera del Plata S.A. require compliance with certain covenants based on their financial statements, referring to the maintenance of a minimum equity, a maximum debt and a minimum level of debt coverage. At the end of this year, some of these covenants were in non-compliance and the parent Empresas CMPC S.A. has promised to provide the financial support necessary to meet the debt repayments should the banks make demand.

- xv) Protisa Perú S.A. with the Banco de Crédito del Perú: In July 2010, the company drew a loan of PEN 5.41 million (US\$ 2.00 million) at a fixed interest rate of 5.98%, with principal due payable in July 2012; this was prepaid in November 2011. In June 2011, the company signed a loan of PEN 29.75 million (US\$ 11.03 million) at a fixed interest rate of 7.44% with monthly repayments due until August 2016. The balance of principal outstanding amounts to PEN 27.74 million (US\$ 10.28 million).
- xvi) Protisa Perú S.A. with BBVA Banco Continental del Perú: In June 2011, a loan was signed for PEN 5.87 million (US\$ 2.18 million) at a fixed interest rate of 6.28%, with repayment due in June 2012; this was prepaid in November 2011. In May 2011 a loan was drawn for PEN 17.35 million (US\$ 6.43 million) at a fixed interest rate of 5.44%, with repayment due in May 2012. In July 2011 a loan was signed for PEN 7.51 million (US\$ 2.78 million) at a fixed rate of 5.99%, repayable in June 2012. In December 2010 a loan was drawn of PEN 1.76 million (US\$ 0.65 million) at a fixed rate of 6.30%, payable at maturity in December 2015.

These loans of the subsidiary Protisa Perú S.A. require compliance with certain covenants based on their financial statements, referring to the maintenance of a minimum equity, a maximum debt and a minimum level of debt coverage. At the end of the year, the company was in compliance with these covenants.

- xvii) Drypers Andina S.A. with BancoEstado de Chile: In January 2011 a loan was drawn for US\$ 25.5 million for a 5-year term. Interest is payable semi-annually at 180-day Libor plus 1.42% and repayment is at maturity on January 5, 2015.
- xviii) Protisa Colombia S.A. with Banco BBVA, Chile: In December 2010, a loan was signed for US\$ 40 million at 180-day Libor plus 1.62%, payable upon maturity in on January 7, 2016.
- xix) Protisa Colombia S.A. with Banco Santander, Chile: In December 2010, the subsidiary entered into a loan agreement (rollover) for US\$ 44 million at 180-day Libor plus 1.62%, payable on maturity on December 27, 2015.
- xx) Protisa Colombia S.A. with BancoEstado de Chile: In January 2011, a loan was signed for US\$ 10.50 million at an interest rate of 180-day Libor plus 1.42%, payable on maturity on January 5, 2015.

Empresas CMPC S.A., under the loan agreements signed by its subsidiaries Drypers Andina S.A. and Protisa Colombia S.A., and guaranteed by it, has to meet certain covenants based on the consolidated financial statements, with respect to maintaining a minimum equity, a maximum level of debt and a minimum level of financial-expense coverage. These covenants are being met as of December 31, 2011.

- xxi) CMPC Celulose Riograndense Ltda. (ex Protisa do Brasil Ltda.) with the Banco Santander and Banco Itaú, United Kingdom/Nassau: On December 14, 2009, the subsidiary signed a 3-year loan for US\$ 150 million. This loan accrued interest at 180-day Libor plus 2.5% throughout the term of the loan and had 13 repayments starting on December 5, 2011 and ending on November 28, 2012. Following the payment of the first installment, the subsidiary Inversiones CMPC S.A. bought the loan for ThUS\$ 138,462, thus cancelling the liability with the banks mentioned.
- xxii) Melhoramentos Papéis Ltda. with the Banco Itaú / BBVA of Brazil (financing of Banco Nacional de Desarrollo Económico y Social - BNDES): In June 2010, long-term loans were signed in local currency (reales) to pay suppliers (Voith and Perini). Of the total loan agreement signed, the following amounts have been drawn as of December 31, 2011: BRL 51.13 million (US\$ 27.27 million) at an annual fixed rate of 4.5% and maturity 2020, and BRL 3.79 million (US\$ 2.02 million) at an annual fixed rate of 5.5%, with maturity 2020.
- xxiii) Grupo ABS Internacional S.A. de CV with the Banco Santander, Mexico: In September 2008, long-term loan was signed for US\$ 50 million, of which US\$ 45 million was drawn in September 2008 and US\$ 5 million in January 2009, with a monthly interest rate of Libor plus 0.8% spread, with maturity in September 2013

All these loans are prepayable without cost on any interest-payment date.

The total financial liabilities include debt secured by mortgages over buildings amounting to ThUS\$ 13,752 (ThUS\$ 5,618 as of December 31, 2010).

The loans received in the form of export advances (PAE) by the subsidiary CMPC Celulosa S.A., do not have any additional financial costs over the nominal interest rate. The rest of the interest-bearing loans and where the nominal rate is equal to the effective rate, there were no significant additional financial costs that justify the determination of an effective rate.

b) Bonds issued

- i) On June 11, 2003 the subsidiary Inversiones CMPC S.A., through its agency in the Cayman Islands, issued bonds abroad amounting to US\$ 300 million, under Rule 144A of the United States Securities Act. This obligation requires the payment of interest semi-annually at an annual rate of 4.875%, with full payment of principal in June 2013.

This obligation is payable in advance on any interest-payment date, subject to payment of a premium determined taking into account the Treasury rate plus 50 basis points.

- ii) On October 29, 2009 the subsidiary Inversiones CMPC S.A., through its agency in the Cayman Islands, issued bonds on the United States amounting to US\$ 500 million, under Rule 144A of the United States Securities Act. The term of the bonds is 10 years. The nominal interest rate is 6.13% p.a. and the effective rate 6.245%, plus a 2.75% spread over 10-year Treasury bonds. Principal is payable on maturity and the interest is payable semi-annually. BNP Paribas, J.P. Morgan and Banco Santander acted as the placement banks.

The proceeds were used partially to pay part of the cost of the acquisition by CMPC of the forestry and industrial assets of the Guaíba unit of the Brazilian company Aracruz Celulose e Papel S.A.

- iii) On January 13, 2011, the subsidiary Inversiones CMPC S.A., through its agency in the Cayman Islands, issued and placed bonds on the United States market amounting to US\$ 500 million, under Rule 144A, Regulation S, of the United States Securities Act de 1933. The term of the bonds is 7 years. The nominal annual interest rate is 4.75% and effective rate 4.83%, plus a spread over 7-year Treasury bonds of 2.2%. Principal is payable on maturity and interest payable semi-annually. The placement banks were Banchile / Citi, Itaú and J.P. Morgan.

The proceeds of the issue were for general corporate purposes.

- iv) On June 15, 2005 the subsidiary Inversiones CMPC S.A. issue a series-A bonds registered under No. 413 in the Securities Register of the SVS, for an amount of 7 million Unidades de Fomento (CLF), equivalent to US\$ 300.57 million. Interest is payable semi-annually at a semi-annually compound rate of 2.70% and principal is payable in full in March 2015. This bond issue was placed at a discount so that the effective placement rate was 3.22% in CLF. On June 15, 2005, Inversiones CMPC S.A. entered into a swap contract which redenominated 50% of this Series-A bond issued in CLF to a liability of US\$ 100 million with a floating interest rate based on Libor plus spread; its fair value is shown in Other financial assets. The company also contracted an interest-rate swap whereby the Libor rate was fixed, so that the effective cost of the dollar portion (US\$ 100 million) amounts to 4.64%. This bond may be repaid in advance from the fifth year.
- v) 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 CLF, equivalent to US\$ 171.76 million. Interest is payable semi-annually at a compounded annual interest rate of 4.2% and the principal is payable in full in March 2027. This bond was placed at a discount so that the effective placement rate was 4.43% in CLF. The company will amortize the discount over the term of the instrument. This bond may be paid in advance at par value from the fifth year.
- vi) On March 24, 2009 the subsidiary Inversiones CMPC S.A. placed two bond issues in Chile amounting to 10 million CLF, equivalent to US\$ 429.39 million in separate 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 (US\$ 128.82 million), at a placement rate of 3.25% with a spread of 125 basis points over the bonds of the Central Bank of Chile (BCU) of a similar term. The bond was issued at a nominal rate of 2.9% with semi-annual interest payments and principal payable in full on maturity. b) A 21-year Series F bond issue registered under No. 570 in the Securities Register of the SVS, amounting to 7 million CLF (US\$300.57 million), at a placement rate of 4.55% with a spread of 135 basis points over Chilean Treasury bonds (BTU) of similar term. The bond was issued at a nominal rate of 4.3% with semi-annual interest payments and principal payable in full on maturity.

These obligations require compliance with certain financial covenants based on the consolidated financial statements of Empresas CMPC S.A. and subsidiaries. As of the close of this year, the Company is in compliance with these covenants which refer to maintaining a minimum equity, a maximum debt level and a minimum level of financial-expense coverage.

c) Net effect of derivative contracts entered into Chile

- i) On October 19, 2011, the subsidiary Inversiones CMPC S.A. signed two swap contracts with J.P. Morgan Chase Bank N.A., USA, for 40% of the syndicated loan of US\$ 400 million by which 3-month Libor was fixed at 1.35%, whose fair value is shown in Other financial liabilities. As of December 31, 2011 the balance of this loan is US\$ 400 million.
- ii) On October 19, 2011, the subsidiary Inversiones CMPC S.A. signed two swap contracts with HSBC Chase USA, N.A. for 40% of the syndicated loan of US\$ 400 million by which 3-month Libor was fixed at 1.17%, whose fair value is shown in Other financial liabilities. As of December 31, 2011 the balance of this loan is US\$ 400 million.
- iii) On May 7, 2010 the subsidiary Inversiones CMPC S.A. signed a cross-currency swap contract with the Banco Santander, Chile which redenominated one million CLF of the series-A bond issued in the amount of 7 million CLF to a liability of US\$ 39.5 million at a fixed 2.7% interest rate in CLF and 3.87% for the obligation in dollars, respectively. As of December 31, 2011 the fair value is shown in Other financial assets.

- iv) On May 14, 2010 the subsidiary Inversiones CMPC S.A. signed a cross-currency swap contract with the Corpbanca Bank, Chile that redenominated one million CLF of the series-A bond issued in the amount of 7 million CLF, to a liability of US\$ 39.4 million and a 2.68% fixed interest rate for the right in CLF and 3.83% for the obligation in dollars, respectively. As of December 31, 2011 the fair value is shown in Other financial assets.
- v) On June 15, 2005 Inversiones CMPC S.A. entered into a swap contract with J.P. Morgan Chase Bank N.A., USA whereby it redenominated 50% of the Series-A bond issued in the amount of 7 million CLF, to a liability of US\$ 100 million with a Libor-based variable interest rate plus a spread, whose fair value as of December 31, 2011 is shown in Other financial assets. The Company also entered into two interest-rate swap contracts with J. Aron & Company, USA, 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 shown in Other financial liabilities.
- vi) In December 2007, derivatives contracts with Banco Santander, Chile, amounting to US\$ 70 million and US\$ 100 million came into effect. Through those contracts, the interest rates for part of the syndicated loans signed in May 2006 by Inversiones CMPC S.A. amounting to US\$ 100 million and US\$ 140 million, respectively, were fixed. As of December 31, 2011, the positions of US\$ 14 million and US\$ 20 million respectively are maintained, whose fair value is presented in Other financial liabilities.
- vii) In June 2008, Inversiones CMPC S.A. signed a cross-currency swap with the Banco Santander Bank, Chile to redenominate 30% of the syndicated loan of US\$ 250 million to a liability of CLF 1,693,423.60, with an average fixed interest rate of 2.1825%. As of December 31, 2011 this swap contract was reduced to a right if ThUS\$ 37,500 and a liability of CLF 846,711.80, with the same interest rate, whose fair value is shown in Other financial liabilities.
- viii) In June 2009, Inversiones CMPC S.A. entered into a swap contract with the J.P. Morgan Chase Bank N.A., USA, for 30% of the syndicated loan of US\$ 250 million, whereby it fixed the Libor rate at 1.986%. As of December 31, 2011 the balance of the underlying loan amounts to ThUS\$ 37.5 million and its fair value is shown in Other financial liabilities.
- ix) 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 CLF 3 million, to a liability of US\$ 56.62 million at Libor 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 CLF 3 million, to a liability of US\$ 57.96 million, at Libor plus 1.81%. As of December 31, 2011 the fair value of both contracts is shown in Other financial assets.

d) Net effect of derivatives taken abroad

In September 2008 and January 2009, Grupo ABS Internacional S.A. de CV signed cross-currency and interest-rate swap contracts with Banco Santander, Mexico, to cover a loan of US\$ 50 million. These contracts fixed the interest rate from TIEE to Libor and redenominated the debt to Mexican pesos (6.17%). As of December 31, 2011 the fair value of these contracts is shown in Other financial assets.

e) Financial covenants

CMPC maintains a liquidity policy whose purpose is that the debt level does not put at risk its capability to pay obligations, thus generating an adequate performance for its investors.

The subsidiary Inversiones CMPC S.A. currently maintains certain debt instruments in which Empresas CMPC S.A. (as a guarantor) is subject to compliance with certain financial covenants. As of December 31, 2011 all the ratios are being amply met.

The covenants to which Empresas CMPC S.A. is subject and their respective calculations (with the accounts and balances as of December 31, 2011 and 2010) are detailed below:

1. Financial debt with third parties / Tangible equity < or equal to 0.8 times.

The following accounts are considered for the calculation of this covenant:

FINANCIAL DEBT WITH THIRD PARTIES/ TANGIBLE EQUITY, LESS OR EQUAL TO 0.8 TIMES	31/12/2011 ThUS\$	31/12/2010 ThUS\$
I) FINANCIAL DEBT WITH THIRD PARTIES:		
Interest-bearing loans - current (Note 22)	274,122	467,885
Interest-bearing loans - non-current (Note 22)	3,137,196	2,516,211
Hedging liabilities, current (Note 22)	-	176
Hedging liabilities, non-current (Note 22)	-	226
Less: Other obligations (Note 22)	(50,742)	(52,955)
Market value, swap and cross and cross currency swap operations (Note 8 and 22)	(74,054)	(85,659)
Hedging assets, current (Note 8)	(4,115)	(4,026)
Hedging assets, not current	(9,399)	(7,378)
TOTAL FINANCIAL DEBT WITH THIRD PARTIES	3,273,008	2,834,480
II) TANGIBLE EQUITY:		
Equity attributable to owners of the parent (Classified Statement of Financial Position)	7,839,901	7,665,410
Less :: Intangible assets other than goodwill (Classified Statement of Financial Position)	(10,044)	(11,712)
Goodwill (Classified Statement of Financial Position)	(154,651)	(164,866)
TOTAL TANGIBLE EQUITY	7,675,206	7,488,832
FINANCIAL DEBT WITH THIRD PARTIES / TANGIBLE EQUITY	0.43	0.38
THE LIMIT OF THIS COVENANT IS 0.80 AND IS, THEREFORE, COMPLIED.		

2. Interest expense coverage over last 12 moving months > or equal to 3.25 times.

INTEREST EXPENSE COVERAGE OVER LAST 12 MOVING MONTHS > OR EQUAL TO 3.25 TIMES.	31/12/2011 ThUS\$	31/12/2010 ThUS\$
I) EBITDA (LAST 12 MOVING MONTHS):		
Revenue (Income Statement by function of expense)	4,796,519	4,219,172
Cost of sales (Income Statement by function of expense)	(3,714,637)	(3,129,754)
Plus: Depreciation and amortization expense (Statement of Cash Flows Indirect)	333,403	324,821
Cost of formation of harvested plantations (Note 12)	80,012	61,905
Higher cost of the harvested and sold part of plantations derived from revaluation for natural growth (Note 12)	180,927	170,987
Less: Distribution costs (Income Statement by function of expense)	(227,790)	(197,812)
Administrative expenses (Income Statement by function of expense)	(203,744)	(166,385)
Other expenses, by function (Income Statement by function of expense)	(166,284)	(145,156)
TOTAL EBITDA LAST TWELVE MOVING MONTHS	1,078,406	1,137,778
II) DIVIDENDS ASSOCIATES: DIVIDENDS RECEIVED CLASSIFIED AS INVESTMENT (STATEMENT OF CASH FLOWS, INDIRECT)	5,466	6,937
III) FINANCIAL INCOME (INCOME STATEMENT BY FUNCTION OF EXPENSE)	36,673	14,080
IV) FINANCIAL COSTS (INCOME STATEMENT BY FUNCTION OF EXPENSE)	162,918	134,672
INTEREST EXPENSE HEDGE LAST 12 MOVING MONTHS ((I+II+III) / IV)	6.88	8.60
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 CLF 71,580,000	31/12/2011 ThUS\$	31/12/2010 ThUS\$
I) TANGIBLE EQUITY REQUIRED, DENOMINATED IN THOUSANDS OF DOLLARS:		
Value of Unidad de Fomento (CLF) in thousands of dollars, as of December 31	0.0429	0.0458
TANGIBLE EQUITY REQUIRED, EXPRESSED IN THOUSANDS OF DOLLARS	3,073,588	3,281,514
II) TANGIBLE EQUITY:		
Equity attributable to owners of the parent (Classified Statement of Financial Position)	7,839,901	7,665,410
Less: Intangible assets other than goodwill (Classified Statement of Financial Position)	(10,044)	(11,712)
Goodwill (Classified Statement of Financial Position)	(154,651)	(164,866)
TOTAL TANGIBLE EQUITY AS OF DECEMBER 31, HIGHER THAN REQUIRED	7,675,206	7,488,832

4. Property, plant and equipment (Fixed assets) and biological assets

Empresas CMPC is required to maintain at least 70% of its fixed assets (Property, plant and equipment) and biological assets in the forestry, pulp, papers and paper product sectors. As of December 31, 2011 and 2010, all the Company's fixed assets and biological assets were within the sectors mentioned.

f) Fair value of Interest-bearing loans

Considering that the average term of CMPC's consolidated debt is 5.9 years and that the average rate accruing on those loans today at 4.3% annually, CMPC's management considers that the Company could finance its operations with debt, in the form and market conditions similar to those agreed for its current financial debt. It has therefore been determined that the fair value of the financial debt is approximately (+/-1%) or equivalent to its amortized book-value cost.

g) Maturity of contracted flows

The following is a liquidation analysis of Other financial liabilities, current and non-current, booked as of December 31, 2011 and 2010, shown in final amounts on the respective payment dates:

	BOOK VALUE ThUS\$	MATURITY OF CONTRACTED FLOWS					TOTAL 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\$	
BALANCE AS OF DECEMBER 31, 2011							
FINANCIAL LIABILITIES							
Bank loans	1,162,705	147,308	97,168	396,650	552,396	40,817	1,234,339
Obligations with the public	2,160,080	27,724	65,662	621,048	453,212	1,847,446	3,015,092
Finance leases	88,533	6,590	11,054	17,497	43,366	78,441	156,948
Swaps and Cross currency swaps	16,250	2,687	7,590	13,666	6,845	-	30,788
Forward exchange contracts	3,074	228	2,629	217	-	-	3,074
TOTAL	3,430,642	184,537	184,103	1,049,078	1,055,819	1,966,704	4,440,241
	BOOK VALUE ThUS\$	MATURITY OF CONTRACTED FLOWS					TOTAL 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\$	
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	166,424	447,558	952,623	934,066	1,511,981	4,012,652

The flows at maturity of the financial debt from hedging operations were calculated at the exchange rates and interest rates at the end of these financial statements.

h) Hierarchies of fair value

The financial and hedging liabilities booked at fair value in the statement of financial position, have been measured on the basis of the methodologies stated in IAS 39. The following parameters have been considered for the purpose of the application of the criteria in the determination of the fair value of the financial liabilities:

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 shows the financial liabilities and hedging liabilities measured at fair value as of December 31, 2011 and 2010:

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE	HIERARCHY USED TO DETERMINE THE FAIR VALUE		
	LEVEL I ThUS\$	LEVEL II ThUS\$	LEVEL III ThUS\$
BALANCE AS OF DECEMBER 31, 2011			
Swap and Cross Currency Swap operations	-	16,250	-
Forward exchange contract operations	-	3,074	-
TOTAL FINANCIAL LIABILITIES AT FAIR VALUE	-	19,324	-
BALANCE AS OF DECEMBER 31, 2010			
Swap and Cross Currency Swap operations	-	23,416	-
Forward exchange contract operations	-	9,899	-
Hedging liabilities	-	402	-
TOTAL FINANCIAL LIABILITIES AT FAIR VALUE	-	33,717	-

NOTE 23 - TRADE CREDITORS AND OTHER ACCOUNTS PAYABLES

Trade creditors and other accounts payable are detailed below:

BALANCE AS OF DECEMBER 31, 2011		AMOUNT OF CLASS OF LIABILITIES EXPOSED TO LIQUIDITY RISK				
CREDITOR TYPE	CURRENCY	UP TO ONE MONTH ThUS\$	TWO TO THREE MONTHS ThUS\$	FOUR TO TWELVE MONTHS ThUS\$	TOTAL ThUS\$	TYPE OF AMORTIZATION
Suppliers	CLP	185,422	7,933	1,223	194,578	Monthly
Suppliers	CLF	1,715	-	-	1,715	Monthly
Suppliers	US\$	160,149	16,607	1,078	177,834	Monthly
Suppliers	EUR	5,650	195	1,011	6,856	Monthly
Suppliers	ARS	40,469	2,179	252	42,900	Monthly
Suppliers	MXN	28,194	1,207	446	29,847	Monthly
Suppliers	SEK	19	-	-	19	Monthly
Suppliers	COP	9,136	2,490	969	12,595	Monthly
Suppliers	BRL	36,929	4,982	2,796	44,707	Monthly
Suppliers	PEN	8,352	3,001	1,289	12,642	Monthly
Suppliers	UYU	10,869	539	715	12,123	Monthly
Suppliers	GBP	19	-	-	19	Monthly
Notes payable	CLP	45	61	252	358	Monthly
Notes payable	BRL	-	-	19,365	19,365	Monthly
Notes payable	PEN	495	7	-	502	Monthly
Other payables	CLP	27,146	1,962	1,350	30,458	Monthly
Other payables	US\$	610	-	-	610	Monthly
Other payables	EUR	23	-	-	23	Monthly
Other payables	MXN	4,922	-	-	4,922	Monthly
Other payables	BRL	1,446	-	-	1,446	Monthly
Other payables	PEN	180	2,978	-	3,158	Monthly
Other payables	UYU	837	-	-	837	Monthly
		522,627	44,141	30,746	597,514	

BALANCE AS OF DECEMBER 31, 2010		AMOUNT OF CLASS OF LIABILITIES EXPOSED TO LIQUIDITY RISK				
CREDITOR TYPE	CURRENCY	UP TO ONE MONTH ThUS\$	TWO TO THREE MONTHS ThUS\$	FOUR TO TWELVE MONTHS ThUS\$	TOTAL ThUS\$	TYPE OF AMORTIZATION
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	COP	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	

The amortized cost of trade creditors and other accounts receivable and other accounts payable represent the fair value of those items reasonably.

NOTE 24 - ACCOUNTS PAYABLE TO RELATED ENTITIES

The accounts payable to related entities as of December 31, 2011 and 2010 are detailed below:

TAX NO. RELATED PARTY	NAME OF RELATED PARTY	NATURE OF RELATIONSHIP WITH RELATED PARTY	COUNTRY OF ORIGIN	DETAIL OF ACCOUNT PAYABLE	DECEMBER 31 2011 ThUS\$	DECEMBER 31 2010 ThUS\$	CURRENCY	MATURITY DATE OF TRANSACTION WITH RELATED PARTY	EXPLANATION OF THE NATURE OF THE CONSIDERATION ESTABLISHED TO SETTLE A TRANSACTION
CURRENT LIABILITIES									
96,505,760-9	Colbún S.A.	Key personnel from management of the entity or controlling party	Chile	Energy and power buying	14,213	2,772	US\$	30 days	Monetary
96,722,460-k	Metrogas S.A.	Key personnel from management of the entity or controlling party	Chile	Gas buying	2,796	-	CLP	30 days	Monetary
96,565,750-9	Aserraderos Arauco S.A.	Key personnel from management of the entity or controlling party	Chile	Wood buying	2,649	985	US\$	60 days	Monetary
99,520,000-7	Cía. de Petróleos de Chile S.A.	Key personnel from management of the entity or controlling party	Chile	Fuel buying	1,166	5,790	CLP	60 days	Monetary
93,458,000-1	Celulosa Arauco y Constitución S.A.	Key personnel from management of the entity or controlling party	Chile	Wood buying	585	-	US\$	30 days	Monetary
92,580,000-7	Entel S.A.	Key personnel from management of the entity or controlling party	Chile	Services buying	338	268	CLP	60 days	Monetary
91,806,000-6	Abastecedora de Combustibles S.A.	Key personnel from management of the entity or controlling party	Chile	Gas buying	181	58	CLP	30 days	Monetary
99,301,000-6	Seguros Vida Security Previsión S.A.	Key personnel from management of the entity or controlling party	Chile	Insurance buying	131	226	CLP	30 days	Monetary
82,152,700-7	Bosques Arauco S.A.	Key personnel from management of the entity or controlling party	Chile	Wood buying	104	-	CLP	30 days	Monetary
93,628,000-5	Molibdenos y Metales S.A.	Key personnel from management of the entity or controlling party	Chile	Product buying	101	-	CLP	60 days	Monetary
96,806,980-2	Entel PCS Comunicaciones S.A.	Key personnel from management of the entity or controlling party	Chile	Services buying	72	186	CLP	60 days	Monetary
96,697,410-9	Entel Telefonía Local S.A.	Key personnel from management of the entity or controlling party	Chile	Services buying	46	79	CLP	60 days	Monetary
96,657,900-5	Controladora de Plagas Forestales S.A.	Associate	Chile	Services buying	44	93	US\$	30 days	Monetary
99,513,400-4	CGE Distribución S.A.	Key personnel from management of the entity or controlling party	Chile	Electricity buying	23	82	US\$	30 days	Monetary
93,603,000-9	Sociedad de Computación Binaria S.A.	Key personnel from management of the entity or controlling party	Chile	Services buying	17	-	CLP	60 days	Monetary
78,512,190-2	Energy Sur S.A.	Key personnel from management of the entity or controlling party	Chile	Services buying	14	-	CLP	30 days	Monetary
96,560,720-k	Portuaria Lirquén S.A.	Key personnel from management of the entity or controlling party	Chile	Services buying	8	8	US\$	30 days	Monetary
96,871,870-3	Depósitos Portuarios Lirquén S.A.	Key personnel from management of the entity or controlling party	Chile	Services buying	7	-	US\$	30 days	Monetary
96,563,570-k	Entel Call Center S.A.	Key personnel from management of the entity or controlling party	Chile	Services buying	2	2	CLP	60 days	Monetary
96,541,920-9	Empresa Eléctrica de Antofagasta S.A.	Key personnel from management of the entity or controlling party	Chile	Services buying	1	-	CLP	30 days	Monetary
82,777,100-7	Puerto de Lirquén S.A.	Key personnel from management of the entity or controlling party	Chile	Services buying	-	387	US\$	30 days	Monetary
Foreign	Alto Paraná S.A.	Key personnel from management of the entity or controlling party	Argentina	Cellulose buying	-	121	US\$	60 days	Monetary
97,080,000-k	Banco Bice	Key personnel from management of the entity or controlling party	Chile	Financial operations	-	1,704	CLP	30 days	Monetary
TOTAL CURRENT LIABILITIES					22,498	12,761			
NON-CURRENT LIABILITIES									
96,505,760-9	Colbún S.A.	Key personnel from management of the entity or controlling party	Chile	Energy and power buying	10,000	-	US\$	More than 360 days	Monetary
TOTAL NON-CURRENT LIABILITIES					10,000	-			

NOTE 25 - PROVISIONS AND CONTINGENT LIABILITIES

25.1. The following is a detail of the amounts provisioned:

PROVISIONS	31/12/2011 ThUS\$	31/12/2010 ThUS\$
CURRENT		
Provision for actions under labor, civil and tax laws	1,868	3,504
TOTAL	1,868	3,504
NON-CURRENT		
Provision for actions under labor, civil and tax laws	78,464	56,858
TOTAL	78,464	56,858

Provisions for lawsuits, current and non-current, correspond to estimates made according to the policy agreed by the board of CMPC, intended to cover the eventual effects that might derive from the resolution of lawsuits in which the Company is involved. These lawsuits derive from transactions which are part of the normal course of the CMPC's business and whose details and scopes are not of full public knowledge. Their detailed disclosure might therefore affect the interests of the Company and the progress of their resolution, 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 close of these financial statements.

The movement in provisions was as follows:

PROVISIONS	31/12/2011 ThUS\$	31/12/2010 ThUS\$
CURRENT		
Opening balance	3,504	2,098
Increases for the period	2,088	2,060
Provision used	(3,656)	(572)
Decrease on foreign exchange differences	(68)	(82)
CLOSING BALANCE	1,868	3,504
NON-CURRENT		
Opening balance	56,858	29,923
Increased for the period	28,520	25,587
Transfer to tax liabilities	(3,351)	-
Decrease on foreign exchange differences	(3,563)	1,348
CLOSING BALANCE	78,464	56,858

In the year ended December 31, 2011 a net increase in provisions for legal claims of ThUS\$ 30,608 was booked as expense for the year in Other gains (losses) for ThUS\$ 26,088 and as an asset in Rights receivables, non-current, for ThUS\$ 4,520. In 2010, an expense of ThUS\$ 27,647 was booked in Other gains (losses).

25.2. Contingent liabilities consist of the following contingencies and restrictions:

a) Direct guarantees

For guaranteeing compliance of all the current and future obligations of Empresas CMPC S.A. and its subsidiaries, Empresas CMPC S.A. has granted a first mortgage over the first nine floors and basement of the building located at 1343 Agustinas Street in Santiago. The value assigned for these purposes is ThUS\$ 13,752, as per public deed dated July 22, 2011 signed before the public notary Francisco Javier Leiva Carvajal.

b) Indirect guarantees

Empresas CMPC S.A. has granted the following guarantees:

- (1) The loans and bond issues outstanding that the subsidiary Inversiones CMPC S.A. has signed through its agency in the Cayman Islands.
- (2) Bonds issues in CLF and commercial paper issued in Chile by the subsidiary Inversiones CMPC S.A.

In the case of indirect guarantees, the creditor of the guarantee of 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 Mexico) under loans of this company from Banco Santander, Mexico.
- (4) Compliance by Drypers Andina S.A. (subsidiary in Colombia) under loans of this company from Banco Santander, Colombia.
- (5) Compliance by Forsac Perú S.A. of the leasing agreement over machinery that this company signed with the Banco Continental de Perú and Banco de Crédito de Perú.
- (6) Compliance by Protisa Colombia S.A. (subsidiary in Colombia) under loans of this company from Banco Santander, Chile and Banco BBVA, Chile.

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 financial covenants based on the consolidated financial statements, which include maintaining a minimum equity, a maximum debt level and a minimum level of financial-expense coverage. As of December 31, 2011, the Company is in compliance with these covenants.

With respect to certain loans signed by Protisa Perú S.A. in Peru, compliance with covenants have been established calculated on its financial statements, which include maintaining a minimum equity, a maximum debt level and a minimum debt-service coverage. The company is in compliance with these covenants at the close of these financial statements.

With respect to certain loans signed by La Papelera del Plata S.A. in Argentina, these contemplate compliance with certain ratios calculated based on its financial statements, referring to the maintenance of a minimum equity, a maximum debt level and a minimum debt coverage. As of the year-end, some of these ratios were not in compliance and the parent Empresas CMPC S.A. has committed to providing the financial support necessary for meeting debt repayments should the banks demand them.

d) Lawsuits

The following are the most significant lawsuits in which CMPC is involved, including those legal actions that present a minimum degree of possibility of occurrence, and whose claimed amounts exceed ThUS\$ 100. They also include lawsuits whose amounts claimed are not determined.

- (1) As of December 31, 2011 Industrias Forestales S.A., now merged into Empresas CMPC S.A., is facing legal actions for damages of civil nature. In the opinion of the Company's counsel, they do not represent any contingency.
- (2) Forestal Mininco S.A. is involved in a lawsuit for damages as several defendant, before the 2nd Civil Court of Concepción for an amount of around ThUS\$ 200. The proceedings are in the discussion stage
- (3) Forestal Mininco S.A. is being sued in a labor case for damages as several defendant, before the Labor Court of Concepción for an amount of around ThUS\$ 200. The proceedings are in the discussion stage
- (4) Forestal Mininco S.A. is involved in arbitration proceedings for damages of around ThUS\$ 3,350. The term is currently pending for Forestal Mininco S.A. to answer the demand.
- (5) Forestal Mininco S.A. is being sued severally in a labor case for damages, before the Labor Court of Concepción for an amount of around ThUS\$ 150. The proceedings are in the discussion and evidence stage
- (6) The subsidiaries Forestal Mininco S.A. and Forestal Crexex S.A. (now absorbed into Forestal Mininco S.A.) have been parties to various lawsuits, mainly with sharecroppers and farmers about borders and other concepts. Our lawyers believe the Company will have a favorable result.

- (7) There is a lawsuit against CMPC Maderas S.A. for contractual liability damages for an amount of about ThUS\$ 630 which is in the discussion stage. Our lawyers believe the Company will have a favorable result.
- (8) CMPC Maderas S.A. is sued for damages of approximately ThUS\$ 120, at the discussion stage at the Civil Court of Coronel.
- (9) CMPC Celulosa S.A. is facing a lawsuit for a claim over a tax assessment of ThUS\$ 6,208 arising from an appraisal of the value of an internal share transfer, performed by the Servicio de Impuestos Internos (Chilean tax authority) on June 30, 2001. Due to defects in the proceedings, the Company appealed to the Supreme Court (Case N° 1767-3) which was accepted on August 5, 2005, resulting in the voidance of the pending lawsuit. The proceedings returned to the assessment stage, which is in process of claim and resolution. In the opinion of our lawyers, this action should not be successful.
- (10) On January 18, 2011, a 3-member arbitration tribunal was formed as the request of Endesa S.A. (Endesa) to know the execution of a judgment by the majority of 3 members in March 2009 which, among other things, resolved that the energy consumed by the chlorate plant operating at the Pacifico plant installations of CMPC Celulosa S.A. (CMPC Celulosa) is not included in the supply contract that the company signed with Endesa in May 2003 and which expires on December 31, 2013. This consumption is for a total of approximately 600 GWh and relates to the period from December 2006 to June 2009.

On April 25, 2011, CMPC Celulosa was notified of a demand by Endesa, referring the consumption mentioned in the previous paragraph, for CMPC Celulosa to pay the sum of CLP 41,864,543,390 plus indexation or the sums the tribunal may determine in accordance with the merits of the case, with indexation and interest that the tribunal may determine.

CMPC answered the demand on June 6, 2011, requesting that the amount requested by the plaintiff be rejected as the damage that Endesa might claim cannot exceed CLP 5,734,389,042 (being the difference between that paid by CMPC Celulosa to Endesa for the chlorate plant's energy consumption in May 2006), which amount should be deducted from the benefits obtained by Endesa deriving from the default imputed to CMPC Celulosa (chlorate plant energy consumption). On October 3, 2011 Endesa responded to the answer, and CMPC Celulosa presented its rejoinder on November 3, 2011. The case is currently in the reconciliation stage.

- (11) In a lawsuit that CMPC Celulosa S.A. filed against the Central Bank of Chile on May 5, 2009, the Court of Appeals of Santiago accepted an appeal filed by CMPC, establishing the specific criteria for the determination of the amount owed to the Company by the Central Bank, in connection with the final judgment by the Supreme Court of August 2001, which ordered the bank to pay the promissory notes issued by it according to the calculation rules contained in them at the time of issue, and not according to a new calculation formula established by the debtor later. With respect to that order, both the Central Bank and CMPC filed appeals of dismissal, in form and substance, before the Supreme Court. On September 12, 2011, the Supreme Court resolved the appeals brought and gave judgment in replacement, accepting the request to settle the credit in question, reiterating in its judgment the specific criteria for determining the amount due contained in the sentence of the Santiago Appeals Court.
- (12) CMPC Celulosa S.A. and Empresas CMPC S.A. are involved in a labor demand for damages before the Civil Court of Laja, for amount or about ThUS\$ 100. The case is in the discussion and evidence stage.
- (13) CMPC Celulosa S.A. is demanded severally in a labor dispute before the Coronel Labor Court for an amount of around ThUS\$ 150. The sentence in the first instance rejected the demand against CMPC Celulosa S.A.
- (14) CMPC Celulosa S.A. has received a demand for damages for an amount of around ThUS\$ 4,300, brought before the Collipulli Civil Court. The case is in the discussion stage.
- (15) 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. signed two eucalyptus supply contracts, which are in force and include the debtor's obligation to deliver to CMPC the quantity of cubic meters of stacked timber stipulated. Compliance with this obligation was guaranteed by the debtor with collateral over the trees and soils.

- (16) In May 2006, the subsidiary Inversiones Protisa S.A. received a tax assessment amounting to ThUS\$ 39,665 based on a difference of the Servicio de Impuestos Internos in relation to the criteria of tax valuation and monetary correction used by the company in connection with its foreign investments. The defense has been submitted to the Servicio de Impuestos Internos, ratifying the criteria used by the company and delivering the legal and administrative arguments supporting such approach. Our counsels have a favorable opinion of the company's position and the mentioned assessments are expected to be revoked or annulled.
- (17) Subsidiaries of the Company have filed an appeal before the Argentine court 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 amount to ARS 14,883,689.95 (ThUS\$ 3,917), plus penalties and interest. In the opinion of the Company and its counsel, these requirements should not prosper as the transactions were legally and administratively carried out in accordance with current legislation.
- (18) As of December 31, 2011, the subsidiary Forestal Bosques del Plata S.A., Argentina, has labor and civil lawsuits before various Argentine courts, whose amount is ThUS\$ 121.
- (19) The subsidiary La Papelera del Plata S.A., Argentina, has labor and civil lawsuits before various Argentine courts, whose amount is ThUS\$ 1,660.
- (20) As of December 31, 2011, the subsidiary Forsac S.A., Argentina, faces labor lawsuits amounting to ThUS\$ 91. In our lawyers' opinion, the result should be favorable to the company.
- (21) The subsidiary CMPC Riograndense Ltda. faces labor and civil lawsuits which are being dealt with administratively and judicially. The company has made payments into the courts amounting to ThUS\$ 243.

CMPC made provisions in 2011 of ThUS\$ 26,088 to cover potential disbursements from the above-mentioned contingencies (1) to (21).

e) Provisions and contingencies added through combinations of business

The subsidiary Melhoramentos Papéis Ltda. is facing some labor and fiscal actions which are being treated administratively and judicially. These legal actions amount to a total of ThUS\$ 42,588, of which ThUS\$ 13,124 has been already paid into a judicial account, whose net balance of ThUS\$ 29,464 is shown in Other long-term provisions, which relates to the value of maximum risk. The subsidiary CMPC Participacoes Ltda. (absorbed by Melhoramentos Papéis Ltda. in 2010) signed a contract of QPA (quota purchase agreement) with Melpaper (former controller of the subsidiary Melhoramentos Papéis Ltda.) whereby it received guarantees for lawsuits which originated from events prior to the purchase date. Some of these took place and Melhoramentos Papéis Ltda. will receive the equivalent of the amount under those guarantees. The guarantees related to those lawsuits were booked in Other non-financial assets, non-current, amounting to ThUS\$ 31,564 as of December 31, 2011 (ThUS\$ 41,411 as of December 31, 2010), and it is understood that these contingencies do not generate any risk to CMPC's equity. There are also some claims brought by employees that are in their initial stage of their administrative or judicial proceedings, whose amounts have not yet been determined since they are in the initial stage of discussion of the claim.

f) Others

Certain subsidiaries maintain liability with the Central Bank of Chile for export repatriation of proceeds relating the shipments made on consignment amounting to ThUS\$ 116,243 as of December 31, 2011 (ThUS\$ 115,347 as of December 31, 2010). This value represents the market price on the shipment date.

Empresas CMPC S.A. has guarantees for compliance with derivative contracts signed by Inversiones CMPC S.A. and certain subsidiaries with J.P. Morgan Chase Bank N.A., Banco Santander, J. Aron & Company and others, with respect to interest rates applied at nominal value of ThUS\$ 872,556.

g) Foreign investments

The Company's financial statements include the effect on the financial and economic position of CMPC's companies located in countries such as Argentina, Uruguay, Peru, Mexico, Ecuador, Brazil and Colombia, arising from the economic environment where they operate. The actual future results will mostly depend on the evolution of those economies.

NOTE 26 - EMPLOYEE BENEFIT PROVISIONS

	31/12/2011		31/12/2010	
	CURRENT ThUS\$	NON-CURRENT ThUS\$	CURRENT ThUS\$	NON-CURRENT ThUS\$
Severance indemnities	2,100	67,321	3,031	69,115
Medical assistance benefits	1,505	16,093	1,148	24,843
Staff vacation	28,620	-	28,046	-
Other benefits	13,328	-	11,440	-
TOTALS	45,553	83,414	43,665	93,958

26.1. Data and movements**a) Severance payments**

The amounts charged to results relating to severance payments during 2011 and 2010, as described in Note 2.19, are the following:

ITEM	2011 ThUS\$	2010 ThUS\$
Cost of services for the current year	1,400	1,233
Cost of opening balance	9,911	12,838
Effect of any settlement	5,051	451
CLOSING BALANCE	16,362	14,522

The balance of severance indemnities is booked in employee benefit provisions in current and non-current liabilities according to the likelihood of payment before or after 12 months from the date of the Company's statement of financial position.

The movement in this liability in each year was as follows:

ITEM	31/12/2011 ThUS\$	31/12/2010 ThUS\$
Opening balance	72,146	60,206
Cost of services for the current period	1,400	1,233
Cost of opening balance	9,911	12,838
Severance indemnities paid during the period	(7,284)	(6,100)
Exchange difference adjustment	(6,752)	4,688
Other adjustments	-	(719)
CLOSING BALANCE	69,421	72,146
CURRENT LIABILITIES BALANCE	2,100	3,031
NON-CURRENT LIABILITIES BALANCE	67,321	69,115

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 CLF.

The expectations used with regard to the annual inflation rate at December 2010 amounted to 3%, the same as December 2011. An annual nominal discount rate of around 6.78%, on a compounded basis, is thus obtained.

As stated in Note 2.19, the effects of the updating of actuarial variables incorporated in the model, are booked in results for the year.

A wage growth rate and demographic assumptions for the universe of the personnel of CMPC and subsidiaries is considered in determining 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 to provide medical assistance for its retired employees up to 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 provision refers to the actuarial calculation of the present value of the obligation under this commitment and which considers the costs of medical assistance for this group, considering the employee and his wife throughout their lives and children up to 21 years of age (24 years of age if they are studying). The methodology used for the calculation is actuarial, with an average term of payment of 20 years.

c) Personnel vacations

The balance of personnel vacations relates to the value of the days of vacation accrued by the Company's personnel and pending use, determined according to the labor legislation prevailing in each country.

26.2. Employee expenses

Expenses related to employees charged to results are as follows:

	2011 ThUS\$	2010 ThUS\$
Wages & salaries	355,991	312,417
Short-term employee benefits (annual and similar bonuses)	82,002	64,119
Other long-term benefits (severance indemnities)	16,362	14,522
Other employee expenses	44,865	39,883
CLOSING BALANCE	499,220	430,941

NOTE 27 - OTHER NON-FINANCIAL LIABILITIES

	31/12/2011 ThUS\$	31/12/2010 ThUS\$
CURRENT		
Dividends provisioned according to policy and pending payment	57,856	92,418
Differed income	8,070	13,521
Other	3,268	5,669
TOTAL	69,194	111,608
NON-CURRENT		
Tax obligations in Brazil	113,516	129,385
Other	2,357	2,821
TOTAL	115,873	132,206

NOTE 28 - ISSUED CAPITAL

As agreed by the extraordinary shareholders meeting of April 29, 2011, the capital of Empresas CMPC S.A. amounts to ThUS\$ 761,425, divided into 2,226,773,533 registered shares of equal and no par value. This is subscribed and paid as follows:

One. With the amount of ThUS\$ 705,978 divided into 2,200,000,000 shares, fully subscribed and paid, which correspond to the Company's capital at April 29, 2011.

Two. With the amount of ThUS\$ 55,446.97, represented by 26,773,533 shares for payment, distributed to the shareholders of Industrias Forestales S.A. excluding the shareholder Empresas CMPC S.A., once the merger of these companies was effective on October 30, 2011.

Overall, taking into account the own shares repurchased by Empresas CMPC S.A. (44,730) and the own shares repurchased by Inforsa (109,976,258, equivalent to 7,331,751 new shares in Empresas CMPC S.A.), following the merger of Inforsa into CMPC the number of shares in circulation is 2,219,397,052.

Merger of Industrias Forestales S.A. and Empresas CMPC S.A.

The extraordinary shareholders meeting held on April 29, 2011 approved the merger of its subsidiary Industrias Forestales S.A. (Inforsa) and Empresas CMPC S.A., by the absorption of the former by the latter. It also approved an increase in the number of shares of Empresas CMPC S.A. from 220 million to 2,200 million through an exchange of one previous share for 10 new shares, a capital increase of ThUS\$ 55,446.97, equivalent to 26,773,533 new shares for payment, a corporate restructuring and other matters related to this merger.

The above-mentioned share exchange was made on September 16, 2011, following which the capital of the Company passed from being divided into 220 million shares to being divided into 2,200 million shares, as agreed by the board of CMPC on September 8, 2011. On October 30, 2011, the capital increase mentioned in the previous paragraph was made, amounting to ThUS\$ 55,446.97 divided into 26,773,533 new shares for payment, which were paid for by the exchange of one share in CMPC for every 15 shares of Inforsa held by the minority shareholders. Overall, taking into account the own shares repurchased by Empresas CMPC S.A. (44,730) and the own shares repurchased by Inforsa (109,976,258, equivalent to 7,331,751 new shares in Empresas CMPC S.A.), the number of shares in circulation is 2,219,397,052 out of a total of 2,226,773,533 issued shares.

As contemplated in law and as agreed at the above meeting, dissident shareholders concerning the merger exercised their right to withdraw within the legal term which concluded on May 29, 2011 with respect to 4,473 shares (today 44,730 shares), for which the Company paid the equivalent of ThUS\$ 215, which is shown deducted from equity. At the same time, the equity is reduced by the proportion of the capital increase required to incorporate the minority shareholders of Inforsa, previously repurchased by that company amounting to ThUS\$ 30,022, totaling ThUS\$ 30,237.

NOTE 29 - RETAINED EARNINGS

The account Accumulated earnings (losses) as of December 31, 2011, as compared with December 31, 2010, was increased by the earnings of the year 2011 and reduced by the dividends provisioned as part of the dividend policy and dividends paid to complement the final dividend, as follows:

	31/12/2011 ThUS\$	31/12/2010 ThUS\$
Retained earnings (cumulative losses) as of January 1	6,685,585	6,227,506
Profit for the period	492,126	637,546
Dividend provision	(164,690)	(178,642)
Complement paid dividend	(8,144)	(825)
RETAINED EARNINGS (CUMULATIVE LOSSES)	7,004,877	6,685,585

As required by Circular No. 1,945 of September 29, 2009 issued by the SVS, the IFRS first-adoption adjustments booked as a credit to Accumulated earnings (losses), pending realization, are shown below:

ITEMS		BALANCE PENDING REALIZATION AS OF DECEMBER 31, 2009 ThUS\$	AMOUNT REALIZED IN 2010 ThUS\$	BALANCE PENDING REALIZATION AS OF DECEMBER 31, 2010 ThUS\$	AMOUNT REALIZED IN 2011 ThUS\$	BALANCE PENDING REALIZATION AS OF DECEMBER 31, 2011 ThUS\$
Property, plant & equipment	(1)	989,322	(39,233)	950,089	(39,233)	910,856
Severance indemnities	(2)	7,738	(803)	6,935	(803)	6,132
Deferred taxes	(3)	(261,389)	10,366	(251,023)	10,366	(240,657)
Investments in associates	(4)	(1,524)	-	(1,524)	1,524	-
TOTAL		734,147	(29,670)	704,477	(28,146)	676,331

- (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 to the amount of restatement amount as of the adoption date.
- (2) Severance indemnities: IFRS require that the long-term post-employment benefits are determined on the basis of the application of an actuarial calculation model, generating differences in respect of the previous methodology which was based on current values. This actuarial calculation methodology considered within its variables an average tenure of employees of 12 years approximately, data 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 timing differences, which were booked against accumulated 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 booking of the equity differences of associates when applying the participation method at the closing date of the financial statements adapted to IFRS. This balance was realized together with the sale of the investment that generated it.

The accumulated earnings available for distribution as dividends, subject to the established dividend policy, are the following:

	31/12/2011 ThUS\$	31/12/2010 ThUS\$
Retained earnings as of December 31	7,004,877	6,685,585
Adjustment for first-time application of IFRS pending realization	(676,331)	(704,477)
Revaluation of biological assets, net of deferred taxes, pending realization	(1,760,270)	(1,689,481)
RETAINED EARNINGS AVAILABLE FOR DISTRIBUTION AS DIVIDENDS	4,568,276	4,291,627

NOTE 30 - OTHER RESERVES

Other reserves forming part of the Company's equity are the following:

Currency translation reserves: the amounts and balances of the currency translation reserve in equity relates to the accounting effects generated by the translation of the financial statements of subsidiaries whose functional currency is other than the presentation currency of the consolidated financial statements.

The effects mentioned relate mainly to the adjustment to equity value of the investment in those companies and exchange differences relating to long-term accounts receivable and/or payable between the investor company and its subsidiaries, as these are treated as the financing of investment in those subsidiaries.

The equity movements were as follows:

	2011 THUS\$	2010 THUS\$
Opening balance as of January 1	66,067	(15,594)
Net changes due to adjustments	(252,363)	81,661
CLOSING BALANCE AS OF DECEMBER 31	(186,296)	66,067

The following shows the composition by company originating them:

ENTITY	COUNTRY	FUNCTIONAL CURRENCY	2011			2010		
			ADJUSTMENT TO EQUITY ThUS\$	EXCHANGE DIFFERENCES LONG-TERM ACCOUNTS ThUS\$	TOTAL CURRENCY TRANSLATION RESERVES ThUS\$	ADJUSTMENT TO EQUITY ThUS\$	EXCHANGE DIFFERENCES LONG-TERM ACCOUNTS ThUS\$	TOTAL CURRENCY TRANSLATION RESERVES ThUS\$
CMPC Tissue S.A.	Chile	CLP	(40,970)	(25,427)	(66,397)	14,132	4,981	19,113
CMPC Celulose Riograndense Ltda.	Brazil	BRL	(95,437)	(52,424)	(147,861)	40,953	20,224	61,177
Melhoramentos Papéis Ltda.	Brazil	BRL	-	(21,152)	(21,152)	-	5,308	5,308
La Papelera del Plata S.A.	Argentina	ARS	9,425	-	9,425	-	-	-
CMPC Inversiones de Argentina S.A.	Argentina	ARS	(26,188)	-	(26,188)	-	-	-
Bicecorp S.A.	Chile	CLP	(3,122)	-	(3,122)	(5,004)	-	(5,004)
Inversiones El Raulí S.A.	Chile	CLP	-	-	-	1,740	-	1,740
Otros			2,907	25	2,932	(673)	-	(673)
TOTAL			(153,385)	(98,978)	(252,363)	51,148	30,513	81,661

Cash-flow hedging reserves: (reserve of ThUS\$ 11,750 as of December 31, 2011, reserve of ThUS\$ 9,245 as of December 31, 2010). The cash-flow hedging reserve arises from the application of the hedge accounting with certain financial assets.

This reserve is transferred to results for the year on the expiry of the contracts or when the operation ceases to qualify as hedge accounting, whichever occurs first.

The variation with respect to the balance as of December 31, 2010 corresponds to the changes observed in the fair value of the financial instruments used.

Other miscellaneous reserves: (reserve of ThUS\$ 278,382 as of December 31, 2011, ThUS\$ 198,535 as of December 31, 2010). The balance corresponds to the following items:

- Reserve for future capital increases
- Reserve for equity variations in the associates.
- Monetary correction of the paid-in capital booked in accordance with Official Circular No. 456 of the SVS.
- The effect of the share exchange through the incorporation of minority shareholders in Industrias Forestales S.A. (merger).

The variation with respect to the balance as of December 31, 2010 basically refers to the effects of the merger with Inforsa and the equity adjustment of investments in associates.

NOTE 31 - EARNINGS PER SHARE AND NET PROFIT DISTRIBUTABLE

31.1. Earnings per share

	US\$/SHARE
Earnings per share 2011 (*)	0.2234
Earnings per share 2010 (**)	0.2898

(*) Determined taking into account the 2,200,000,000 shares issued less the weighted average of permanence of the shares repurchased in the year, equivalent to 14,910 shares, plus the weighted average of permanence of the shares of the capital increase mentioned in Notes 1 and 28.

(**) Determined considering the 2,200,000,000 shares in circulation.

31.2. Distributable earnings

The dividend policy consists of the distribution of a dividend of 40% of distributable earnings for the year, through the payment of interim dividends in the months of September and December or January, and a final dividend which must be agreed by the ordinary shareholders meeting, payable on the date agreed by that meeting, only if the total of interim dividends does not reach 40% (30% in 2010) of the distributable earnings.

As stated in SVS Circular No. 1945 dated September 29, 2009, the board at its meeting held on November 26, 2009 agreed to establish as a general policy regarding distributable earnings for purpose of the payment of the 30% minimum mandatory dividend, established in article 79 of Law 18046. This will be determined on the basis of the earnings adjusted for relevant changes in the fair value of unrealized assets and liabilities, which should be reincorporated into the calculation of earnings for the year in which such changes are realized.

Additional dividends will be determined on the basis of the above criteria, according to resolutions adopted by the shareholders meeting.

It was agreed therefore that, for the purposes of determining the Company's distributable earnings, i.e. the earnings to be considered for the calculation of the minimum mandatory dividend, the following items will be excluded from the results for the year:

- I. The unrealized income corresponding to the variation of the fair value of forest plantations. The main adjustments to fair value of the forest plantations relate to the revaluation for their natural growth. The valuation of these forest assets is regulated by the accounting standard IAS 41 (Biological Assets). These results will be incorporated into the revenues on the sale of the forest assets or their disposal by any other means.
- II. Unrealized income generated by the acquisition of other entities or companies at a value lower than the fair value of the net assets (after deducting liabilities) of the acquired entity and, in general, unrealized income produced as a result of the application of paragraphs 34, 39, 42 and 58 of IFRS 3, revised, referring to combinations of businesses, basically related to adjustments deriving from the acquisition and takeover process.

These results will also be reintegrated into earnings at the time of their realization. For these purposes, results will be understood as realized to the extent that the entities acquired generate earnings 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.

Distributable earnings of the year 2011:

The following shows the determination of distributable earnings, the basis for the quantification of the dividends to be paid according to the current dividend policy, according to the earnings attributable to the participation of the controller:

	31/12/2011 ThUS\$	31/12/2010 ThUS\$
Earnings attributable to majority interest	492,126	637,546
Variation in the fair value of forest plantations	(110,356)	(59,374)
Deferred taxes associated to the fair value of forest plantations	29,955	17,300
NET PROFIT DISTRIBUTABLE	411,725	595,472
APPLICATION OF DIVIDEND POLICY (40% IN 2011 AND 30% IN 2010)	164,690	178,642

The dividends paid during 2011 and 2010 were the following:

N° DIVIDEND	US\$ PER SHARE	CLP PER SHARE	PAYMENT DATE
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
Final N°251 (1)	0.4347	200	May 11, 2011
Interim N°252	0.2594	120	September 14, 2011
Interim N°253 (2)	0.0236	12	December 15, 2011

(1) The exchange rate on the date of shareholders meeting was used for the translation to Chilean pesos (CLP).

(2) As from dividend No. 253, the number of shares in circulation are 2,219,397,052 (see Note 28).

The following were therefore the total amounts agreed payable at the end of each year:

	31/12/2011 ThUS\$	31/12/2010 ThUS\$
Dividends paid to holders of ordinary shares, gross	205,067	139,084
Tax on ordinary share dividends	-	-
DIVIDENDS PAID TO HOLDERS OF ORDINARY SHARES, NET	205,067	139,084

According to IFRS, the dividends agreed in the respective policy (40% of earnings in 2011 and 30% in 2010) are booked according to the accrual of the earnings.

NOTE 32 - ORDINARY REVENUE

Ordinary revenue in 2011 and 2010 is detailed as follows:

	2011 ThUS\$	2010 ThUS\$
Internal market revenue	1,165,954	1,018,817
Export revenue	1,997,519	1,774,370
Export revenue, foreign subsidiaries	282,969	300,099
Internal market revenue, foreign subsidiaries	1,341,943	1,118,936
Other ordinary revenue	8,134	6,950
TOTAL	4,796,519	4,219,172

NOTE 33 - OTHER PROFIT (LOSSES)

The effects on results from various additional concepts to the operation are:

	2011 ThUS\$	2010 ThUS\$
Effect (net) from physical damages due to earthquake (see note 41)	3,332	61,326
Effect (net) from forest and other losses	2,203	2,818
Profit (loss) on operations with financial derivatives	(2,249)	17,874
Provision for lawsuits and contingencies	(26,088)	(27,647)
Other	(8,374)	(1,379)
TOTAL	(31,176)	52,992

NOTE 34 - FINANCE COSTS

Financial costs for the years 2011 and 2010 were as follows:

	2011 ThUS\$	2010 ThUS\$
Bank loan interest	159,614	132,579
Finance lease interest	3,304	2,093
TOTAL	162,918	134,672

NOTE 35 - FOREIGN EXCHANGE DIFFERENCES**a) Exchange differences booked to results**

Exchange differences generated during 2011 and 2010 originating from asset and liability balances in foreign currencies other than the functional currency, were credited (charged) to results for the period, as follows:

	2011 ThUS\$	2010 ThUS\$
Assets in foreign currency	(65,271)	60,922
Liabilities in foreign currency	96,506	(85,249)
TOTAL	31,235	(24,327)

The effects relating to changes in the fair values of the financial instruments, including forward contracts, forwards relating to investments in Chilean pesos (CLP) and through these re-denominated in US dollars (US\$), cross-currency swaps and swaps, other than those under hedge accounting, are booked in Other gains (losses) in the income statement.

This effect is shown in the statement of cash flows as Adjustments for unrealized foreign currency (profits) losses, as follows:

	31/12/2011 ThUS\$	31/12/2010 ThUS\$
Foreign exchange differences	(31,235)	24,327
Indexation unit result	20,505	20,583
UNREALIZED FOREIGN EXCHANGE (PROFIT) LOSS	(10,730)	44,910

b) Assets and liabilities in foreign currency

Foreign currency assets (other than the functional currency) affected by variations in exchange rates are as follows:

TYPE OF ASSETS	CURRENCY	31/12/2011 ThUS\$	31/12/2010 ThUS\$
CURRENT ASSETS			
Cash and cash equivalents	CLP	326,099	298,093
Cash and cash equivalents	EUR	17,245	5,068
Cash and cash equivalents	ARS	2,111	468
Cash and cash equivalents	UYU	32	305
Cash and cash equivalents	PEN	7,553	11,664
Cash and cash equivalents	COP	1,902	1,324
Cash and cash equivalents	MXN	1,530	7,535
Cash and cash equivalents	BRL	6,597	8,403
Cash and cash equivalents	GBP	694	1,067
SUBTOTAL CASH AND CASH EQUIVALENTS		363,763	333,927
Other financial assets, current	CLP	149,367	92,075
Other financial assets, current	CLF	269,431	294,942
Other financial assets, current	BRL	237	-
Other financial assets, current	EUR	-	208
SUBTOTAL OTHER FINANCIAL ASSETS, CURRENT		419,035	387,225
Other non-financial assets, current	CLP	27,050	17,563
Other non-financial assets, current	ARS	602	940
Other non-financial assets, current	UYU	342	1,137
Other non-financial assets, current	PEN	1,368	1,233
Other non-financial assets, current	COP	224	958
Other non-financial assets, current	BRL	2,256	1,729
Other non-financial assets, current	MXN	774	477
Other non-financial assets, current	GBP	4	5
SUBTOTAL OTHER NON-FINANCIAL ASSETS, CURRENT		32,620	24,042
Trade and other receivables, current	CLP	214,955	213,738
Trade and other receivables, current	EUR	21,084	28,994
Trade and other receivables, current	ARS	57,741	47,955
Trade and other receivables, current	UYU	15,571	14,213
Trade and other receivables, current	PEN	23,818	19,148
Trade and other receivables, current	COP	31,943	27,128
Trade and other receivables, current	MXN	41,570	39,051
Trade and other receivables, current	BRL	81,873	77,949
Trade and other receivables, current	GBP	11,087	9,024
SUBTOTAL TRADE AND OTHER RECEIVABLES, CURRENT		499,642	477,200
Accounts receivable from related entities, current	CLP	1,235	2,311
SUBTOTAL ACCOUNTS RECEIVABLE FROM RELATED ENTITIES, CURRENT		1,235	2,311
Inventories	CLP	114,958	88,359
Inventories	ARS	77,428	74,446
Inventories	UYU	26,180	28,212
Inventories	PEN	34,888	42,428
Inventories	COP	27,006	22,557
Inventories	MXN	36,569	39,839
Inventories	BRL	72,739	89,820
SUBTOTAL INVENTORIES		389,768	385,661
Biological assets	BRL	42,404	38,833
SUBTOTAL BIOLOGICAL ASSETS		42,404	38,833
Tax assets, current	CLP	71,023	69,404
Tax assets, current	ARS	12,955	11,993
Tax assets, current	UYU	2,663	2,535
Tax assets, current	PEN	5,845	4,191
Tax assets, current	COP	4,662	2,838
Tax assets, current	MXN	13,850	9,022
Tax assets, current	BRL	24,631	37,261
Tax assets, current	GBP	-	6
SUBTOTAL TAX ASSETS, CURRENT		135,629	137,250
TOTAL ASSETS, CURRENT		1,884,096	1,786,449

TYPE OF ASSETS	CURRENCY	31/12/2011 ThUS\$	31/12/2010 ThUS\$
NON-CURRENT ASSETS			
Other non-financial assets, non-current	CLP	14,155	5,884
Other non-financial assets, non-current	BRL	31,564	37,317
Other non-financial assets, non-current	PEN	-	161
Other non-financial assets, non-current	UYU	-	10
SUBTOTAL OTHER NON-FINANCIAL ASSETS, NON-CURRENT		45,719	43,372
Rights receivable, non-current	BRL	43,758	12,556
Rights receivable, non-current	CLP	332	6,940
Rights receivable, non-current	ARS	4,417	4,674
SUBTOTAL RIGHTS RECEIVABLE, NON-CURRENT		48,507	24,170
Investments accounted for using equity method	CLP	77,027	113,628
SUBTOTAL INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD		77,027	113,628
Intangible assets	CLP	1,323	1,117
Intangible assets	BRL	1,436	2,015
Intangible assets	MXN	958	1,079
Intangible assets	COP	-	1,327
Intangible assets	UYU	917	537
SUBTOTAL INTANGIBLE ASSETS		4,634	6,075
Goodwill	ARS	13,671	14,800
Goodwill	MXN	671	760
Goodwill	BRL	71,455	80,452
SUBTOTAL GOODWILL		85,797	96,012
Property, plant & equipment	CLP	175,198	171,231
Property, plant & equipment	ARS	127,955	133,991
Property, plant & equipment	UYU	49,329	43,998
Property, plant & equipment	PEN	104,895	91,525
Property, plant & equipment	COP	96,078	94,280
Property, plant & equipment	MXN	143,045	149,681
Property, plant & equipment	BRL	973,807	1,091,896
SUBTOTAL PROPERTY, PLANT & EQUIPMENT		1,670,307	1,776,602
Biological assets, non-current	BRL	531,857	498,904
SUBTOTAL BIOLOGICAL ASSETS, NON-CURRENT		531,857	498,904
Deferred tax assets	CLP	44,529	80,606
Deferred tax assets	ARS	3,498	1,106
Deferred tax assets	UYU	-	404
Deferred tax assets	PEN	168	188
Deferred tax assets	COP	17,865	13,832
Deferred tax assets	MXN	6,066	2,458
Deferred tax assets	BRL	56,198	37,606
SUBTOTAL DEFERRED TAX ASSETS		128,324	136,200
TOTAL ASSETS, NON-CURRENT		2,592,172	2,694,963

Foreign currency liabilities (other than the functional currency) affected by variations in exchange rates are shown in gross, as follows:

TYPE OF LIABILITIES	CURRENCY	DECEMBER 31, 2011			DECEMBER 31, 2010		
		UP TO 90 DAYS ThUS\$	91 DAYS UP TO 1 YEAR ThUS\$	TOTAL ThUS\$	UP TO 90 DAYS ThUS\$	91 DAYS UP TO 1 YEAR ThUS\$	TOTAL ThUS\$
CURRENT LIABILITIES							
Other financial liabilities, current	CLP	121	-	121	3,207	436	3,643
Other financial liabilities, current	CLF	15,917	15,849	31,766	18,136	29,594	47,730
Other financial liabilities, current	EUR	-	-	-	98	349	447
Other financial liabilities, current	ARS	22,799	5,719	28,518	24,561	24,286	48,847
Other financial liabilities, current	COP	11,477	-	11,477	21,442	1,724	23,166
Other financial liabilities, current	UYU	14,684	-	14,684	8,001	6,879	14,880
Other financial liabilities, current	PEN	1,557	14,410	15,967	12,339	17,885	30,224
Other financial liabilities, current	BRL	91	-	91	-	-	-
SUBTOTAL OTHER FINANCIAL LIABILITIES, CURRENT		66,646	35,978	102,624	87,784	81,153	168,937
Trade and other payables	CLP	222,569	2,825	225,394	200,201	6,356	206,557
Trade and other payables	CLF	1,715	-	1,715	1,210	88	1,298
Trade and other payables	EUR	5,868	1,011	6,879	7,389	35	7,424
Trade and other payables	ARS	42,648	252	42,900	40,779	66	40,845
Trade and other payables	COP	11,626	969	12,595	13,215	100	13,315
Trade and other payables	UYU	12,245	715	12,960	8,288	621	8,909
Trade and other payables	PEN	15,013	1,289	16,302	7,486	-	7,486
Trade and other payables	MXN	34,323	446	34,769	40,740	324	41,064
Trade and other payables	BRL	43,357	22,161	65,518	54,338	20,583	74,921
Trade and other payables	GBP	19	-	19	-	-	-
Trade and other payables	SEK	19	-	19	66	-	66
Trade and other payables	JPY	-	-	-	2	-	2
SUBTOTAL TRADE AND OTHER PAYABLES		389,402	29,668	419,070	373,714	28,173	401,887
Accounts payable to related entities, current	CLP	4,969	-	4,969	8,313	-	8,313
SUBTOTAL ACCOUNTS PAYABLE TO RELATED ENTITIES, CURRENT		4,969	-	4,969	8,313	-	8,313
Provisions	CLP	-	20	20	-	1,520	1,520
Provisions	ARS	-	1,848	1,848	-	1,616	1,616
Provisions	BRL	-	-	-	-	368	368
SUBTOTAL PROVISIONS		-	1,868	1,868	-	3,504	3,504
Tax liabilities, current	CLP	21,009	-	21,009	63,405	-	63,405
Tax liabilities, current	ARS	2,540	-	2,540	181	-	181
Tax liabilities, current	UYU	-	-	-	272	-	272
Tax liabilities, current	PEN	1,868	-	1,868	456	-	456
Tax liabilities, current	MXN	2,514	-	2,514	-	-	-
SUBTOTAL TAX LIABILITIES, CURRENT		27,931	-	27,931	64,314	-	64,314
Employee benefit provision, current	CLP	-	29,732	29,732	-	30,541	30,541
Employee benefit provision, current	ARS	-	1,484	1,484	-	1,641	1,641
Employee benefit provision, current	PEN	-	554	554	-	311	311
Employee benefit provision, current	BRL	-	13,431	13,431	-	11,855	11,855
Employee benefit provision, current	MXN	-	72	72	-	-	-
Employee benefit provision, current	UYU	-	664	664	-	-	-
Employee benefit provision, current	COL	-	184	184	-	-	-
SUBTOTAL EMPLOYEE BENEFIT PROVISIONS, CURRENT		-	46,121	46,121	-	44,348	44,348
Other financial liabilities, current	CLP	-	69,194	69,194	-	111,608	111,608
SUBTOTAL OTHER NON FINANCIAL LIABILITIES, CURRENT		-	69,194	69,194	-	111,608	111,608
TOTAL LIABILITIES, CURRENT		488,948	182,829	671,777	534,125	268,786	802,911

TYPE OF LIABILITIES	CURRENCY	DECEMBER 31, 2011				DECEMBER 31, 2010			
		MORE THAN 1 YEAR UP TO 3 YEARS ThUS\$	MORE THAN 3 YEARS UP TO 5 YEARS ThUS\$	MORE THAN 5 YEARS ThUS\$	TOTAL ThUS\$	MORE THAN 1 YEAR UP TO 3 YEARS ThUS\$	MORE THAN 3 YEARS UP TO 5 YEARS ThUS\$	MORE THAN 5 YEARS ThUS\$	TOTAL ThUS\$
NON-CURRENT LIABILITIES									
Other financial liabilities, non-current	CLF	190,361	344,462	719,946	1,254,769	81,838	522,096	789,930	1,393,864
Other financial liabilities, non-current	EUR	-	-	-	-	226	-	-	226
Other financial liabilities, non-current	ARS	8,392	-	-	8,392	3,549	15,009	-	18,558
Other financial liabilities, non-current	PEN	3,985	47,220	-	51,205	13,838	4,256	150	18,244
Other financial liabilities, non-current	BRL	-	-	40,817	40,817	4,514	6,523	16,602	27,639
SUBTOTAL OTHER FINANCIAL LIABILITIES, NON-CURRENT		202,738	391,682	760,763	1,355,183	103,965	547,884	806,682	1,458,531
Provisions	BRL	29,464	-	-	29,464	31,858	-	-	31,858
SUBTOTAL PROVISIONS		29,464	-	-	29,464	31,858	-	-	31,858
Deferred tax liabilities	CLP	4,245	-	789,875	794,120	13,399	-	752,838	766,237
Deferred tax liabilities	ARS	2,295	-	75,587	77,882	1,076	-	80,189	81,265
Deferred tax liabilities	UYU	-	-	130	130	-	-	1,801	1,801
Deferred tax liabilities	COP	-	-	698	698	-	-	122	122
Deferred tax liabilities	PEN	-	-	8,252	8,252	-	-	8,597	8,597
Deferred tax liabilities	MXN	84	-	2,165	2,249	30	-	4,127	4,157
Deferred tax liabilities	BRL	-	-	78,809	78,809	12,519	-	59,610	72,129
SUBTOTAL DEFERRED TAX LIABILITIES		6,624	-	955,516	962,140	27,024	-	907,284	934,308
Employee benefit provisions, non-current	CLP	8,221	8,221	65,764	82,206	8,417	8,417	67,337	84,171
Employee benefit provisions, non-current	UYU	337	-	-	337	469	-	-	469
Employee benefit provisions, non-current	MXN	105	-	-	105	858	-	-	858
Employee benefit provisions, non-current	BRL	3,526	3,526	28,209	35,261	5,443	5,443	43,547	54,433
Employee benefit provisions, non-current	ARS	32	-	-	32	-	-	-	-
SUBTOTAL EMPLOYEE BENEFIT PROVISIONS, NON-CURRENT		12,221	11,747	93,973	117,941	15,187	13,860	110,884	139,931
Other non-financial liabilities, non-current	PEN	-	72	-	72	-	82	-	82
Other non-financial liabilities, non-current	CLP	-	2,285	-	2,285	-	2,739	-	2,739
Other non-financial liabilities, non-current	BRL	-	113,516	-	113,516	-	129,385	-	129,385
SUBTOTAL OTHER NON-FINANCIAL LIABILITIES, NON-CURRENT		-	115,873	-	115,873	-	132,206	-	132,206
TOTAL LIABILITIES, NON-CURRENT		251,047	519,302	1,810,252	2,580,601	178,034	693,950	1,824,850	2,696,834

NOTE 36 - INCOME TAX EXPENSE

As of December 31, 2011, the Taxed Earnings Fund of Empresas CMPC S.A. shows the following balances, classified according to the respective tax credits:

	31/12/2011 ThUS\$	31/12/2010 ThUS\$
PROFITS SUBJECT TO TAXES (ACCUMULATED TAXABLE PROFITS BOOK):		
Profits with 20% credit	25,217	-
Profits with 17% credit	148,734	18,035
Profits with 16.5% credit	23,200	-
Profits with 16% credit	15,592	-
Profits with 15% credit	26,528	-
Profits with other credit	338	-
Profits without credit	73,508	2,309
TOTAL ACCUMULATED TAXABLE PROFITS BOOK	313,117	20,344
PROFITS EXEMPTED FROM TAXES (ACCUMULATED NON-TAXABLE PROFITS BOOK):		
Profits from income not subject to income tax	298,430	410,980
TOTAL ACCUMULATED NON-TAXABLE PROFITS BOOK	298,430	410,980

As of December 31, 2011 and 2010 the (charge) credit for income tax and deferred taxes is as follows:

	2011 ThUS\$	2010 ThUS\$
(CHARGE) CREDIT ON INCOME TAX, CURRENT		
Current tax	(108,535)	(100,521)
Tax refund due to accumulated tax losses	651	370
Adjustment prior year and other taxes	(834)	(7,957)
TOTAL CURRENT TAX	(108,718)	(108,108)
(CHARGE) CREDIT ON DEFERRED TAXES		
(Charge) credit on deferred tax for creation and review of temporary differences (includes effect on foreign exchange difference)	(37,009)	32,734
TOTAL DEFERRED TAX	(37,009)	32,734
(CHARGE) CREDIT ON INCOME TAX	(145,727)	(75,374)

As of December 31, 2011 and 2010 the (charge) credit for income and deferred taxes from foreign and domestic jurisdictions, is as follows:

DOMESTIC AND FOREIGN (CHARGE) CREDIT	2011 ThUS\$	2010 ThUS\$
Foreign current tax	(7,985)	(10,600)
Domestic current tax	(100,733)	(97,508)
TOTAL CURRENT TAX	(108,718)	(108,108)
Foreign deferred tax	27,817	(16,754)
Domestic deferred tax	(64,826)	49,488
TOTAL DEFERRED TAX	(37,009)	32,734
INCOME TAX (CHARGE) CREDIT	(145,727)	(75,374)

The reconciliation of the tax charge using the legal rate and tax charge using the effective rate as of December 31, 2011 and 2010 is as follows:

	2011 ThUS\$	2010 ThUS\$
Tax result using legal rate	(128,039)	(121,617)
Tax effect of rates in other jurisdictions	8,079	(5,886)
Fluctuation of changes in the translation of tax assets and liabilities	(49,180)	37,170
Legal tax increase (decrease)	23,413	14,959
TAX (CHARGE) CREDIT USING THE EFFECTIVE RATE	(145,727)	(75,374)

In accordance with International Financial Reporting Standards (IFRS) the Company books its operations in its functional currency which is the United States dollar. However, for tax purposes, it maintains its books in local currency, whose asset and liability balances are translated to dollars at the close of each period, for comparison with the balances under IFRS, and thus determine the deferred tax for the differences between both amounts. The effect of variations in the dollar exchange rate on the deferred taxes has been booked to results in the account (Charge) credit for income taxes (charge of ThUS\$ 49,180 in 2011 and a credit of ThUS\$ 37,170 in 2010), basically deriving from exchange fluctuations on the translation to dollars of the tax value of fixed assets, biological assets and tax losses.

NOTE 37 - NATURE EXPENSE

The following is a detail of the main operation and administrative costs and expenses of the Company for 2011 and 2010:

ITEMS	2011 ThUS\$	2010 ThUS\$
Wood, chemicals and energy	2,461,211	1,990,141
Depreciation	333,403	324,821
Variable sales expenses	518,251	442,765
Personnel remuneration and others	499,220	430,941
Maintenance expenses	206,137	172,355
Administrative and marketing expenses	282,184	250,670
Other miscellaneous operating expenses	12,049	27,414
TOTAL CHARGED TO INCOME	4,312,455	3,639,107

NOTE 38 - COMMITMENTS

There are future cash-flow commitments for investments relating to projects approved by the Company. CMPC currently has projects in progress for approximately US\$ 1,300 million, of which future disbursements are estimated of US\$ 350 million to complete them. As of December 31, 2011, the principal projects in progress with their investments budgets are the following:

APPROVED PROJECTS	MILLIONS OF US\$
Enlargement of capacity, Plywood plant	91
New paper and conversion machine of Tissue in Chile	65
Energy savings project, Maule plant	26
Road structure project, Guaíba plant	21
Enlargement Santa Fe II plant	16
Modernization of Laja Cellulose plant	15
Modification of Laja paper machine	11
New paper bag plant in Mexico	9

The amounts are expressed at the current value of the disbursements projected for 2012 and 2013.

Committed investment flows relate to projects intended to increase the productive capacity of the industrial plants, and to maintain and improve environmental performance.

In general, the important commitments as of the close of the year have been booked, particularly the fixed asset investment commitments.

NOTE 39 - CONTROLLER AND TRANSACTIONS WITH RELATED PARTIES

39.1. Identification of the principal controllers

As required by IAS 24, the following is a detail of the shares of Empresas CMPC S.A. held by shareholders which control directly or through some kind of relationship between them, 55.44% of the Company's capital with voting rights, represented by 2,219,397,052 shares in circulation as of December 31, 2011.

SHAREHOLDERS	NUMBER OF SHARES
Forestal Cominco S.A.	431,798,840
Forestal Constructora y Com. del Pacífico Sur S.A.	422,755,720
Forestal O'Higgins S.A.	156,668,560
Forestal Bureo S.A.	88,754,760
Inmobiliaria Ñague S.A.	46,698,796
Coindustria Ltda.	40,239,559
Forestal y Minera Ebro Ltda.	8,750,870
Forestal y Minera Volga Ltda.	7,832,750
Viecal S.A.	5,771,890
Inmobiliaria y Forestal Chigualoco Ltda.	5,754,230
Forestal Peumo S.A.	4,564,230
Forestal Calle Las Agustinas S.A.	3,429,710
Forestal Choapa S.A.	2,070,440
Puerto de Lirquén S.A.	1,309,480
Eliodoro Matte Larraín	1,053,840
Bernardo Matte Larraín	853,450
Patricia Matte de Larraín	853,440
Agrícola e Inmobiliaria Rapel Ltda.	548,630
Jorge Bernardo Larraín Matte	132,000
Jorge Gabriel Larraín Matte	132,000
María Magdalena Larraín Matte	132,000
María Patricia Larraín Matte	132,000
Jorge Gabriel Larraín Bunster	119,710
María del Pilar Matte Capdevila	10,600
TOTAL	1,230,367,505
CONTROL OVER SHARE ISSUED	55.44%

All these shareholders belonging to a same business group have no formal joint-action agreement. The final controllers, in equal parts, are the following individuals: Mr. Eliodoro Matter 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 principal shareholders

SHAREHOLDERS	NUMBER OF SHARES	OWNERSHIP
Forestal Cominco S.A.	431,798,840	19.46%
Forestal Constructora y Com. del Pacífico Sur S.A.	422,755,720	19.05%
Forestal O'Higgins S.A.	156,668,560	7.06%
Forestal Bureo S.A.	88,754,760	4.00%
Banco de Chile, por cuenta de terceros	74,313,617	3.35%
A.F.P. Provida S.A., para fondos de pensiones	72,473,842	3.27%
A.F.P. Capital S.A., para fondos de pensiones	62,926,512	2.84%
A.F.P. Habitat S.A., para fondos de pensiones	62,445,184	2.81%
Banco Itaú Chile S.A., por cuenta de inversionistas extranjeros	61,754,701	2.78%
A.F.P. Cuprum S.A., para fondos de pensiones	47,469,186	2.14%
Inmobiliaria Ñague S.A.	46,698,796	2.10%
Coindustria Ltda.	40,239,559	1.81%
TOTAL	1,568,299,277	70.67%

39.3. Commercial transactions with associates and other related entities

The commercial transactions with associates and group companies are the following:

TAX NO. RELATED PARTY	NAME	NATURE OF RELATIONSHIP	COUNTRY OF ORIGIN	DETAIL OF TRANSACTION WITH RELATED PARTY	NATURE OF TRANSACTION WITH RELATED PARTY	TRANSACTION AMOUNT		EXPLANATION OF OTHER INFORMATION ON TRANSACTIONS WITH RELATED PARTIES
						YEAR ENDED DECEMBER 31, 2011 THUS\$	YEAR ENDED DECEMBER 31, 2010 THUS\$	
97,080,000-K	Banco BICE	Key personnel from management of the entity or controlling party	Chile	Dollar spot selling	Financial transaction	34,802	75,000	Effects on income were 12/2011 loss of ThUS\$ 20 12/2010 loss of ThUS\$ 81
				Investment in time deposits	Financial transaction	78,240	19,685	Effects on income were 12/2011 profit of ThUS\$ 70 12/2010 profit of ThUS\$ 49
76,055,353-0	Bice Agente de Valores S.A.	Key personnel from management of the entity or controlling party	Chile	Average balance invested in resale agreements	Financial transaction	1,038,176	1,082,649	Effects on income were 12/2011 profit of ThUS\$ 7,603 12/2010 profit of ThUS\$ 1,207
96,657,900-5	Controladora de Plagas Forestales S.A.	Associate	Chile	Services buying	Commercial transaction	396	252	Effects on income were 12/2011 loss of ThUS\$ 396 12/2010 loss of ThUS\$ 252
76,077,468-5	Bioenercel S.A.	Associate	Chile	Capital contribution	Capital contribution	432	-	No effects on income

Significant commercial transactions with other related entities through one or more directors or executives of CMPC are the following:

TAX NO. RELATED PARTY	NAME	NATURE OF RELATIONSHIP	COUNTRY OF ORIGIN	DETAIL OF TRANSACTION WITH RELATED PARTY	NATURE OF TRANSACTION WITH RELATED PARTY	TRANSACTION AMOUNT		EXPLANATION OF OTHER INFORMATION ON TRANSACTIONS WITH RELATED PARTIES
						YEAR ENDED DECEMBER 31, 2011 THUS\$	YEAR ENDED DECEMBER 31, 2010 THUS\$	
97,053,000-2	Banco Security	Key personnel from management of the entity or controlling party	Chile	Investments in time deposits	Financial transaction	5,062	114,236	Effects on income were 12/2011 profit of ThUS\$ 14 12/2010 profit of ThUS\$ 126
				Foreign currency buying	Financial transaction	507	841	No effects on income
				Dollar selling	Financial transaction	105,488	14,800	Effects on income were 12/2011 loss of ThUS\$ 66 12/2010 loss of ThUS\$ 13
91,806,000-6	Abastecedora de Combustibles S.A.	Key personnel from management of the entity or controlling party	Chile	Fuel buying	Commercial transaction	1,654	1,276	Inventory product
77,215,640-5	Administración de Ventas al Detalle Ltda.	Key personnel from management of the entity or controlling party	Chile	Product selling	Commercial transaction	604	-	Effects on income were 12/2011 profit of ThUS\$ 419
96,848,750-7	Aislantes Volcán S.A.	Key personnel from management of the entity or controlling party	Chile	Product selling	Commercial transaction	737	507	Effects on income were 12/2011 profit of ThUS\$ 305 12/2010 profit of ThUS\$ 236
Foreign	Alto Paraná S.A.	Key personnel from management of the entity or controlling party	Argentina	Product selling	Commercial transaction	989	87	Effects on income were 12/2011 profit of ThUS\$ 81 12/2010 profit of ThUS\$ 4
				Product buying	Commercial transaction	12,859	5,120	Inventory product
96,565,750-9	Aserraderos Arauco S.A.	Key personnel from management of the entity or controlling party	Chile	Export collection service	Financial transaction	18,902	12,712	No effects on income
				Wood buying	Commercial transaction	958	-	Inventory product
82,152,700-7	Bosques Arauco S.A.	Key personnel from management of the entity or controlling party	Chile	Wood selling	Commercial transaction	1,014	936	Effects on income were 12/2011 profit of ThUS\$ 465 12/2010 profit of ThUS\$ 244
				Wood buying	Commercial transaction	31	711	Inventory product
93,458,000-1	Celulosa Arauco y Constitución S.A.	Key personnel from management of the entity or controlling party	Chile	Wood and cellulose buying	Commercial transaction	26,321	18,189	Inventory product

TAX NO. RELATED PARTY	NAME	NATURE OF RELATIONSHIP	COUNTRY OF ORIGIN	DETAIL OF TRANSACTION WITH RELATED PARTY	NATURE OF TRANSACTION WITH RELATED PARTY	TRANSACTION AMOUNT		EXPLANATION OF OTHER INFORMATION ON TRANSACTIONS WITH RELATED PARTIES
						YEAR ENDED DECEMBER 31, 2011 ThUS\$	YEAR ENDED DECEMBER 31, 2010 ThUS\$	
99,513,400-4	CGE Distribución S.A.	Key personnel from management of the entity or controlling party	Chile	Electricity buying	Commercial transaction	15,468	15,064	Effects on income were 12/2011 loss of ThUS\$ 15,468 12/2010 loss of ThUS\$ 15,064
90,209,000-2	Cía. Industrial El Volcán S.A.	Key personnel from management of the entity or controlling party	Chile	Product selling	Commercial transaction	2,102	4,489	Effects on income were 12/2011 profit of ThUS\$ 782 12/2010 profit of ThUS\$ 1,284
96,505,760-9	Colbún S.A.	Key personnel from management of the entity or controlling party	Chile	Electricity buying	Commercial transaction	89,094	55,000	Effects on income were 12/2011 loss of ThUS\$ 69,094 12/2010 loss of ThUS\$ 55,000
99,520,000-7	Compañía de Petróleos de Chile S.A.	Key personnel from management of the entity or controlling party	Chile	Fuel buying	Commercial transaction	11,896	59,653	Inventory product
92,580,000-7	Entel S.A.	Key personnel from management of the entity or controlling party	Chile	Services buying	Commercial transaction	2,276	2,065	Effects on income were 12/2011 loss of ThUS\$ 2,276 12/2010 loss of ThUS\$ 2,065
96,806,980-2	Entel PCS Telecomunicaciones S.A.	Key personnel from management of the entity or controlling party	Chile	Services buying	Commercial transaction	1,670	1,741	Effects on income were 12/2011 loss of ThUS\$ 1,670 12/2010 loss of ThUS\$ 1,741
96,697,410-9	Entel Telefonía Local S.A.	Key personnel from management of the entity or controlling party	Chile	Services buying	Commercial transaction	739	744	Effects on income were 12/2011 loss of ThUS\$ 739 12/2010 loss of ThUS\$ 744
77,524,300-7	Fibrocementos El Volcán S.A.	Key personnel from management of the entity or controlling party	Chile	Spare part selling	Commercial transaction	-	393	Effects on income were 12/2010 profit of ThUS\$ 241
96,636,590-0	Melón Morteros S.A.	Key personnel from management of the entity or controlling party	Chile	Product selling	Commercial transaction	182	340	Effects on income were 12/2011 profit of ThUS\$ 102 12/2010 profit of ThUS\$ 200
93,390,000-2	Melón S.A.	Key personnel from management of the entity or controlling party	Chile	Product selling	Commercial transaction	886	2,155	Effects on income were 12/2011 profit of ThUS\$ 273 12/2010 profit of ThUS\$ 970
96,722,460-K	Metrogas S.A.	Key personnel from management of the entity or controlling party	Chile	Gas buying	Commercial transaction	45,118	34,467	Effects on income were 12/2011 loss of ThUS\$ 45,118 12/2010 loss of ThUS\$ 34,467
93,628,000-5	Molibdeno y Metales S.A.	Key personnel from management of the entity or controlling party	Chile	Product buying	Commercial transaction	1,158	461	Inventory product
86,577,500-8	Pesquera Frio Sur S.A.	Key personnel from management of the entity or controlling party	Chile	Product selling	Commercial transaction	233	464	Effects on income were 12/2011 profit of ThUS\$ 66 12/2010 profit of ThUS\$ 136
82,777,100-7	Puerto de Lirquén S.A.	Key personnel from management of the entity or controlling party	Chile	Services buying	Commercial transaction	7,283	7,026	Effects on income were 12/2011 loss of ThUS\$ 7,283 12/2010 loss of ThUS\$ 7,026
99,301,000-6	Seguros de Vida Security Previsión S.A.	Key personnel from management of the entity or controlling party	Chile	Insurance buying	Commercial transaction	2,375	1,947	Effects on income were 12/2011 loss of ThUS\$ 2,375 12/2010 loss of ThUS\$ 1,947
96,569,760-8	Sociedad Industrial Pizarreño S.A.	Key personnel from management of the entity or controlling party	Chile	Product selling	Commercial transaction	2,119	1,593	Effects on income were 12/2011 profit of ThUS\$ 1,095 12/2010 profit of ThUS\$ 1,000
86,113,000-2	Sociedad Industrial Romeral S.A.	Key personnel from management of the entity or controlling party	Chile	Product selling	Commercial transaction	239	2,657	Effects on income were 12/2011 profit of ThUS\$ 59 12/2010 profit of ThUS\$ 752
78,023,030-4	Sofruco Alimentos Ltda.	Key personnel from management of the entity or controlling party	Chile	Product selling	Commercial transaction	524	494	Effects on income were 12/2011 profit of ThUS\$ 146 12/2010 profit of ThUS\$ 187
78,600,780-1	Viña La Rosa S.A.	Key personnel from management of the entity or controlling party	Chile	Product selling	Commercial transaction	327	252	Effects on income were 12/2011 profit of ThUS\$ 159 12/2010 profit of ThUS\$ 138
96,929,960-7	Orizon S.A.	Key personnel from management of the entity or controlling party	Chile	Product selling	Commercial transaction	388	8	Effects on income were 12/2011 profit of ThUS\$ 154 12/2010 profit of ThUS\$ 1
96,772,810-1	Iansagro S.A.	Key personnel from management of the entity or controlling party	Chile	Product selling	Commercial transaction	587	-	Effects on income were 12/2011 profit of ThUS\$ 315
93,740,000-4	Empresa Constructora Precon S.A.	Key personnel from management of the entity or controlling party	Chile	Warehouse construction	Commercial transaction	354	-	No effects on income
96,959,030-1	Portuaria Sur de Chile S.A.	Key personnel from management of the entity or controlling party	Chile	Services buying	Commercial transaction	305	-	Effects on income were 12/2011 loss of ThUS\$ 305

For disclosure purposes, all those transactions whose annual totals exceed ThUS\$ 300 have been considered as significant.

Financial transactions with related entities, such as that with the associate Bicecorp S.A. and with the Banco Security S.A., correspond to financial and exchange operations carried out with cash surpluses on market conditions. For the purposes of presentation in the financial statements, the balances maintained at each year-end with the entities mentioned 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 the specific conditions agreed for each operation can be read in each of the respective Notes.

The transactions with Controladora de Plagas Forestales S.A. and Portuaria Sur de Chile S.A. relate to the purchase of services made under market conditions. The amounts invoiced have maturities within 30 days. The transactions with Empresa Constructora Precon S.A. relate to the construction of warehouses, and those with Bioenercel S.A. relate to capital contributions.

As the effects and results of some kinds of transactions depend on the term and rates applicable to the invested amount, for the purposes of a better disclosure, the respective amounts of those transactions that are shown in the accompanying table are averaged, using the daily invested average as criteria for the calculation methodology. This demonstrates that the relationship between the accrued interest on a monthly basis and the averaged principal represent market conditions in each period.

In general, the product-sale transactions with other related entities correspond to business-related commercial operations, which are carried out at market values.

Transactions with Abastecedora de Combustibles S.A. basically refer to purchase contracts for 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 ENAP's prices. The invoiced amounts are payable in 45 days.

Transactions with Alto Paraná S.A. relate to purchases of pulp made under market conditions and agreed in dollars. The invoiced amounts are payable within 60 days.

Wood trading transactions between the Company's subsidiaries and Celulosa Arauco y Constitución S.A. and Bosques Arauco S.A. are basically business-related operations at market prices and have maturities of between 30 and 60 days and prices seen in the market on the transaction date.

The transactions with CGE Distribución S.A. basically relate to purchases of electricity invoiced in dollars. The invoiced amounts are payable at 30 day.

The transactions with Compañía de Petróleos de Chile S.A. (fuel), are based on contracts indexed according to Enap's prices and are payable at 60 days. The rest of the transactions are carried out mainly in non-indexed pesos.

Transactions with Colbún S.A. refer to electricity purchases invoiced in dollars. The invoiced amounts are payable at 30 days.

The transactions with Entel and its related companies basically refer to fixed-line and mobile telephone services, data transfer, perimeter security and electronic commerce. For these services, there are contracts containing fixed values and variable rates as a function of volume; the invoiced amounts are payable within 60 days

The transactions with Metrogas S.A. relate to purchases of natural gas under contract, agreed in dollars and payable at 30 days.

The transactions with Puerto de Lirquén S.A. relate to port services which are based on agreements that have fixed and variable rates as a function of volume (tons and cubic meters) denominated in dollars. Invoices are payable 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) with billing in monthly maturities.

The transactions with Molibdeno y Metales S.A. relate to the purchase of industrial services and products under market conditions. The invoiced amounts are payable within 30 days.

The transactions and balances receivable from Administradora de Ventas al Detalle Ltda., Compañía Industrial El Volcán S.A., Melón S.A., Melón Morteros S.A., Pesquera Frío Sur S.A., Sociedad Industrial Pizarreño S.A., Sociedad Industrial Romeral S.A., Sofruco Alimentos Ltda., Aislantes Volcán S.A., Fibrocementos El Volcán S.A., Viña La Rosa S.A., Iansagro S.A. and Orizon S.A. relate to sales of the Company's products, 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. Remuneration and fees of the members of the board and directors' committee and remuneration of key executives

The ordinary shareholders meeting held on April 29, 2011 established that, as in the previous year, that the remuneration of the board will be 1% over the ordinary dividends paid during 2011, being distributed in equal parts with double being paid to the chairman. The remuneration of the directors' committee will be 0.04167% of the ordinary dividends paid during 2011. i.e. a third of that paid to board members.

Directors' remuneration in 2011 amounted to ThUS\$ 2,008 and that of the directors' committee ThUS\$ 251. In 2010, the directors' remuneration amounted to ThUS\$ 1,410 and that of the directors' committee ThUS\$ 172.

Executives have an incentive plan consisting of a variable annual bonus, which depends on the earnings, and other bonuses during the course of the year depending on compliance with a strategic objectives and business profitability targets. The total gross remuneration received by the CMPC's executives, including those incentives, was ThUS\$ 3,746 in 2011 (ThUS\$ 3,001 in 2010).

NOTE 40 - THE ENVIRONMENT

The long-term policy of Empresas CMPC S.A. is the sustainable development of its forestry and industrial activities, in harmony with the environment. Most of the subsidiaries and factories have obtained their international quality standard certifications, ISO 9,001 and 14,001. In addition, vast soil areas are annually recovered and protected from erosion through forestation.

The investments of CMPC in property, plant and equipment include environmental improvements that contribute to mitigate the environmental impact of its operation. The projects whose aim is primarily environmental involved disbursements during 2011 of ThUS\$ 126,484 (ThUS\$ 109,777 in 2010).

The main disbursements during the year by subsidiary and project were as follows:

a) Company:	CMPC Celulosa S.A.
Project:	PROAMP Pacifico Plant Environmental Project
Accounting:	Non-current assets, Property, plant & equipment
Amount disbursed in the period:	ThUS\$ 4,966 (ThUS\$ 10,970 in 2010)
Committed amount, future periods:	Nil
Date of final disbursements:	March 2011

Project concept:

PROAMP (Pacifico Plant Environmental Project) contemplates substantive improvements in the 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. The project also considers an increase in the capacity of evaporators and the construction of two pools for regulating rain water.

b) Company:	CMPC Celulosa S.A.
Project:	Environmental Improvements in Santa Fe
Accounting:	Non-current assets, Property, plant & equipment
Amount disbursed in the period:	ThUS\$ 74,373 (ThUS\$ 68,647 in 2010)
Committed amount, future periods:	Nil
Estimated final date for disbursements:	December 2011

Project concept:

The project includes environmental improvements in the Santa Fe 1 plant in order to raise the environmental performance of line 1 to the standards implemented in line 2. Its main measures are: to close water circuits and recover refrigeration waters to reduce the flow of general effluent; to improve the efficiency of the electrostatic precipitators of the recovery and biomass boiler, and the recovery of non-condensable gases to reduce odors. A new energy plant based on biomass is also being built.

c) Company:	CMPC Celulosa S.A.
Project:	Environmental improvement of boiler No.5 of Laja plant
Accounting:	Non-current assets, Property, plant and equipment
Amount spent during the year:	ThUS\$ 37,202 (ThUS\$ 19,506 in 2010)
Amount committed for future years:	ThUS\$ 6,614
Estimated date of final payment:	April 2012

Project concept:

The project forms part of the modernization of the plant and includes the conversion of the recovery boiler No.5 to biomass in order to improve the environmental performance of the plant.

d) Company:	Cartulinas CMPC S.A., Papeles Cordillera S.A. and CMPC Tissue S.A.
Project:	Treatment of effluents
Accounting:	Non-current assets, Property, plant & equipment
Amount disbursed in the year:	ThUS\$ 9,943 (ThUS\$ 6,965 in 2010)
Committed amount for future years:	ThUS\$ 7,376
Estimated final date for disbursements:	May 2012

Project concept:

Cartulinas CMPC S.A., Papeles Cordillera S.A. and CMPC Tissue S.A. have primary and secondary treatment systems in their plants designed to remove from the effluent suspended solids such as fibers, organic fines and colloidal material. The purpose of these projects is to optimize the performance of these plants in order to ensure compliance with the applicable standards.

e) Company:	CMPC Celulosa S.A.
Project:	Lime furnace hydrogen burner
Accounting:	Non-current assets, Property, plant & equipment
Amount disbursed in the year:	Nil (ThUS\$ 3,689 in 2010)
Amount committed for future years:	Nil
Date of final disbursement:	December 2010

Project concept:

The hydrogen burner project is to end the blowing of hydrogen gas and reduce boiler oil consumption. Its principal measures are to cease discharging hydrogen gases into the air and to use them in the combustion of the boiler to thus generate a cleaner combustion as a result of the reduction in the use of oil.

All these projects that have cash flows committed are in the process of development at 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 THAT OCCURRED ON FEBRUARY 27, 2010

During 2010, the effects were booked of the damages caused by the earthquake and tsunami that hit the center-south of Chile on February 27, 2010, which damaged part of the Company's industrial installations. This situation negatively affected the production sold by CMPC, principally of wood, pulp and papers, deriving from the temporary stoppage of operations at its industrial plants, with a reduction in the production and sales volumes. This situation was reversed from the second quarter of that year, so that by December 31, 2010 all the affected plants were in full operation.

The effects of the damages caused by the earthquake and tsunami, both on its assets and those deriving from the stoppage of its operations, were included in Other gains (losses) in the income statement. The physical damages to property, plant and equipment and to inventories represented, as of the close of 2010, a net loss of ThUS\$ 49.7 million, which amount included write-offs and repair costs after deducting the indemnities received from the insurance companies.

Regarding the loss through stoppage of operations, the liquidation of these losses was practically concluded at the close of 2010.

As of the close of 2011, US\$ 139 million has been settled, which includes physical damages and stoppages.

NOTE 42 - SUBSEQUENT EVENTS TO THE DATE OF THE STATEMENT OF FINANCIAL POSITION

There were no events between the closing date and the presentation date of these financial statements that might significantly affect their interpretation.



SUBSIDIARIES OF CMPC

SUMMARISED AND CLASSIFIED BALANCE SHEETS

(Given in thousands of US dollars – ThUS\$)

	INVERSIONES CMPC S.A. & SUBSIDIARIES		FORESTAL MININCO S.A. & SUBSIDIARIES		CMPC CELULOSA S.A. & SUBSIDIARY		CMPC PAPELES S.A. & SUBSIDIARIES		CMPC TISSUE S.A. & SUBSIDIARIES		CMPC PRODUCTOS DE PAPEL S.A. & SUBSIDIARIES	
	2011 THUS\$	2010 THUS\$	2011 THUS\$	2010 THUS\$	2011 THUS\$	2010 THUS\$	2011 THUS\$	2010 THUS\$	2011 THUS\$	2010 THUS\$	2011 THUS\$	2010 THUS\$
ASSETS												
Total Current Assets	3,263,253	3,014,924	439,109	350,567	679,312	740,775	357,242	536,399	869,870	755,626	201,570	179,599
Property, plant & equipment	5,001,524	5,195,063	1,035,094	840,284	3,218,718	3,144,768	549,806	870,127	1,023,975	1,002,878	208,912	177,172
Biological assets	754,627	1,136,986	2,322,816	1,704,510	560,682	498,904	-	446,387	193,945	191,695	-	-
Intangible assets and others	907,118	930,270	49,451	60,216	51,610	35,076	180,245	148,434	240,495	215,545	37,605	40,152
Total Non-Current Assets	6,663,269	7,262,319	3,407,361	2,605,010	3,831,010	3,678,748	730,051	1,464,948	1,458,415	1,410,118	246,517	217,324
TOTAL ASSETS	9,926,522	10,277,243	3,846,470	2,955,577	4,510,322	4,419,523	1,087,293	2,001,347	2,328,285	2,165,744	448,087	396,923
NET EQUITY & LIABILITIES												
Total Current Liabilities	973,518	1,139,923	337,688	335,507	929,031	647,168	132,051	195,196	810,066	776,502	182,493	161,020
Total Non-current Liabilities	3,947,403	3,418,032	764,784	657,796	1,909,003	2,045,698	274,982	342,399	713,533	558,205	183,917	171,107
Equity attributable to the controlling company's equity holders	4,998,229	5,563,512	2,743,902	1,951,738	1,671,760	1,726,065	672,620	1,307,717	751,964	804,932	81,567	64,706
Minority interest	7,372	155,776	96	10,536	528	592	7,640	156,035	52,722	26,105	110	90
Total net equity	5,005,601	5,719,288	2,743,998	1,962,274	1,672,288	1,726,657	680,260	1,463,752	804,686	831,037	81,677	64,796
TOTAL NET EQUITY & LIABILITIES	9,926,522	10,277,243	3,846,470	2,955,577	4,510,322	4,419,523	1,087,293	2,001,347	2,328,285	2,165,744	448,087	396,923

SUMMARISED STATEMENT OF CHANGES IN NET EQUITY

(Given in thousands of US dollars – ThUS\$)

	INVERSIONES CMPC S.A. & SUBSIDIARIES		FORESTAL MININCO S.A. & SUBSIDIARIES		CMPC CELULOSA S.A. & SUBSIDIARY		CMPC PAPELES S.A. & SUBSIDIARIES		CMPC TISSUE S.A. & SUBSIDIARIES		CMPC PRODUCTOS DE PAPEL S.A. & SUBSIDIARIES	
	2011 THUS\$	2010 THUS\$	2011 THUS\$	2010 THUS\$	2011 THUS\$	2010 THUS\$	2011 THUS\$	2010 THUS\$	2011 THUS\$	2010 THUS\$	2011 THUS\$	2010 THUS\$
Equity capital, common stock	399,272	445,635	797,035	563,204	597,885	597,885	188,442	376,128	623,395	691,581	28,099	28,099
Conversion reserves	(235,463)	6,606	1,311	765	(58,468)	37,016	-	-	(107,270)	(156,262)	(90)	(310)
Hedging reserves	9,961	6,795	3,582	4,580	-	-	13,252	6,507	-	-	-	-
Other sundry reserves	(32,246)	(36,420)	113,383	113,383	-	-	1,573	10,076	-	-	-	-
Withheld income	4,856,705	5,140,896	1,828,591	1,269,806	1,132,343	1,091,164	469,353	915,006	235,839	269,613	53,558	36,917
Net equity attributable to the controller's net equity holders	4,998,229	5,563,512	2,743,902	1,951,738	1,671,760	1,726,065	672,620	1,307,717	751,964	804,932	81,567	64,706
Instrumentos de Patrimonio Neto de Controladora	7,372	155,776	96	10,536	528	592	7,640	156,035	52,722	26,105	110	90
TOTAL NET EQUITY	5,005,601	5,719,288	2,743,998	1,962,274	1,672,288	1,726,657	680,260	1,463,752	804,686	831,037	81,677	64,796

INMOBILIARIA PINARES S.A.		FORESTAL Y AGRICOLA MONTE AGUILA S.A.		PAPELES RIO VERGARA S.A.		SERVICIOS COMPARTIDOS CMPC S.A.		PORTUARIA CMPC S.A.		COOPERATIVA FORESTAL Y AGRICOLA EL PROBOSTE LTDA.		INVERSIONES CMPC CAYMAN LTD.	
2011 THUS\$	2010 THUS\$	2011 THUS\$	2010 THUS\$	2011 THUS\$	2010 THUS\$	2011 THUS\$	2010 THUS\$	2011 THUS\$	2010 THUS\$	2011 THUS\$	2010 THUS\$	2011 THUS\$	2010 THUS\$
1,535	1,534	11,680	12,974	79,921	-	9,917	8,530	918	1,082	505	1,429	335	349
203	203	77,284	77,585	145,230	-	11	11	102	107	1,347	1,369	-	-
-	-	168,336	150,595	-	-	-	-	-	-	17,498	16,615	-	-
3,507	3,459	6,206	7,975	3,075	-	227	469	1,835	1,997	-	-	497,649	497,653
3,710	3,662	251,826	236,155	148,305	-	238	480	1,937	2,104	18,845	17,984	497,649	497,653
5,245	5,196	263,506	249,129	228,226	-	10,155	9,010	2,855	3,186	19,350	19,413	497,984	498,002
871	666	23,423	32,241	14,344	-	7,175	6,848	498	694	161	116	897	791
2,387	2,646	81,740	84,003	27,017	-	2,818	2,672	871	950	2,864	3,426	-	-
1,987	1,884	158,343	132,885	186,865	-	162	(510)	1,486	1,542	16,325	15,871	497,087	497,211
-	-	-	-	-	-	-	-	-	-	-	-	-	-
1,987	1,884	158,343	132,885	186,865	-	162	(510)	1,486	1,542	16,325	15,871	497,087	497,211
5,245	5,196	263,506	249,129	228,226	-	10,155	9,010	2,855	3,186	19,350	19,413	497,984	498,002

INMOBILIARIA PINARES S.A.		FORESTAL Y AGRICOLA MONTE AGUILA S.A.		PAPELES RIO VERGARA S.A.		SERVICIOS COMPARTIDOS CMPC S.A.		PORTUARIA CMPC S.A.		COOPERATIVA FORESTAL Y AGRICOLA EL PROBOSTE LTDA.		INVERSIONES CMPC CAYMAN LTD.	
2011 THUS\$	2010 THUS\$	2011 THUS\$	2010 THUS\$	2011 THUS\$	2010 THUS\$	2011 THUS\$	2010 THUS\$	2011 THUS\$	2010 THUS\$	2011 THUS\$	2010 THUS\$	2011 THUS\$	2010 THUS\$
1,558	1,558	45,214	45,214	80,999	-	54	54	1,106	1,106	1,090	1,090	574,265	574,265
(38)	31	-	-	-	-	-	-	-	-	-	-	(6)	(6)
-	-	-	-	-	-	-	-	-	-	-	-	-	-
(191)	(128)	-	-	124,893	-	(4)	(4)	-	-	-	-	(46,933)	(46,933)
658	423	113,129	87,671	(19,027)	-	112	(560)	380	436	15,235	14,781	(30,239)	(30,115)
1,987	1,884	158,343	132,885	186,865	-	162	(510)	1,486	1,542	16,325	15,871	497,087	497,211
-	-	-	-	-	-	-	-	-	-	-	-	-	-
1,987	1,884	158,343	132,885	186,865	-	162	(510)	1,486	1,542	16,325	15,871	497,087	497,211

SUMMARISED STATEMENT OF COMPREHENSIVE INCOME BY FUNCTION

(Given in thousands of US dollars – ThUS\$)

	INVERSIONES CMPC S.A. & SUBSIDIARIES		FORESTAL MININCO S.A. & SUBSIDIARIES		CMPC CELULOSA S.A. & SUBSIDIARY		CMPC PAPELES S.A. & SUBSIDIARIES		CMPC TISSUE S.A. & SUBSIDIARIES		CMPC PRODUCTOS DE PAPEL S.A. & SUBSIDIARIES	
	2011 THUS\$	2010 THUS\$	2011 THUS\$	2010 THUS\$	2011 THUS\$	2010 THUS\$	2011 THUS\$	2010 THUS\$	2011 THUS\$	2010 THUS\$	2011 THUS\$	2010 THUS\$
Gross margin	1,093,343	1,126,635	67,667	42,176	431,614	547,754	163,141	155,191	426,262	359,770	60,494	62,290
Other income	(660,816)	(457,808)	(4,527)	(57,620)	(100,203)	(148,493)	(56,873)	(42,255)	(436,863)	(308,914)	(41,252)	(72,020)
Profit before tax	432,527	668,827	63,140	(15,444)	331,411	399,261	106,268	112,936	(10,601)	50,856	19,242	(9,730)
Income tax earnings (expense)	(98,616)	(85,458)	(20,470)	12,851	(70,906)	(76,998)	(27,066)	(11,412)	3,716	(7,367)	(2,580)	1,856
PROFIT	333,911	583,369	42,670	(2,593)	260,505	322,263	79,202	101,524	(6,885)	43,489	16,662	(7,874)
Profit attributable to majority interest	331,721	580,795	39,824	540	260,501	322,270	77,133	98,202	(4,094)	44,458	16,641	(7,870)
Profit attributable to minority interest	2,190	2,574	2,846	(3,133)	4	(7)	2,069	3,322	(2,791)	(969)	21	(4)
PROFIT	333,911	583,369	42,670	(2,593)	260,505	322,263	79,202	101,524	(6,885)	43,489	16,662	(7,874)
Statement of Other Comprehensive Income												
Profit	333,911	583,369	42,670	(2,593)	260,505	322,263	79,202	101,524	(6,885)	43,489	16,662	(7,874)
Total other earnings and expenses charged or credited to net equity	(228,392)	97,919	(1,025)	2,436	(95,484)	40,923	89	12,986	62,468	(49,627)	-	-
TOTAL INCOME FROM COMPREHENSIVE EARNINGS AND EXPENSES	105,519	681,288	41,645	(157)	165,021	363,186	79,291	114,510	55,583	(6,138)	16,662	(7,874)
Comprehensive earnings and expenses attributable to majority shareholders	103,329	678,714	38,799	2,976	165,017	363,193	77,222	111,188	58,374	(5,169)	16,641	(7,870)
Comprehensive earnings and expenses attributable to minority shareholders	2,190	2,574	2,846	(3,133)	4	(7)	2,069	3,322	(2,791)	(969)	21	(4)
TOTAL INCOME FROM COMPREHENSIVE EARNINGS AND EXPENSES	105,519	681,288	41,645	(157)	165,021	363,186	79,291	114,510	55,583	(6,138)	16,662	(7,874)

SUMMARISED CASH FLOW STATEMENT

(Given in thousands of US dollars – ThUS\$)

	INVERSIONES CMPC S.A. & SUBSIDIARIES		FORESTAL MININCO S.A. & SUBSIDIARIES		CMPC CELULOSA S.A. & SUBSIDIARY		CMPC PAPELES S.A. & SUBSIDIARIES		CMPC TISSUE S.A. & SUBSIDIARIES		CMPC PRODUCTOS DE PAPEL S.A. & SUBSIDIARIES	
	2011 THUS\$	2010 THUS\$	2011 THUS\$	2010 THUS\$	2011 THUS\$	2010 THUS\$	2011 THUS\$	2010 THUS\$	2011 THUS\$	2010 THUS\$	2011 THUS\$	2010 THUS\$
Cash flow by operations	659,582	672,558	101,246	105,705	455,378	578,577	137,443	129,232	64,709	(32,255)	5,502	(15,945)
Cash flow used in investment activities	(846,715)	(918,368)	(268,139)	(70,993)	(413,659)	(375,418)	(41,252)	(80,285)	(173,350)	(186,625)	(25,631)	(9,618)
Net cash flow from financing activities	242,786	(170,376)	166,758	(34,923)	(41,683)	(230,114)	(129,130)	(104,838)	101,628	212,360	20,184	25,197
NET INCREASE IN CASH & CASH EQUIVALENTS	55,653	(416,186)	(135)	(211)	36	(26,955)	(32,939)	(55,891)	(7,013)	(6,520)	55	(366)
Effects of exchange rate variations on cash and cash equivalents	(15,596)	46,126	(129)	40	(3,188)	395	297	4,087	171	1,017	44	240
Cash & cash equivalents, initial balance	363,043	733,103	1,182	1,353	8,261	34,821	33,459	85,263	26,035	31,538	919	1,045
CASH & CASH EQUIVALENTS, FINAL BALANCE	403,100	363,043	918	1,182	5,109	8,261	817	33,459	19,193	26,035	1,018	919

INMOBILIARIA PINARES S.A.		FORESTAL Y AGRICOLA MONTE AGUILA S.A.		PAPELES RIO VERGARA S.A.		SERVICIOS COMPARTIDOS CMPC S.A.		PORTUARIA CMPC S.A.		COOPERATIVA FORESTAL Y AGRICOLA EL PROBOSTE LTDA.		INVERSIONES CMPC CAYMAN LTD.	
2011 THUS\$	2010 THUS\$	2011 THUS\$	2010 THUS\$	2011 THUS\$	2010 THUS\$	2011 THUS\$	2010 THUS\$	2011 THUS\$	2010 THUS\$	2011 THUS\$	2010 THUS\$	2011 THUS\$	2010 THUS\$
-	-	(1,448)	(1,623)	13,835	-	43,535	(920)	646	543	(293)	1	-	-
308	(294)	32,807	13,871	(9,051)	-	(42,695)	(153)	(746)	(573)	777	(816)	(124)	(72)
308	(294)	31,359	12,248	4,784	-	840	(1,073)	(100)	(30)	484	(815)	(124)	(72)
(73)	33	(5,901)	(1,473)	(23,811)	-	(168)	182	45	(12)	(29)	89	-	-
235	(261)	25,458	10,775	(19,027)	-	672	(891)	(55)	(42)	455	(726)	(124)	(72)
235	(261)	25,458	10,775	(19,027)	-	672	(891)	(55)	(42)	455	(726)	(124)	(72)
-	-	-	-	-	-	-	-	-	-	-	-	-	-
235	(261)	25,458	10,775	(19,027)	-	672	(891)	(55)	(42)	455	(726)	(124)	(72)
235	(261)	25,458	10,775	(19,027)	-	672	(891)	(55)	(42)	455	(726)	(124)	(72)
(132)	40	-	-	-	-	-	-	-	-	-	-	-	-
103	(221)	25,458	10,775	(19,027)	-	672	(891)	(55)	(42)	455	(726)	(124)	(72)
103	(221)	25,458	10,775	(19,027)	-	672	(891)	(55)	(42)	455	(726)	(124)	(72)
-	-	-	-	-	-	-	-	-	-	-	-	-	-
103	(221)	25,458	10,775	(19,027)	-	672	(891)	(55)	(42)	455	(726)	(124)	(72)

INMOBILIARIA PINARES S.A.		FORESTAL Y AGRICOLA MONTE AGUILA S.A.		PAPELES RIO VERGARA S.A.		SERVICIOS COMPARTIDOS CMPC S.A.		PORTUARIA CMPC S.A.		COOPERATIVA FORESTAL Y AGRICOLA EL PROBOSTE LTDA.		INVERSIONES CMPC CAYMAN LTD.	
2011 THUS\$	2010 THUS\$	2011 THUS\$	2010 THUS\$	2011 THUS\$	2010 THUS\$	2011 THUS\$	2010 THUS\$	2011 THUS\$	2010 THUS\$	2011 THUS\$	2010 THUS\$	2011 THUS\$	2010 THUS\$
(46)	(3)	9,589	(698)	8,061	0	733	2,087	(146)	(35)	602	4	(15)	(11)
1	3	(3,638)	(2,838)	(39,593)	0	0	(230)	147	42	(244)	(242)	(3)	(10)
45	0	(5,951)	3,535	31,600	-	(738)	(1,861)	0	0	(354)	238	3	10
-	-	-	(1)	68	-	(5)	(4)	1	7	4	-	(15)	(11)
-	-	-	-	(23)	-	-	-	(2)	-	(5)	-	-	-
-	-	-	1	-	-	5	9	8	1	30	30	236	247
-	-	-	-	45	-	-	5	7	8	29	30	221	236

COMPANY NAME & LEGAL STATUS	CORPORATE PURPOSE	LIMITED COMPANIES GENERAL INFORMATION
FORESTAL MININCO S.A.	Forestation and reforestation on own and other lands; the purchase and sale of lands, forests, wood, seeds, plants and other related products; sale, export and import of wood products or wood by products; provision of forestry, administrative and other services.	Closed held corporation established by public deed dated 22 July 1949 and issued by the Valparaíso notary public Mr Ernesto Cuadra M., amended by extended public deed issued on 20 September 1949 by the same notary public. Authorised by Treasury Decree N°8044, dated 20 October 1949. Taxpayer code N° 91.440.000-7
CMPC CELULOSA S.A.	Production, sale, import and export of pulp, paper and their by-products in any of their forms, 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.	Closed held corporation established by public deed dated 31 March 1988 and issued by the Santiago notary public Mr Enrique Morgan T., called "Celulosa del Pacífico S.A." On 31 December 1988, at the company General Extraordinary Shareholders' Meeting it was agreed to change its name to "CMPC Celulosa S.A." Taxpayer code N°96.532.330-9
CMPC PAPELES S.A.	Production, import, export and in general sale of paper in its various forms.	Closed held corporation established by public deed dated 20 April 1988 by the Santiago notary public Mr Enrique Morgan T. An excerpt was published in the Official Gazette on 4 May 1988 under the name of CMPC Capital de Riesgo S.A. On 7 July 1988, the minutes of the company General Extraordinary Shareholders' Meeting were registered in a public deed by the notary public Mr Raúl Perry P. At this meeting, it was agreed to change its name to "CMPC Papeles S.A." An excerpt of such public deed was published in the Official Gazette on 14 July 1998. Taxpayer code N°79.818.600-0
CMPC TISSUE S.A.	Manufacture and/or conversion of sanitary products, paper towels, napkins, handkerchiefs and facial towels, and other manufactured or semi-manufactured tissue products or similar. The purchase and sale, import, export, shipping, distribution, representation and sales, either on the company's behalf and for third parties of the above-mentioned products, as well as spare parts, raw materials and manufacturing material. Manufacture, production, transformation and sale, in any way, of pulp and its by-products.	Closely held corporation established by public deed dated 24 February 1988 issued by the Santiago notary public Mr Sergio Rodríguez G. under the name of "Forestal Industrial Santa Fe S.A." On 6 January 1998, the seventh General Extraordinary Shareholders' Meeting of the company agreed to change its name to "CMPC Tissue S.A.," which was registered in a public deed on 27 January 1998 by the Santiago notary public Mr Raúl Perry P. Taxpayer code N°96.529.310-8
CMPC PRODUCTOS DE PAPEL S.A.	Production and sale of the various forms of paper products and their by-products.	Closely held corporation established by public deed dated 18 May 1995 issued by the Santiago notary public Mr Raúl Perry P. Taxpayer Code N°96.757.710-3

EQUITY THUS\$	PROFIT (LOSS) THUS\$	DIRECT & INDIRECT SHARE	GENERAL MANAGER	BOARD OF DIRECTORS	
2,743,902	39,824	100.00%	Francisco Ruiz-Tagle Edwards	Chairman Vice-Chairman Directors	Jorge Matte Capdevilla Hernán Rodríguez Wilson (2) Leonidas Montes Lira Jorge Bernardo Larrain Matte José Ignacio Letamendi Arregui Gonzalo García Balmaceda (3) Bernardo Matte Larrain (1)
1,671,760	260,501	100.00%	Washington Williamson Benaprés	Chairman Vice-Chairman Directors	Bernardo Matte Larrain (1) Hernán Rodríguez Wilson (2) Jorge Matte Capdevila Andrés Echeverría Salas Gonzalo García Balmaceda (3) Sergio Hernán Colvin Truco (3) Arturo Mackenna Iñiguez (1)
672,620	77,133	100.00%	Eduardo Serrano Spoerer	Chairman Vice-Chairman Directors	Martín Costabal Llona (1) Hernán Rodríguez Wilson (2) Eliodoro Matte Capdevilla Andrés Echeverría Salas Sergio Colvin Trucco (3) Luis Llanos Collado (3) Bernardo Matte Larrain (1)
751,964	(4,094)	100.00%	Jorge Morel Bulicic	Chairman Vice-Chairman Directors	Arturo Mackenna Iñiguez (1) Hernán Rodríguez Wilson (2) Bernardo Matte Izquierdo Jorge Hurtado Garretón Bernardo Larrain Matte Gonzalo García Balmaceda (3) Jorge Matte Capdevilla
81,567	16,641	100.00%	Jorge Navarrete García	Chairman Vice-Chairman Directors	Juan Carlos Eyzaguirre Echenique Hernán Rodríguez Wilson (2) Eliodoro Matte Capdevilla Bernardo Matte Izquierdo Andrés Infante Tirado Martín Costabal Llona (1) Luis Llanos Collado (3)

COMPANY NAME & LEGAL STATUS	CORPORATE PURPOSE	LIMITED COMPANIES GENERAL INFORMATION
SERVICIOS COMPARTIDOS CMPC S.A.	Paid services provided in the following areas: administrative, tax, payments to third parties, accounting, computer systems, data processing, IT, data communication and telephony, human resources and procurement of raw materials and physical goods in general, and all those services that are necessary to carry out the industrial and commercial activities of CMPC S.A. and its subsidiaries, associated and related companies.	Closely held corporation established by public deed dated 17 October 1995 issued by the Santiago notary public Mr Raúl Perry P. under the name of Abastecimientos CMPC S.A. On 5 September 2005, the first General Extraordinary Shareholders' Meeting agreed to change its name to "Servicios Compartidos CMPC S.A.," which was registered in a public deed on 4 October 2005 by the alternate notary public Mr Pablo R. Poblete Saavedra and was registered in the Santiago Commerce Registry on sheet 37690, N°26864. Taxpayer code N°96.768.750-2
PAPELES CORDILLERA S.A.	Production, export, import and sale of paper or paper-based products and their by-products, forestry operations in any form and the investment of resources in companies related to any of the above-mentioned lines of business.	Closely held corporation established by public deed dated 9 March 1998 and issued by the Santiago notary public Mr Gonzalo de la Cuadra F., registered in the Commerce Registry on 13 March 1998 on sheet 5993, N°4812 Taxpayer code N°96.853.150-6
CARTULINAS CMPC S.A.	Production, export, import and in general sale of paper in its variety of forms and its by-products, forestry operations, forestry, acquisition or transfer in any way of agricultural products and sale of wood; for which it may carry out all acts, make all the investments or do all business and enter into all contracts that are necessary.	Closely held corporation established by public deed dated 27 April 1995 and issued by the Santiago notary public Mr Raúl Perry P. An excerpt was published in the Official Gazette on 16 May 1995 and registered in the Commerce Registry of Puente Alto on 22 May 1995 on sheet 41, N° 41 under the name of "CMPC PAPELES S.A.". On 24 June 1998, it was registered in a public deed by the same notary public. The General Extraordinary Shareholders' Meeting agreed to change its name to CARTULINAS CMPC S.A." An excerpt of such deed was published in the Official Gazette on 30 June 1998. At the Fourth General Extraordinary Shareholders' Meeting it was agreed to extend the scope of the line of business; the latter was registered in a public deed by the Santiago notary public Mr Iván Torrealba A. An excerpt of such public deed was published in the Official Gazette on 10 October 2003, Taxpayer code N°96.731.890-6
PAPELES RÍO VERGARA S.A.	The production of pulp and/or chemical, semi-chemical and mechanical pastes, and the manufacture of paper and cardboard. The exercise of any agricultural, forestry, livestock, industrial or commercial activity whose aim is the reforestation, stewardship and forestry; the sawmilling, re-sawmilling and production of wood, and generally the industrialisation and sale of wood. The development of livestock to complement forestry.	Closely held corporation established by public deed dated 6 June 2011 and issued by the Santiago notary public Mr Raúl Perry Pefaur. It was registered in the Commerce Registry of the Real Estate Registrar in 2011, on sheet 31.062, N°23.217. Taxpayer code N°76.150.883-0.

EQUITY THUS\$	PROFIT (LOSS) THUS\$	DIRECT & INDIRECT SHARE	GENERAL MANAGER	BOARD OF DIRECTORS	
162	672	100.00%	Jorge Araya Díaz	Chairman Directors	Luis Llanos Collado (3) Jorge Navarrete García (3) Eduardo Serrano Spoerer (3) Washington Williamson Benaprés (3) Jorge Morel Bulicic (3) Francisco Ruiz-Tagle Edwards (3)
146,610	21,815	100.00%	Edgar González Tatlock	Chairman Directors	Eduardo Serrano Spoerer (3) Hernán Rodríguez Wilson (2) Gonzalo García Balmaceda (3) Andrés Infante Tirado Luis Llanos Collado (3)
450,396	65,670	100.00%	Christian Lueg Thiers	Chairman Directors	Eduardo Serrano Spoerer (3) Hernán Rodríguez Wilson (2) Gonzalo García Balmaceda (3) Washington Williamson Benaprés (3) Luis Llanos Collado (3)
186,865	(19,027)	100.00%	Andrés Larraín Marchant	Chairman Directors	Eduardo Serrano Spoerer (3) Hernán Rodríguez Wilson (2) Gonzalo García Balmaceda (3) Luis Llanos Collado (3) Octavio Marfán Reyes (3)

COMPANY NAME & LEGAL STATUS	CORPORATE PURPOSE	LIMITED COMPANIES GENERAL INFORMATION
CMPC MADERAS S.A.	Development of the sawmill industry, sale, export and import of forestry products, and it can also carry out any forest-related operation; rendering of forestry and administrative services and others like: give, take and deliver in lease or sub-lease all kinds of goods, be these real estate or goods and chattels.	Closely held corporation established by public deed dated 28 October 1983 and issued by the Santiago notary public Mr Enrique Morgan T. On 27 November 2011, the Extraordinary Shareholders' Meeting of the company agreed to change its name to "CMPC Maderas S.A.," which was registered in a public deed by the same notary public. An excerpt of such deed was published in the Official Gazette on 2 December 2000. Taxpayer code N°95.304.000-K
INVERSIONES CMPC S.A.	Investment in Chile and abroad of all kinds of tangible and intangible assets, and particularly its participation as a shareholder in any kind of company, and investment in real estate in the country or abroad.	Closely held corporation established by public deed dated 2 January 1991 and issued by the Santiago notary public Mr Rubén Galecio G. Taxpayer code N°96.596.540-8
PORTUARIA CMPC S.A.	Management of logistic chains of forestry products or of any other product, including cargo transportation by any type of transportation means, its loading and unloading and its storage in warehouses and port facilities. The company may act as a loading agent, operate as an agent of domestic and foreign vessels, and operate ports, develop the ground and ocean freight business, both coastal trade and export and import.	Closely held corporation established by public deed dated 28 October 1976 and issued by the Santiago notary public Mr Patricio Zaldívar M., as a limited partnership called Muellaje San Vicente Ltda. It became a closely held corporation by a public deed dated 8 November 1993 issued by the Santiago notary public Mr Raúl Perry P. On 4 July 2000, the fourth Extraordinary Shareholders' Meeting of the company agreed to change its name to "Portuaria CMPC S.A.," and it was registered in a public deed by the same notary public. Taxpayer code N°84.552.500-5.
INVERSIONES PROTISA S.A.	Make all kinds of investments, particularly the purchase and sale of shares or credit instruments, perform operations in the financial market and apply its resources to all types of financial businesses inherent to its line of business.	Closely held corporation established by public deed dated 4 March 1998 and issued by the Santiago notary public Mr Gonzalo de la Cuadra F. Taxpayer code N°96.850.760-5.
EMPRESA DISTRIBUIDORA DE PAPELES Y CARTONES S.A. EDIPAC	Buy, sell, ship, market and distribute, either on its own behalf or for third parties, paper, cardboard and other by-products of pulp and paper.	Closely held corporation established by public deed dated 24 December 1981 and issued by the Santiago notary public Mr Jorge Zañartu S. Taxpayer code N°88.566.900-K.
SOCIEDAD RECUPERADORA DE PAPEL S.A. SOREPA	Paper and cardboard recovery and the purchase and sale of new or used paper.	Closely held corporation established by public deed dated 1 October 1979 and issued by the Santiago notary public Mr Patricio Zaldívar M. Taxpayer code N°86.359.300-K.

EQUITY THUS\$	PROFIT (LOSS) THUS\$	DIRECT & INDIRECT SHARE	GENERAL MANAGER	BOARD OF DIRECTORS	
95,988	20,655	97.51%	Hernán Fournies Latorre	Chairman Directors	Francisco Ruiz-Tagle Edwards (3) Andrés Larraín Marchant (3) Jorge Araya Díaz (3) Gonzalo García Balmaceda (3) Fernando Raga Castellanos (3)
4,998,229	331,721	100.00%	Luis Llanos Collado	Chairman Directors	Hernán Rodríguez Wilson (2) Ricardo Hetz Vorpahl (3) Andrés Larraín Marchant (3) Jorge Araya Díaz (3) Rafael Cox Montt (3)
1,487	(55)	100.00%	Felipe Eguiguren Eyzaguirre	Chairman Directors	Hernán Fournies Latorre (3) Andrés Larraín Marchant (3) Guillermo Mullins Lagos (3)
479,219	(656)	100.00%	Alfredos Bustos Azócar	Chairman Directors	Jorge Morel Bulicic (3) Luis Llanos Collado (3) Rafael Cox Montt (3)
5,346	3,695	100.00%	Nicolás Moreno López	Chairman Directors	Eduardo Serrano Spoerer (3) Edgar Gonzalez Tatlock (3) Cristian Lueg Thiers (3) Fernando Hasenberg Larios (3) Octavio Marfán Reyes (3)
14,340	76	100.00%	Juan Pablo Pumarino Bravo	Chairman Directors	Eduardo Serrano Spoerer (3) Eduardo Huidobro Navarrete (3) Alfredo Bustos Azócar (3) Carlos Hirigoyen García(3) Sergio Balharry Reyes (3) Edgar González Tatlock (3)

COMPANY NAME & LEGAL STATUS	CORPORATE PURPOSE	LIMITED COMPANIES GENERAL INFORMATION
ENVASES IMPRESOS S.A.	Production of printed and stamped corrugated cardboard packaging.	Closely held corporation established by public deed dated 25 October 1993 and issued by the Santiago notary public Mr Raúl Perry P. Taxpayer code N°89.201.400-0.
FORSAC S.A.	Production of paper products and packaging and wrapping materials and for other purposes, and paper articles, such as the purchase and sale, import or export of such products and similar.	Closely held corporation established by public deed dated 4 October 1989 and issued by the Santiago notary public Mr Aliro Veloso M. with the name of Forestal Angol Ltda. By means of a public deed dated 3 April 1998, and issued by the Santiago notary public Mr Jaime Morandé O., the company name and line of business were changed to Papeles Angol S.A. On 5 May 1998, after absorbing Propa S.A., the first General Extraordinary Shareholders' Meeting, agreed to change the name of the company from "Papeles Angol S.A." to "PROPA S.A." Taxpayer Code N°79.943.600-0. In the fifth Extraordinary Shareholder's Meeting of PROPA S.A., held on 21 January 2010, it was agreed to change the company name to "FORSAC S.A.," established by a public deed dated 10 March 2010 and issued by the Santiago notary public Mr Raúl Ivan Perry Pefaur.
CHILENA DE MOLDEADOS S.A. CHIMOLSA	Manufacture and wholesale and retail sale of export fruit trays, egg trays and cartons and other products; in general, moulded packaging of different types, sizes and styles; the import and export, purchase and sale of these same products.	Closely held corporation established by public deed dated 31 March 1976, issued by the Santiago notary public Mr Enrique Zaldívar D. Taxpayer code N°93.658.000-9
ENVASES ROBLE ALTO S.A.	Production of printed and stamped corrugated cardboard packaging.	Closely held corporation established by public deed dated 5 August 1994 and issued by the Santiago notary public Mr Enrique Troncoso F. An excerpt of such deed was registered on sheet 18231 N°14956 of the Commerce Registry of the Santiago Real Estate Registrar in 1994. The company name was changed to Envases Roble Alto Ltda. by a public deed dated 21 August 2001, issued by the Santiago notary public Mr Raúl Perry P. On 2 January 2004, it became a closely held corporation established by a public deed issued by the Santiago notary public Mr Iván Torrealba A.; an excerpt was registered on sheet 2871, N°2236 in the Commerce Registry of the Santiago Real Estate Registrar with the company name Envases Roble Alto S.A. Taxpayer code N°78.549.280-3

EQUITY THUS\$	PROFIT (LOSS) THUS\$	DIRECT & INDIRECT SHARE	GENERAL MANAGER	BOARD OF DIRECTORS	
13,086	5,147	100.00%	Joaquín Matte Díaz	Chairman Directors	Jorge Navarrete García (3) Gonzalo García Balmaceda (3) Jorge Araya Díaz (3) Victor Muñoz Castillo (3) Fernando Hasenberg Larios (3)
28,214	2,372	100.00%	Luis Alberto Salinas Cormatches	Chairman Directors	Jorge Navarrete García (3) Jorge Araya Díaz (3) Gonzalo García Balmaceda (3) VÍCTOR MUÑOZ CASTILLO (3) Eckart Eitner Delgado (3)
18,380	3,863	100.00%	Jorge Urra Acosta	Chairman Vice-Chairman Directors	Jorge Navarrete García (3) Jorge Araya Díaz (3) Victor Muñoz Castillo (3) Oscar Carrasco Larrazábal (3) Fernando Hasenberg Larios (3)
36,569	9,339	100.00%	Gastón Hevia Alzérreca	Chairman Directors	Jorge Navarrete García(3) Jorge Araya Díaz (3) Fernando Hasenberg Larios (3) Gonzalo García Balmaceda (3) Victor Muñoz Castillo (3)

COMPANY NAME & LEGAL STATUS	CORPORATE PURPOSE	LIMITED COMPANIES GENERAL INFORMATION
INMOBILIARIA PINARES S.A.	Purchase of land, its subdivision, plotting and urbanisation; construction of low-income housing on its own behalf or for third parties, and the disposal of this property.	Closely held corporation established as a limited partnership by public deed dated 29 April 1990 and issued by the Concepción notary public Mr Humberto Faúndez R. It became a closely held corporation by public deed dated 20 December 2000 and issued by the Concepción acting notary public Mr Waldo Otarola A., and an excerpt was registered on 24 January 2001. Taxpayer code N°78.000.190-9.
FORESTAL Y AGRÍCOLA MONTE AGUILA S.A.	Forestry and agricultural development of the real estate it owns, acquires, holds or develops in any way by undertaking agricultural, livestock or forestry works, and other activities that are directly or indirectly related to its corporate purpose; and the marketing and/or development in any way of products or by-products obtained from forestry and agricultural operations and from services rendered to third parties related to the company's line of business.	Closely held corporation established by public deed dated 11 October 1985 and issued by the Santiago notary public Mr Andrés Rubio F. under the name of Forestal Colcura S.A. On 3 December 1992, the Extraordinary Shareholders' Meeting of the Company agreed to change its name to Forestal y Agrícola Monte Águila S.A., which was registered in a public deed on that same date by the Santiago notary public Mr Sergio Rodríguez G. Taxpayer code N°96.500.110-7
COOPERATIVA AGRICOLA Y FORESTAL EL PROBOSTE LTDA.	Undertake, on behalf of its associates, the administration, management and maintenance of the Proboste and Galumavida estates located at Empedrado and Chanco in Constitución, particularly regarding tasks of looking after and forestation of, pine forests or other forestry species located on those lands.	Limited partnership authorised by Supreme Decree N°971, dated 17 October 1958, issued by the Ministry of Agriculture. The articles of association in force since 28 April 1990 were modified and approved at a General Partners' Meeting, and its minutes registered in a public deed on 6 April 2004 by the Santiago notary public Mr René Benavente Cash. An excerpt of such deed was registered in the Commerce Registry of the Real Estate Registrar in 2004, and published in the Official Gazette on 17 April 2004. The Department of Cooperatives of the Ministry of Economy, Development and Construction issued certificate N°529, dated 31 March 2004, which left on record the minutes of the establishment General Meeting, as well as the minutes modifying the articles of association. Taxpayer code N°70.029.300-9

EQUITY THUS\$	PROFIT (LOSS) THUS\$	DIRECT & INDIRECT SHARE	GENERAL MANAGER	BOARD OF DIRECTORS	
1,987	235	100.00%	Fernando Hasenberg Larios	Chairman Directors	Jorge Araya Díaz (3) Luis Llanos Collado (3) Rafael Cox Montt (3)
158,343	25,458	99.75%	Fernando Raga Castellanos	Chairman Directors	Francisco Ruiz-Tagle Edwards (3) Luis Llanos Collado (3) Jorge Araya Díaz (3) Félix Contreras Soto (3) Fernando Raga Castellanos
16,325	454	72.70%	Victor Fuentes Palma	Advisors	Hernán Fournies Latorre (3) Patricio Javier Santibáñez Carmona (3) Héctor Morales Torres Pablo Sufán González (3) Cristián Rodríguez Velasco

COMPANY NAME & LEGAL STATUS	CORPORATE PURPOSE	LIMITED COMPANIES GENERAL INFORMATION
INVERSIONES CMPC CAYMAN LTD. (Islas Caymán)	Carry out all types of trading and financial investments, and in particular, its participation as a shareholder in any kind of company.	Company established pursuant to the laws of the Cayman Islands, according to registry N°77890, dated 21 November 1997, in the Corporate Registry of the Cayman Islands.
CMPC INVERSIONES DE ARGENTINA S.A. (Argentina)	Financial activities on its own behalf or for third parties, or related to third parties.	Closely held corporation established by a public deed dated 29 June 1992, Argentina. Taxpayer code N°30-65451689-4
LA PAPELERA DEL PLATA S.A. (Argentina)	Manufacture, industrialisation and marketing of all types of paper, cardboard, cartonboard, products and by-products thereof in all their types and shapes. Forestry and wood development, industrialisation and marketing of its products.	Limited company approved by the Executive of the Province of Buenos Aires on 2 September 1929, Argentina. Taxpayer code N°30-50103667-2
PRODUCTOS TISSUE DEL PERU S.A. (Perú)	Manufacture, industrialisation and marketing of all types of paper, cardboard, cartonboard, products and by-products thereof in all their types and shapes; purchase, sale, import, export, transfer, shipping, fractioning, packaging, distribution and in general any form of marketing of such products. Consultancy, advice and rendering of senior management, management and administration services.	Closely held corporation established by public deed dated 21 July 1995 and issued by the notary public Mr Gustavo Correa M., Lima, Peru. This gave rise to the division of the equity of Forsac Perú S.A., as set forth in the minutes dated 1 October 2002. Taxpayer code N°20266352337
NASCHEL S.A. (Argentina)	Printing of paper reels, polyethylene and polypropylene.	Limited company. The articles of association were approved by decree of the National Executive on 24 November 1955 granting body corporate status, and registered in a public deed dated 23 January 1956 by the notary public Mr Weinich S. Waisman, Buenos Aires, Argentina. Its subsequent modification due to corporate breakup and capital reduction was registered by means of a public deed dated 2 January 1996, issued by the notary public Mr Raúl Félix Vega O., Buenos Aires, Argentina. Taxpayer code N°30-50164543-1
FABI BOLSAS INDUSTRIALES S.A. (Argentina)	Manufacture of paper and cardboard bags.	Limited company established by public deed dated 2 January 1996 and issued by the notary public Mr Raúl Félix Vega O., Buenos Aires, Argentina.
INDUSTRIA PAPELERA URUGUAYA S.A. IPUSA - Uruguay	Manufacture, industrialisation and marketing in all forms of paper and its by-products, as well as those related to the graphic arts.	Closely held corporation established by public deed dated 14 January 1937, in Montevideo, Uruguay. Its articles of association were approved on 29 April 1937 by the Executive, and were registered in the Contracts Registry on 14 May 1937. Taxpayer Code N°210066450012

EQUITY THUS\$	PROFIT (LOSS) THUS\$	DIRECT & INDIRECT SHARE	GENERAL MANAGER	BOARD OF DIRECTORS	
497,087	(124)	100.00%	Fernando Hasenberg Larios	Chairman Directors	Luis Llanos Collado (3) Jorge Araya Díaz (3) Rafael Cox Montt (3)
83,893	(3,351)	100.00%	Alejandro Nash Sarquis	Chairman Directors	Alejandro Nash Sarquis (3) Jorge Morel Bulicic (3) Jorge Luis Pérez Alati Manuel María Benites Galarraga
161,736	(4,893)	99.99%	Alejandro Nash Sarquis	Chairman Vice-Chairman Directors	Jorge Luis Pérez Alati Jorge Morel Bulicic (3) Alejandro Nash Sarquis (3) Jorge Schurmann Martirena (3) Juan La Selva (3)
92,932	11,002	100.00%	Salvador Calvo Pérez Badiola	Chairman Directors	Jorge Morel Bulicic (3) Alfredo Bustos Azócar (3) José Ludowieg Echeopar
1,144	(256)	100.00%	Alejandro Nash Sarquis	Chairman Directors	Alejandro Nash Sarquis (3) Alfredo Bustos Azócar (3) Jorge Luis Pérez Alati Jorge Schurmann Martirena (3)
16,706	(152)	100.00%	Adrian Saj	Chairman Directors	Alejandro Nash Sarquis (3) Jorge Navarrete García (3) Jorge Schurmann Martirena (3) Jorge Luis Pérez Alati Luis Alberto Salinas Cormatches (3)
33,899	1,604	99.61%	Ricardo Pereiras Formigo	Chairman Directors	Alejandro Nash Sarquis (3) Jorge Morel Bulicic (3) Carlos Hirigoyen García (3) Alfredo Bustos Azócar (3)

COMPANY NAME & LEGAL STATUS	CORPORATE PURPOSE	LIMITED COMPANIES GENERAL INFORMATION
COMPAÑÍA PRIMUS DEL URUGUAY S.A. (Uruguay)	Leasing of real estate.	Closely held corporation established by public deed dated 28 April 1932, in Montevideo, Uruguay. Its articles of association were approved on 13 September 1932 by the Executive. Taxpayer code N°210002340011
CELULOSAS DEL URUGUAY S.A (Uruguay)	Forestation and livestock.	Closely held corporation. The articles of association were approved and registered in the DGI (equivalent to the IRS) on 3 February 1960. On 10 June 1960, the company was registered in the Public and General Commerce Registry. Taxpayer code N°210154540013
FORSAC PERU S.A. (Perú)	Manufacture and manufacturing services of multiwall paper sacks.	Limited company, established by public deed dated 5 June 1996, issued by the notary public Mr Gustavo Correa M., Lima, Peru, under the name of Fabi Perú S.A. Such company was merged with Forsac Perú S.A., and the latter absorbed, with the name of Fabi Perú S.A. being changed to "Forsac Perú S.A." This merger was registered by public deed dated 1 December 2000 and issued by the notary public Mr Gustavo Correa M., Lima, Peru. This gave rise to the division of the equity of Forsac Perú S.A., as set forth in the minutes of 1 October 2002.
FORSAC MÉXICO S.A. DE C.V.	Buy, sell, produce and market goods and products, including those related to the paper industry, wood and other products of the forestry industry.	Trading company established on 10 January 2008 pursuant to Mexican law.
FORESTAL BOSQUES DEL PLATA S.A (Argentina)	Forestry, agriculture and livestock development of the real estate it owns. Buy and sell urban or rural real estate. Industrial development of wood and its sawn pieces, merchandising and conservation.	Closely held corporation established by public deed dated 30 August 1993 and registered in the General Department of Justice on 23 September 1993 under the name of Proyectos Australes S.A. It changed its name to Forestal Bosques del Plata S.A. by decision of the General Extraordinary Shareholders' Meeting held on 2 January 2001, registered in a public deed dated 9 May 2001, registered in the General Department of Justice on 22 May 2001, Argentina.
FORESTAL TIMBAUVA S.A (Argentina)	Financial and investment activities on its own behalf or for third parties, or those related to third parties.	Limited company established by public deed dated 5 August 2011 and registered in the General Department of Justice on 17 August 2011. Taxpayer code N°: being processed by the AFIP.

EQUITY THUS\$	PROFIT (LOSS) THUS\$	DIRECT & INDIRECT SHARE	GENERAL MANAGER	BOARD OF DIRECTORS	
202	10	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)
13,783	1,262	100.00%	Eduardo Nicolás Patow Nerny	Chairman Vice-Chairman Directors	Jorge Navarrete García (3) Luis Alberto Salinas Cormatches (3) José Ludowieg Eche copar Eduardo Nicolás Patow Nerny (3)
21,828	(912)	100.00%	Ernesto Villegas Sánchez	Chairman Directors	Luis Alberto Salinas Cormatches (3) Jorge Navarrete García (3) Cristian Barrera Almazán (3)
132,320	(141)	100.00%	Sergio Álvarez Gutiérrez	Chairman Vice-Chairman Directors	Alejandro Nash Sarquis (3) Francisco Ruiz-Tagle Edwards (3) Jorge Schurmann Martirena (3) Fernando Raga Castellanos (3) Sergio Álvarez Gutiérrez (3)
176,828	(896)	100.00%	Sergio Álvarez Gutiérrez	Chairman Vice-Chairman Directors	Alejandro Nash Sarquis (3) Francisco Ruiz-Tagle Edwards (3) Jorge Schurmann Martirena (3) Fernando Raga Castellanos (3) Sergio Álvarez Gutiérrez (3)

COMPANY NAME & LEGAL STATUS	CORPORATE PURPOSE	LIMITED COMPANIES GENERAL INFORMATION
PAPELERA DEL RIMAC S.A. (Perú)	Manufacture, industrialisation and production of all types of paper, cardboard, cartonboard, products and by-products thereof, in all their types and forms.	Limited company established by public deed dated 31 December 1996, and issued by the notary public Mr Gustavo Correa M. Lima, Peru. Taxpayer code N° 20337537309
GRUPO ABS INTERNACIONAL S.A. DE C.V. (México)	Participate in the establishment of or investment in other trade or civil companies, either domestic or foreign. The purchase, import, export and marketing of all kinds of raw materials, parts and components to meet its corporate purpose.	Limited company with variable capital, established by public deed dated 31 October 1997 under policy N°1.802 by public broker N°19 Mr Javier Lozano Medina (Notary Public) in the city of Monterrey, Nuevo León, Mexico. RFC.- GAI971031RD7
ABSORMEX S.A. DE C.V. (México)	Manufacture of absorbent sanitary products. The purchase, sale, import and export of all types of equipment and materials related to its line of business. Representation in Mexico or abroad as an agent, commission agent, intermediary, factor, representative and broker or agent of all kinds of companies or people.	Limited company with variable capital established by public deed dated 19 November 1981 under policy N°3.532 issued by notary public N°25 Mr Mario Leija Arzave, in the city of Monterrey, Nuevo León, Mexico. The change from a limited company to a limited company with variable capital was registered in public deed N°1.582 dated 12 May 1982, issued by notary public N°13 Mr Abelardo Benito Ruiz de León. RFC.- ABS811125L52
CONVERTIDORA DE PRODUCTOS HIGIENICOS S.A. DE C.V. (México)	Manufacture of all kinds of sanitary products and the import, export and sale of all kinds of products, on its own behalf or for third parties.	Limited company with variable capital established by public deed dated 1 December 1992 under policy N°4.131 by notary public N°55 Mr Fernando Treviño Lozano in the city of Monterrey, Nuevo León, Mexico. RFC. CPH921201LE6
ABSORMEX CMPC TISSUE S.A. DE C.V. (México)	Manufacture, conversion, export and marketing of sanitary products. Import, export and market any kinds of raw materials, parts and components needed to meet its corporate purpose. The representation or being an agent in any kinds of commercial and industrial companies, and sell and market its products and services.	Limited company with variable capital established by public deed dated 17 July 1997 under policy N°1.552 by notary public N°19 Mr Francisco Javier Lozano Medina in the city of Monterrey, Nuevo León, Mexico. RFC. IPG970717QU9
PRODUCTOS TISSUE DEL ECUADOR S.A. (Ecuador)	Manufacture, produce, sell, market in any way all types of paper, including but not limited to: napkins, paper towels, paper table cloths, disposable paper cloths, and in general all kinds, types or forms of paper or paper-based products or in those where paper is the main or secondary material.	Sociedad Anónima Cerrada. Constituida en escritura pública de fecha 24 de abril de 2007, ante el Notario Cuadragésimo del distrito Metropolitano de Quito. RUC 1792083354001

EQUITY THUS\$	PROFIT (LOSS) THUS\$	DIRECT & INDIRECT SHARE	GENERAL MANAGER	BOARD OF DIRECTORS	
6,818	(1,234)	100.00%	Salvador Calvo-Pérez Badiola	Chairman Directors	Jorge Morel Bulicic (3) Alfredo Bustos Azócar (3) José Ludowieg Echeopar
72,283	(10,702)	94.69%	Cristian Rubio Adriasola	Chairman Directors	César Montemayor Guevara Hernán Rodríguez Wilson (2) Gonzalo García Balmaceda (3) Jorge Morel Bulicic (3) Rafael Cox Montt (3)
3,788	731	94.69%	Cristian Rubio Adriasola	Chairman Directors	César Montemayor Guevara Rafael Cox Montt (3) Gonzalo García Balmaceda (3) Jorge Morel Bulicic (3)
1,542	712	94.69%	Cristian Rubio Adriasola	Chairman Directors	César Montemayor Guevara Rafael Cox Montt (3) Gonzalo García Balmaceda (3) Jorge Morel Bulicic (3)
82,900	5,957	94.69%	Cristian Rubio Adriasola	Chairman Directors	César Montemayor Guevara Rafael Cox Montt (3) Gonzalo García Balmaceda (3) Jorge Morel Bulicic (3)
1,013	(1,161)	100.00%	Ivan Zuvanich Hirmas	Chairman	Alfredo Bustos Azócar (3) Jorge Morel Bulicic (3) Rafael Cox Montt (3)

COMPANY NAME & LEGAL STATUS	CORPORATE PURPOSE	LIMITED COMPANIES GENERAL INFORMATION
DRYPERS ANDINA & CO. S.C.A. (Colombia)	Production, import, marketing, advertising, sale and export of disposable baby nappies and other related consumer products.	Closely held corporation established by public deed N°0000374 issued by notary office N°49 of Bogotá on 16 February 1999. The body corporate of Drypers Andina & Cia. S.C.A. was established. It was agreed to change from a partnership limited by shares to a limited company by means of public deed N°0001598 issued by notary office 15 of Cali, on 7 September 2001. Taxpayer code N°817.002.753-0
PROTISA COLOMBIA S.A. (Colombia)	Production, import, marketing, advertising, sale and export of disposable baby nappies, of paper products, as well as of sanitary products, including but not limited to, nappies, toilet paper, paper towels, napkins, sanitary products in general (nappies for adults, women's sanitary towels, wipes, protectors, etc.) and other related consumer products.	Closely held corporation established by public deed N°0002539 of Notary Sixteen of Bogotá on 28 October 2008. The body corporate of Protisa Colombia S.A. was established. Taxpayer code N°900.251.415-4
MELHORAMENTOS PAPEIS LTDA.	Manufacture and/or conversion of sanitary products, nappies, towels, napkins, handkerchiefs and facial towels and other tissue products or similar manufactured or semi-manufactured. Purchase and sale, import, export, shipping, distribution, representation, and sale, either on its own behalf or for third parties of the products above, as well as spare parts, raw materials and materials. The manufacture, production, transformation and marketing in any possible way of pulp and its by-products.	Limited partnership established and registered on 29 August 1974 under N°35.200.929.860, by the Commercial Board of the Sao Paulo state, Brazil, under the name of K.C. do Brazil Ltda. The name of the company was changed to Melhoramentos Papeis Ltda. on 22 September 1994. In a meeting held on 1 June 2009, the company's control was transferred to CMPC Participações Ltda., which was incorporated to Melhoramentos Papeis Ltda. in March 2010. There was a capital increase of US\$50 million (R\$85 million) in September 2010. CNPJ 44.145.845/0001-40
CMPC INVESTMENTS LTD. (Inglaterra)	Financial investment activities of the holding and subsidiaries.	Limited partnership. Established in Guernsey, the Channel Islands, England, on 28 May 1991. Registry Office, P.O. Box 58, St. Julian Court, St. Peter Port.
CMPC EUROPE LIMITED (Inglaterra)	Promotion and distribution of pulp and wood by-products.	It was established on 7 January 1991 under registry N°2568391 in London, England.
TISSUE CAYMAN LTD. (Islas Cayman)	Undertake all kinds of trade and financial investments, and particularly its participation as a shareholder in any type of company.	Company established pursuant to the laws of the Cayman Islands, registered in the Cayman Islands Corporate Registry under N° 92448 on 9 September 1999.

EQUITY THUS\$	PROFIT (LOSS) THUS\$	DIRECT & INDIRECT SHARE	GENERAL MANAGER	BOARD OF DIRECTORS	
12,490	(5,972)	100.00%	Juan Peñafiel Soto	Chairman Directors	Jorge Morel Bulicic (3) Alfredo Bustos Azócar (3) Rodrigo Quiroga Correa (3)
8,000	(6,641)	100.00%	Juan Peñafiel Soto	Chairman Directors	Rafael Cox Montt (3) Jorge Morel Bulicic (3) Rodrigo Quiroga Correa (3)
77,766	(23,354)	100.00%	Rodrigo Gómez F.	Chairman Directors	Jorge Morel Bulicic Alfredo Bustos Azócar Rodrigo Gómez Fuentes Jorge Araya Yáñez
54,854	(17)	100.00%		Chairman Directors	Hernán Rodríguez Wilson (2) Luis Llanos Collado (3)
657	(52)	100.00%	Mr. Kiran Dhanani	Directors	Guillermo Mullins Lagos (3) Cristóbal Somarriva Quezada Rodrigo Gómez Fuentes (3) Washington Williamson Benaprés (3)
143,118	13,032	100.00%		Chairman Directors	Jorge Morel Bulicic (3) Luis Llanos Collado (3) Rafael Cox Montt (3)

200 CMPC overseas subsidiaries

COMPANY NAME & LEGAL STATUS	CORPORATE PURPOSE	LIMITED COMPANIES GENERAL INFORMATION
PROPA CAYMAN LTD. (Islas Cayman)	Undertake all kinds of trade and financial investments, and particularly its participation as a shareholder in any type of company.	Company established pursuant to the laws of the Cayman Islands, registered in the Cayman Islands Corporate Registry under N°92447 on 9 September 1999.
CMPC USA, Inc. (EE.UU.)	Marketing and distribution of forestry, wood and related products; and any operation approved by the Board of Directors related to forestry products, included in the Georgia Corporation Business Code.	Corporation established pursuant to Georgia's Business Corporation Code on 9 January 2002, under the law of the State of Georgia, U.S.A.
CMPC CELULOSE RIOGRANDENSE LTDA.	Forestation, reforestation, industrialisation and marketing of forestry products, including pulp, paper, its by-products; exploration of renewable energy sources; undertake industrial, commercial, and agricultural activities; produce, buy, sell, import, export and market products made from paper and its by-products, cosmetic and sanitary products for adults and infants, utensils and containers for daily use; the operation of the port terminal, participation in other companies as a partner, shareholder or member of the consortium, including investments in the industry, commerce and other areas of the economy.	Company established under the name of CMPC Celulosa do Brasil Ltda. in a meeting held on 19 October 2009; its articles of association were registered in the Commercial Board of Rio Grande do Sul under N°43.206.502.899. The company name was changed to CMPC Celulose Riograndense Ltda on 12 June 2010, and the minutes were registered in the Commercial Board of Rio Grande do Sul under N°3332804 on 20 July 2010.
CMPC RIOGRANDENSE LTDA.	Produce, buy, sell, import, export, and market any kinds of paper-based products and by-products; cosmetic and sanitary products for adults and infants; utensils and containers for daily use; forestation and reforestation; industrialisation and marketing of forest products and pulp; exploration of renewable energy sources; undertake industrial, commercial, and agricultural activities; participation in other companies and undertakings as a partner, shareholder or member of the consortium, including investments in the industry, commerce and other areas of the economy	Company established on 3 May 1999 under the name of Boise Cascade do Brasil Ltda., and its articles of association were registered in the Commercial Board of Sao Paulo under N°35.215.672.118 in a meeting held on 11 May 1999. The company's head office was changed on 1 September 2000 to Rio Grande do Sul in a meeting held on 17 October 2000, under N°43.204.523.520. The company name was changed to Aracruz Riograndense Ltda. on 23 July 2008, and its minutes filed in the Commercial Board of Rio Grande do Sul under N°3005323. In a meeting held on 20 January 2010, the company name was changed to CMPC Riograndense Ltda. under N°352959.
GUAIBA ADMINISTRACAO FLORESTAL LTDA.	The company is engaged in research and forest stewardship.	Company established on 22 October 2009 with the incorporation documents registered in Commerce Registry of the state of Rio Grande do Sul – JUCERGS under N°43206511251, dated 29 October 2009, and the latest modification to the articles of association was registered under N°3581427 on 27 January 2012. CNPJ: 11.308.600/0001-38

EQUITY THUS\$	PROFIT (LOSS) THUS\$	DIRECT & INDIRECT SHARE	GENERAL MANAGER	BOARD OF DIRECTORS	
18,826	1,260	100.00%		Chairman Directors	Jorge Navarrete García (3) Luis Llanos Collado (3) Rafael Cox Montt (3)
769	76	97.54%	Manuel Opazo	Chairman Directors	Hernán Fournies Latorre (3) Rodrigo Valiente Toriello (3) Martín Koster (3) Francisco Ruiz-Tagle Edwards (3) Pablo Sufán González (3)
734,068	5,961	100.00%	Walter Lidio Nunes	Chairman Directors	Washington Williamson Benaprés (3) Arturo Mackenna Iñiguez (1) Hernán Rodríguez Wilson (2) Jorge Matte Capdevila Sergio Hernán Colvin Truco (3) Francisco Ruiz-Tagle Edwards (3) Andrés Echeverría Salas
70,501	9,726	100.00%	Walter Lidio Nunes	Chairman Directors	Washington Williamson Benaprés (3) Arturo Mackenna Iñiguez (1) Hernán Rodríguez Wilson (2) Jorge Matte Capdevila Sergio Hernán Colvin Truco (3) Francisco Ruiz-Tagle Edwards (3) Andrés Echeverría Salas
94,695	7,715	99.90%	Walter Lidio Nunes	Directors	Walter Lidio Nunes (3) Patricio Arenas

202 CMPC related companies in Chile

COMPANY NAME & LEGAL STATUS	CORPORATE PURPOSE	LIMITED COMPANIES GENERAL INFORMATION
BICECORP S.A.	Provide consultancy, planning and advisory services in the areas of administration, economics and finance to individuals or companies, be they public or private; participation in banking and insurance companies; participation in companies whose corporate purpose is to manage third-party funds; undertake factoring transactions; create, fund, promote and manage any kind of business, companies or corporations and become part of them; and the representation of other domestic or foreign companies with a similar corporate purpose.	Listed company established by public deed dated 2 November 1978, issued by the Santiago notary public Mr Enrique Morgan T. Taxpayer code N°85.741.000-9
CONTROLADORA DE PLAGAS FORESTALES S.A.	The production, purchase and sale of elements and provide services to protect and improve the farming and development of tree species of any kind; production, research and training in forestry resources and activities related to the above, and it can undertake all acts that directly or indirectly lead to meeting such corporate purpose.	Closely held corporation established by public deed, dated 12 November 1992, and issued by the Santiago notary public Mr Enrique Morgan T. Taxpayer code N°96.657.900-5
GENÓMICA FORESTAL S.A.	Undertake any kinds of services and activities to develop forestry genomics, by using biotechnological, molecular and bio-information technology tools; the rendering of services on technology, engineering, biotechnology and bio-information technology; buy, sell and market seeds, tools and any kinds of tangible and intangible assets needed to meet the corporate purpose; the management and execution of forestry genomics projects.	Closely held corporation established by public deed, dated 26 October 2006, issued by the Santiago notary public Mr Iván Torrealba Acevedo. An excerpt was published in the Official Gazette on 16 November 2006 and registered in the Commerce Registry of the Real Estate Registrar of Concepción in 2006 on sheet 2039, N°1705. Taxpayer code N°76.743.130-9
BIOENERCEL S.A.	Develop, tap and adapt technologies to implement a biofuels industry in Chile, obtaining such fuels from lignocellulosic material. It shall also develop scientific and technological research for bioprocesses whose aim is to convert the lignocellulosic biomass into biofuels.	"Consortio Tecnológico Bioenercel S.A." was established by public deed dated 21 August 2009 and issued by the Santiago notary public Mr Félix Jara Cadot. An excerpt was published in the Official Gazette on 15 September 2009 and registered in the Commerce Registry of the Real Estate Registrar of Concepción on sheet 1.560, N°1572 in 2009. Taxpayer code N°76.077.468-5

EQUITY THUS\$	PROFIT (LOSS) THUS\$	DIRECT & INDIRECT SHARE	GENERAL MANAGER	BOARD OF DIRECTORS	
987,659	110,804	7.74%	Juan Eduardo Correa G.	Chairman Directors	Bernardo Matte L. (1) Kathleen Barclay C. Patricio Claro G. Juan Carlos Eyzaguirre E. José Miguel Irrarrázabal E. Eliodoro Matte C. (1) Bernardo Fontaine T. René Lehuedé F. Demetrio Zañartu E.
565	17	29.01%	Oswaldo Ramírez Grez	Chairman Directors	Jorge Serón Ferré Luis De Ferrari Fontecilla Rodrigo Vicencio Andaur Rigoberto Rojo Rojas Jaime Smith Bloom Francisco Rodríguez Aspillaga
280	49	25.00%		Directors	Jaime Baeza Hernández Aldo Cerda Molina Antonio Lara Aguilar Eduardo Rodríguez Treskow Francisco Rodríguez Aspillaga
869	11	20.00%	Christian Villagra	Chairman Directors	Fernando Rioseco (3) Eduardo Rodríguez Eckart Eitner (3) Jorge Correa Marcelo Molina Fernando Parada Nicole Borregaard

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Angol

Laja Mill

Balmaceda 30
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Casilla 1797
Nacimiento

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Fax: 56 (63) 216 976
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Yerbas Buenas, Linares
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Fax: 56 (71) 523 004
Casilla 119 - Talca

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Fax: 56 (2) 441 2890

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Fax: 56 (43) 511 444
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Nacimiento

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Antofagasta

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Talagante Mill

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Management and Plant
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ENVASES ROBLE ALTO LTDA.

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Quilicura Plant

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Camino Cerro Blanco
de Polpaico 100
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Til Til

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Fax: 56 (41) 2922 202
Casilla 64
Penco
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HOLDING**EMPRESAS CMPC S.A.**

Chilean listed limited company,
established
by a public deed dated 5 February
1920.
Authorised by Supreme Decree N°589
of the 12 March 1920.
Registered in the Commerce Registry
of 1920 on sheet 366 N°208.
Registered in the Securities Registry
on 31 March 1982 under N°115.

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Taxpayer code N°90.222.000-3

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Fax: 1 (770) 551 2641
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Representative
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LTDA.**

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Rua São Geraldo N° 1.680
Guaíba
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Estrada Costa Gama N° 1001
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Tel: 55 (51) 3491 9915
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Mill and Management Offices
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 Riograndense
 Ltda. (99.99%) and CMPC
 Riograndense
 Ltda. (0.01%)

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Naschel Mill

Pringles entre Belgrano y
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- Banco de Chile
- Banco Itaú Chile
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- Banco Security
- BancoEstado
- BBVA
- Corpbanca
- Deutsche Bank Chile
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- Grupo BBVA
- HSBC Bank
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- JP Morgan Chase Bank
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- N.M. Rothschild & Sons
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