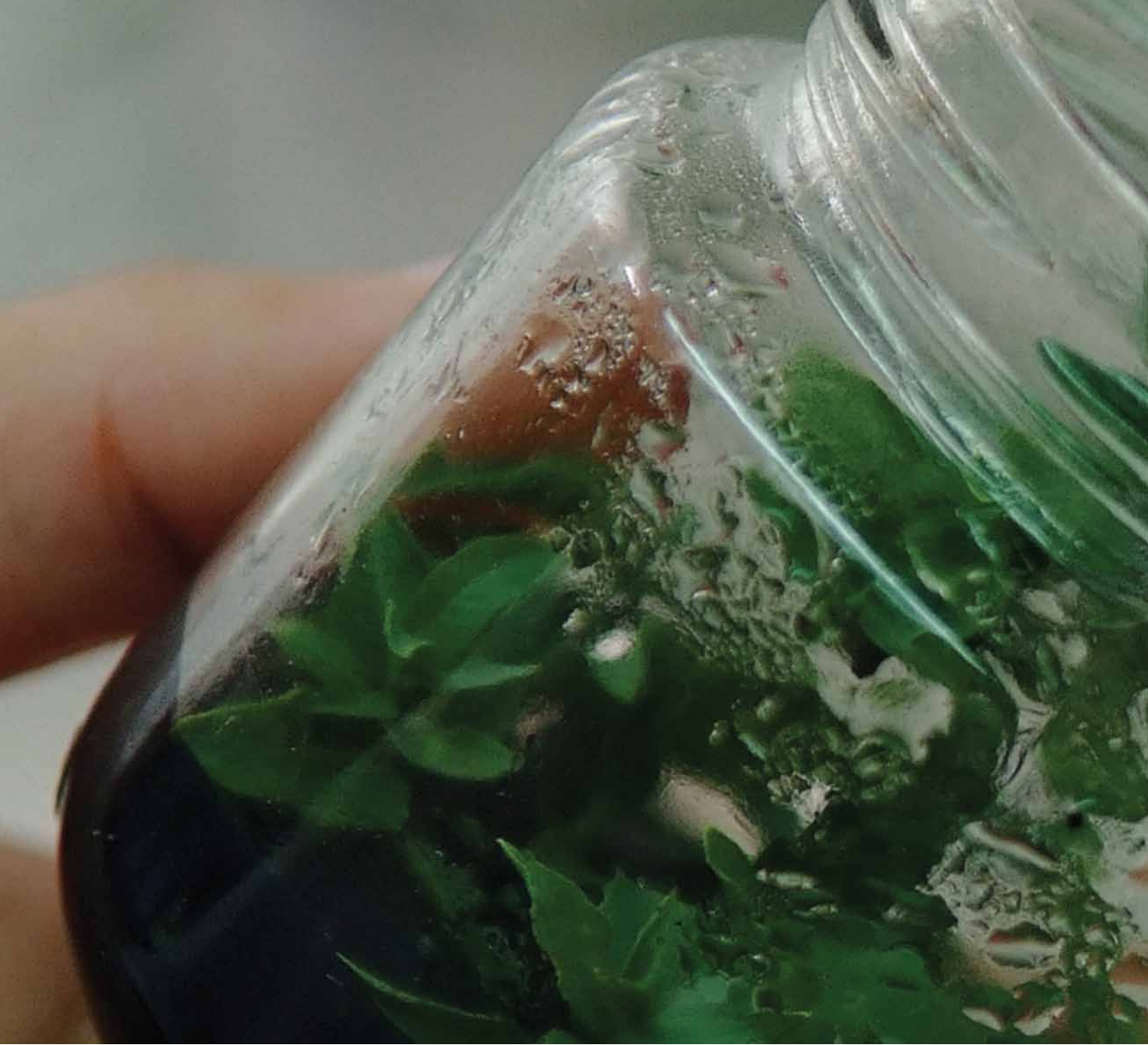


ANNUAL
REPORT
2012





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content

cmppc

TRADITION

for a job well done

The company's operations are underpinned by a strong culture of responsibility and excellence based on a 92-year tradition. There is a strong commitment to the guiding principles and values.

RESPECT

for people

CMPC respects and values all the people it engages with: employees, neighbours, executives and shareholders. It values fair treatment, frankness, loyalty, trust and good faith.

CARE

of the environment

The company promotes sustainable development, care of the environment and natural resources. CMPC safeguards sustainable development for future generations.

FAIRNESS

when competing

CMPC values and fosters free competition to enhance the development of more and better products and services. Healthy and fair competition gives people access to better products and promotes productivity.



empresas

cmppc



1920

CMPC is established in Chile

- paper

1990 2000

CMPC's presence:
Chile
Argentina
Peru
Uruguay

- forestry
- pulp
- paper
- tissue
- paper products



2000 2006

expansion in Mexico

- forestry
- pulp
- paper
- tissue
- paper products

2006 today

Expansion in:
Brazil
Ecuador
Colombia

- forestry
- pulp
- paper
- tissue
- paper products

Large regional expansion
in the last 20 years



history

cmpc

1920

CMPC is established.

It produces paper, cardboard and pulp based on wheat at the Puente Alto mill.

1938

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

1951

Start-up of the Valdivia paper mill, initially producing newsprint and kraft paper.

1959

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

1960

CMPC exports the first Chilean pulp to South America.

1972

New paper bag facility in Chillán.

1978

Construction of a moulded pulp tray plant and tissue mill in Puente Alto.



1998

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

2004

Construction starts on the Santa Fe II pulp mill.

2005

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

2006

Acquisition of ABSORMEX in Mexico (tissue). Start-up of line II of the Santa Fe pulp mill, with a production capacity of 780,000 tonnes a year.

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 sells babies' nappies.

1985

Start-up of the Mulchén sawmill.

1986

Purchase of INFORSA, and sale of Papeles Bío-Bío newsprint mill.

1991

CMPC's first foreign investment, with the acquisition of the Argentinean nappy producer Química Estrella San Luis S.A.

Start-up of the new Pacífico greenfield pulp mill in the Araucanía region in Chile.

1994

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

1995

Start-up of two new tissue paper greenfield mills at Talagante (Chile) and Zárate (Argentina).

CMPC implements a holding structure, and five business divisions.

1996

Acquisition of the Argentinean tissue producer La Papelera del Plata.

Start-up of the tissue business in Peru.



2009

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

Purchase of tissue producer Melhoramentos Papéis in the state of Sao Paulo in Brazil.

Start-up of a new tissue paper mill in Mexico.

2010

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

2011

Inauguration of a new corrugated box greenfield mill at Pichil in Osorno, Chile.

2012

FSC certification of all forest plantations in Chile and Brazil.



MEXICO

TISSUE

1 PAPER MILL
2 CONVERTING PLANTS

PAPER PRODUCTS

1 SACK PLANT

ECUADOR

TISSUE

1 PLANT

PERU

TISSUE

1 PAPER MILL

PAPER PRODUCTS

1 SACK PLANT

COLOMBIA

TISSUE

1 PAPER MILL
1 CONVERTING PLANT



CHILE

FORESTRY

PLANTATIONS
3 SAWMILLS
2 REMANUFACTURING FACILITIES
1 PLYWOOD PLANT

PULP

3 MILLS

PAPER

2 BOXBOARD MILLS
1 CONTAINERBOARD MILL
1 NEWSPRINT MILL
1 PAPER DISTRIBUTOR COMPANY
1 PAPER RECYCLER COMPANY

TISSUE

2 PAPER MILLS

PAPER PRODUCTS

4 CORRUGATED CARDBOARD MILLS
1 SACK PLANT
1 MOULDED PRODUCTS PLANT



BRAZIL

FORESTRY
PLANTATIONS

PULP
1 MILL

TISSUE
1 PAPER MILL
1 CONVERTING PLANT

URUGUAY

TISSUE
1 PAPER MILL

ARGENTINA

FORESTRY
PLANTATIONS

TISSUE
1 PAPER MILL
1 CONVERTING PLANT

PAPER PRODUCTS
1 PAPER SACK PLANT



presence

cmpc

significant regional expansion
in the last 20 years

Established in 1920, it is a listed corporation of private equities.

As of 31 December 2012, CMPC had:

2,219,397,052
COMMON SHARES

28,687
SHAREHOLDERS

MESSAGE FROM THE CHAIRMAN

BOARD OF DIRECTORS AND MANAGEMENT

INDICATORS

SUBSIDIARIES



the company

cmppc



ELIODORO MATTE LARRAÍN
CHAIRMAN OF THE BOARD

DEAR SHAREHOLDERS,

I am pleased to present the Annual Report, and financial statements for the year ended 2012.

CMPC had consolidated sales of US\$4,759 million which were similar to the previous year. Accrued net income was US\$202 million, a 49% year-on-year decrease. That was mainly due to a drop in the wood pulp price and the effect of the modification of the income tax law in Chile, which has increased the rate from 17% to 20%, generating a net charge to income of US\$117 million after recalculating deferred tax.

Although the global economy had lower growth in 2012 than the previous year with continued instability, there were also positive signs. The growth in some key markets for CMPC like Chile, Peru and Colombia, and the increased activity in

the real estate market in the United States should be highlighted.

2012 was a arduous year for CMPC with large contrasts. The culmination was the decision to go ahead with the expansion of the Guaíba pulp mill. This project, which we have worked on for three years, is the largest and most important in our 92-year history and will entail a huge effort that CMPC will undertake with responsibility and enthusiasm. It essentially involves building and running a new bleached eucalyptus pulp line with a production capacity of 1.3 million tonnes a year in the state of Rio Grande do Sul in Brazil. The design of the new line has cutting-edge pulp production technology and it will be operationally joined to the current Line I of the Guaíba mill. Such mill, which CMPC bought in 2009, is operated by the subsidiary



message from the chairman

CMPC Celulose Riograndense and currently has a production capacity of 450,000 tonnes of bleached eucalyptus pulp per year. This expansion will entail a total investment of about US\$2,100 million in industrial assets. The new production line should be commissioned in the first quarter of 2015.

This investment will raise CMPC's pulp production capacity to around 4.1 million tonnes a year, thereby consolidating its position as one of the leading global producers of this product, and also giving all our productive units a very competitive cost structure in the industry.

The project will be financed with a capital increase of US\$500 million, a loan from Brazil's Development Bank (BNDES) of up to R\$2,510 million, equivalent to about US\$1.2 billion, and lastly with own

proceeds from issuing bonds and selling off non-essential assets.

The highlight in the forestry business was securing FSC certification for all forest equity in Chile and Brazil. This involved immense work from the entire organisation of Forestal Mininco and is very important for the company's commercial development in the future. It also endorses CMPC's commitment to the environment and sustainable development. In September, I presented the 2011 Sustainable Development Report at the Pacifico mill and the event was attended by important local community representatives. This report included clear objectives like reducing the use of fossil fuels, water consumption and the volume of liquid effluents and securing FSC certification for all plantations in Chile. We continue to work on achieving these targets.



message from the chairman

EMPRESAS CMPC

We can say with great satisfaction that in 2013 we will have doubled plywood production capacity due to the expansion at the existing plywood plant to 500,000 m³ per year of this high quality product, which is extremely valued in international markets.

The Tissue business continued its development in Latin America. The level attained in the eight countries in which we have industrial operations makes us the second largest producer in Latin America and tenth worldwide. The major growth potential of the consumption of tissue and sanitary products in Latin America is an opportunity and challenge for CMPC. In addition to this, we are working hard on completing the project of a new paper machine at Talagante by the end of the first quarter of 2013, which will add 50,000 tonnes of tissue paper capacity a year.

Due to constraints on the electricity supply available in contracts and the sharp increase in the marginal energy costs in Chile, we had to cut back newsprint production at the Nacimiento mill. To address this issue, we have invested in our own biomass-fired energy generation and we are currently assessing co-generation projects at Puente Alto

and Talagante mills that will raise efficiency and reduce the steam and electricity generation cost. The high energy costs, on account of entry barriers faced by the generation sector, will clearly end up affecting investment decisions and the potential growth of the Chilean economy. Our country needs a broad political agreement in this area to continue to progress and develop.

In this account of 2012, I must mention a tragic event that affected us deeply. On 5 January 2012, a forest firefighting brigade got trapped by flames as they were fighting arson on the Casa de Piedra farm in the district of Carahue, in the southern Chile. Seven firefighters died from this and two were severely burned. The company went to provide relief to the families affected and has duly supported those injured. I believe it is important to highlight the work of firefighting brigades, which every day perform their noble task of protecting our forest plantations and the environment.

Nevertheless, we cannot eschew the fact that for over a decade there have been outbreaks of violence in certain areas of the Bío-Bío and Araucanía regions in Chile. The State's response has been insufficient so far, creating inadequate



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

incentives that have exacerbated the sense of insecurity in which thousands of people live in such areas. Isolating violent groups is an essential condition for a peaceful solution. We believe that part of this effort should be focused on fostering respect for and integration of the culture, customs and language of the Mapuche indigenous people.

As a company we have always accepted that community relations are one of the key elements to be considered in the operation of our business and we therefore take special care of this. This is a legacy of our ancestors and we take it on compellingly. We share the aspirations of self-improvement and a better quality of life of those who live near our operations, particularly the over 300 Mapuche communities around our forest lands in Chile. We seek permanent and close relations with them by means of work plans, cultural and training projects.

Regarding this, Fundación CMPC plays a crucial role. It works in 12 countries, supporting 53 schools and benefitting over 10,200 children in four regions of Chile. In 2012, it consolidated its work with the excellent results obtained in the latest education quality assessment (SIMCE) exam. After 10 years,

schools have improved their results considerably and this gives us great satisfaction.

We are very aware of the huge challenges we face. Nevertheless, CMPC has the skills, a sound financial structure, commercial networks and above all its people. I deem it is important to persevere with maintaining our good relations within the organisation and with all employees and their unions, based on trust, transparency and fluid communication. CMPC's success has been forged with the help of thousands of people and it will continue to be successful because we all work with a common will and own character, with the traditional hallmark of innovation, endeavour, rigorousness, austerity and prudence in the management of the business. If we keep this up, we shall prevail even in challenging and tough times and I have faith that CMPC's future will be one of constant progress.

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

Eliodoro Matte Larraín
Chairman



CHAIRMAN
ELIODORO MATTE L.
INDUSTRIAL CIVIL ENGINEER

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

DIRECTORS



JORGE GABRIEL LARRAÍN B.
DEGREE IN BUSINESS
ADMINISTRATION



MARTÍN COSTABAL LL.
DEGREE IN BUSINESS
ADMINISTRATION



BERNARDO MATTE L.
DEGREE IN BUSINESS
ADMINISTRATION



ERWIN HAHN H.
INDUSTRIAL CIVIL
ENGINEER

DIRECTORS' COMMITTEE

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



JORGE MARÍN C.
BUSINESS ADMINISTRATOR



ARTURO MACKENNA I.
INDUSTRIAL CIVIL ENGINEER

board of

directors cmppc

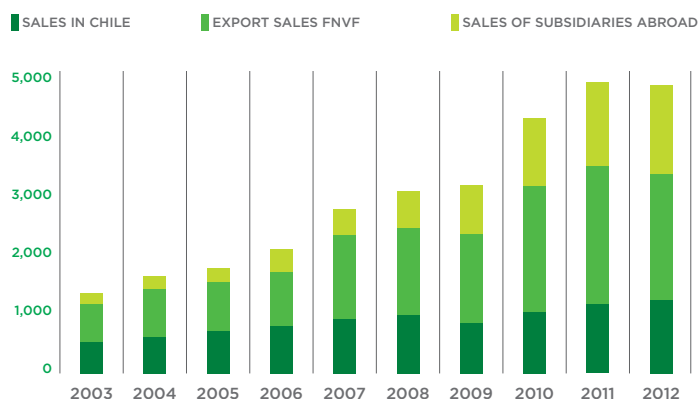
OVER 31,000
CUSTOMERS

72%
OF THE ENERGY USED
IS SELF-GENERATED

45 COUNTRIES
BUY THE COMPANY'S
PRODUCTS

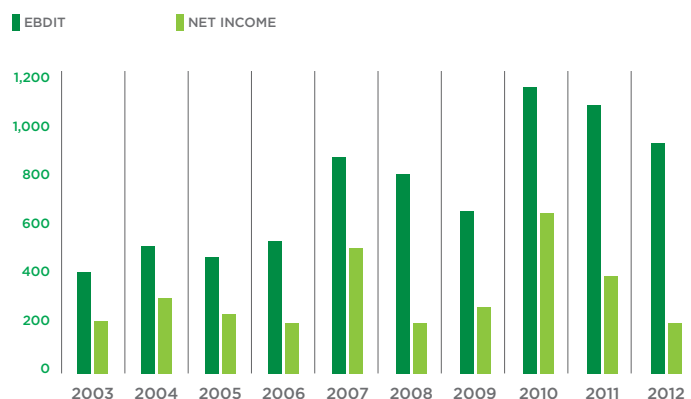
CONSOLIDATED SALES

IN MILLIONS OF US\$



CONSOLIDATED REVENUE

IN MILLIONS OF US\$



US\$ 914
MILLION **EBDIT**

US\$ 14,046
MILLION **ASSETS**

US\$ 4,759
MILLION **SALES IN 2012**

main figures

cmppc

FORESTRY

FORESTAL MININCO S.A.:

- Plantations in Chile, Brazil and Argentina

CMPC MADERAS S.A.:

- 3 sawmills
- 2 remanufacturing facilities
- 1 plywood mill

WOOD PULP

CMPC CELULOSA S.A.

- Pacifico mill in Chile
- Santa Fe mill in Chile
 - Laja mill in Chile
- Guaíba mill in Brazil



US\$ **159**

million
EBITDA

US\$ **364**

million
EBITDA

680,000

hectares
planted

million
tonnes **2.516**

of pulp and paper
produced

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.

FÁBRICAS EN:

- Chile
- Brazil
- Argentina
- Peru
- Colombia
- Uruguay
- Mexico
- 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.



cmpc subsidiaries

US\$ **157**

million
EBITDA

US\$ **208**

million
EBITDA

US\$ **39.6**

million
EBITDA

million
tonnes **1**

of consolidates
sales

550,000

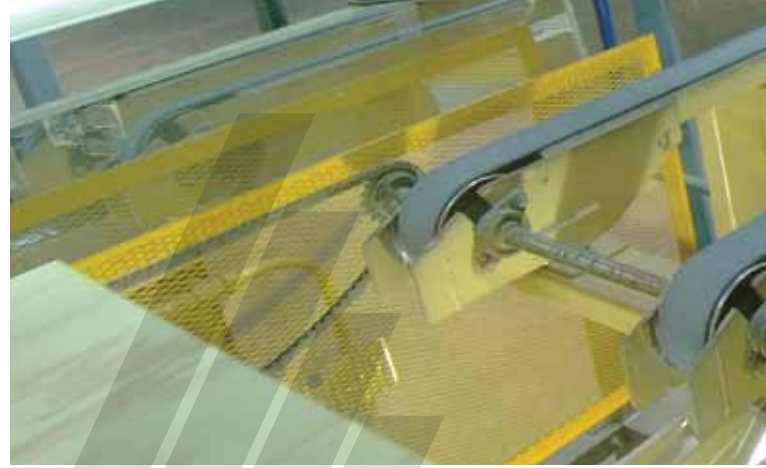
tonnes of
consolidates sales

US\$ **415**

million
of consolidates sales



GENERAL MANAGER
FRANCISCO RUIZ -TAGLE E.



the company

FORESTRY

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.

CMPC FORESTAL 2012

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

Forestal Mininco's forestry management is certified pursuant to the Forest Stewardship Council (FSC) certification for the company's plantations in Chile and Brazil, ISO 14.001 and OHSAS standards, as well as the Sustainable Forest Management Standard (CERTFOR - PEFC), for all the company's forests in Chile.

CMPC Maderas has three sawmills in Chile: Bucalemu, Mulchén and Nacimiento and this year handed over the operations of the Las Cañas sawmill to third parties. It also has two remanufacturing facilities at Coronel and Los Ángeles in the Bío-Bío region. They produce dry sawn lumber-based products (mouldings, wood boards and laminated products), and a plywood mill at Mininco in the Araucanía region.

BUSINESS DEVELOPMENT

2012 was characterised by a good market situation for solid wood with prices above budget for the period. It was also a good year for sawn lumber, particularly for furniture making. Demand was stable in the building and packaging wood markets in the Middle East with good prices in the year.



There was a slight but persistent recovery in the United States, the most important market for the remanufacturing business. The start of building index reached annualised levels of around 950,000 houses. Despite the fact that the building industry is still very depressed, there was a very good commercial positioning of products.

Progress was made with the plywood mill expansion project according to schedule in 2012.

A total of 21,704 hectares were planted in Chile this year, with radiata pine accounting for 11,382 hectares, Eucalyptus nitens for 7,117 hectares and Eucalyptus globulus for 3,205 hectares.

Concerning forestry operations in Brazil, 11,482 hectares were planted with a wood output of 2,049,000 m³, of which 1,808,000 m³ was pulpable wood for wood pulp mills and 241,000 m³ was saw logs.

Regarding investments, 100,000 hectares of forest equity in the southern part of the state of Rio Grande do Sul in Brazil were purchased from Fibria.

million US\$ **159**
CONSOLIDATED EBDIT

KILOMETRES **780**
OF FORESTRY ROADS BUILT IN
2012 IN CHILE, ARGENTINA
AND BRAZIL

600
JOBS FOR INDIGENOUS
COMMUNITIES

500,000
m³ a year
WILL BE PRODUCED
BY THE NEW PLYWOOD MILL



GENERAL MANAGER
WASHINGTON WILLIAMSON B.



the company

WOOD PULP

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 2012

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), Pacifico and Laja; and one in Guaíba in the state of Rio Grande do Sul in Brazil) have a total production capacity of 2.8 million tonnes per annum.

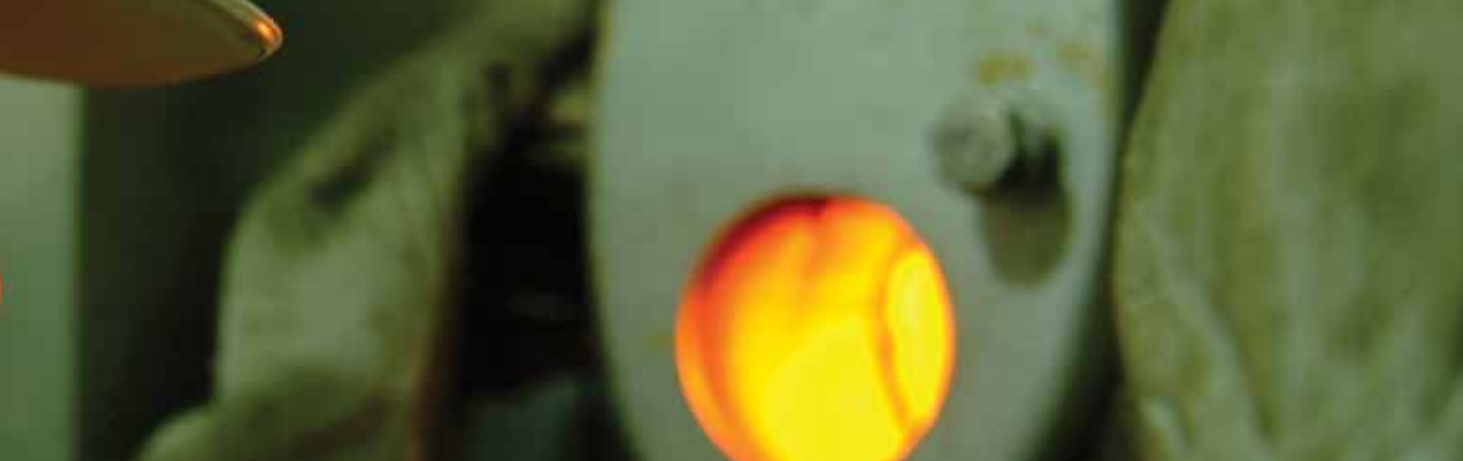
CMPC Celulosa mills are mainly supplied by its own cultivated forests. These forests are unencumbered and fully traceable to the final destination, and also have CERTFOR-PEFC chain-of-custody certification in Chile, CERFLOR in Brazil and FSC in both countries. The three mills in Chile have current integrated management systems in accordance with the ISO 14001, ISO 9001 and OHSAS 18.001 standards.

BUSINESS DEVELOPMENT

The evolution of global demand for wood pulp in 2012 was particularly conditioned by the economic situation of the main consuming regions. Demand for printing and writing papers dropped sharply in developed countries, leading to the temporary or permanent closure of various paper machines in Europe and North America.

International wood pulp prices started an upward trend in the first quarter of 2012, reverting the downward trend experienced since mid-2011. Nevertheless, during the second quarter a slowdown in the global economy growth led to an increase in the inventory levels along the value chain, which pushed wood pulp prices down.

The price of long-fibre wood pulp in China fell by around 14% from its highest price late in the first quarter. The price of short-fibre wood pulp dropped about 6% and the price differential between both kinds of



MILLION US\$ **364**
CONSOLIDATED EBDIT

fibres was virtually reduced to zero. Largely due to seasonal factors, Chinese wood pulp demand increased since the beginning of the fourth quarter, allowing a slight but sustained upward trend in prices until the end of the year.

PROJECTS

The main projects completed this year at CMPC Celulosa were the Laja mill modernisation and the Santa Fe mill energy and expansion projects. The operational continuity projects were also completed for the Pacifico and Santa Fe line 1 mills. Finally, there was important news at the end of the year when the board of directors of Empresas CMPC approved the Guaíba mill expansion project, which involves the construction and operation of a new production line with a capacity of 1.3 million tonnes of bleached eucalyptus pulp. This is the greatest project undertaken in the history of the company. The new line will be located adjacent to the current line and will comprise an investment of 2.1 Billion USD.

SUSTAINABILITY

CMPC Celulosa continued with the “zero waste” project, aimed at significantly reducing the disposal of solid waste from the productive mills in the controlled disposal areas (in Spanish so-called ADC). It also started to implement backup projects for the TRS gas burning systems at the three mills to minimize the impact of odour emissions to the surrounding communities when the Pulp Mills have to experience total power outage.

BILLION US\$ **1.616**
CONSOLIDATED SALES

2.516
MILLION TONNES
WOOD PULP AND PAPER
PRODUCED

2
MILLION TONNES
SALES TO THIRD PARTIES

US\$ **2.1**
BILLION
INVESTMENT IN THE
CONSTRUCTION OF
THE NEW GUAÍBA MILL



GENERAL MANAGER
EDUARDO SERRANO S.



the company

PAPER

CHAIRMAN

MARTÍN COSTABAL LL.

VICE CHAIRMAN

HERNÁN RODRÍGUEZ W.

DIRECTORS

ANDRÉS ECHEVERRÍA S.

JUAN EDUARDO CORREA B.

LUIS LLANOS C.

ELIODORO MATTE C.

SERGIO COLVIN T.

CMPC PAPELES 2012

CMPC Papeles S.A. is the subsidiary that produces and markets folding boxboard, containerboard, wrapping paper and newsprint. It also runs a distribution unit and a recycling plant. Its companies are:

Cartulinas CMPC is a folding boxboard producer. Its experience in this sector and cutting-edge technology enables it to provide top quality products in Chile, Latin America, Europe, Asia, Oceania, the Caribbean and the United States.

Papeles Cordillera is a leading manufacturer of containerboard, wrapping paper, gypsum board, laminated and industrial paper.

Papeles Río Vergara, which produces and sales newsprint. Latin America and the Caribbean are the main export markets.

Edipac is a subsidiary that markets all grades of paper in the Chilean market, some produced by CMPC and others by third parties.

Sorepa, which collects waste paper and cardboard boxes for recycling and re-use as raw material at the company's various paper mills.

BUSINESS DEVELOPMENT

This CMPC subsidiary had sales for US\$876 million in 2012.



Cartulinas CMPC sales amounted to 382,000 tonnes during this year. Domestic sales and exports reached 62,000 tonnes and over 320,000 tonnes, respectively.

Papeles Cordillera sold 322,000 tonnes. Domestic sales were 285,000 tonnes and exports 37,000 tonnes.

In 2012, Papeles Cordillera secured recertification of its integrated management system pursuant to the ISO 9001 (quality), ISO 14001 (environmental), and OHSAS 18001 (safety and occupational health) standards.

Due to the electricity costs, Papeles Río Vergara was not able to keep both machines operating normally. Because of this, the production by the end of the year was reduced to 135,000 tonnes.

Edipac reached 113,000 tonnes of sales, maintaining its leadership in distribution of printing and writing paper, boxboard and packaging paper.

Sorepa purchased 343,000 tonnes of waste paper during 2012.

MILLION US\$ **157**
CONSOLIDATED EBDIT

382,000
TONNES
TOTAL BOXBOARD SALES

322,000
TONNES
TOTAL SALES OF PAPELES
CORDILLERA

135,000
TONNES
RÍO VERGARA PRODUCED

113,000
TONNES
TOTAL SALES OF EDIPAC

343,000
TONNES
PAPER RECYCLED BY SOREPA IN
2012



GENERAL MANAGER
JORGE MOREL B.



the company

TISSUE

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 2012

CMPC Tissue is the subsidiary that produces and markets toilet paper, paper towels, paper napkins, facial tissues, baby and adult diapers 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. 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 diapers and women's sanitary towels are marketed under the Babysec, Cotidian and Ladysoft brands.

BUSINESS DEVELOPMENT

CMPC Tissue had an EBDIT of US\$208 million, a 28% year-on-year increase. The operating level of this business positioned the company as the number two producer in Latin America and tenth worldwide.

Innovation is a key variable for business development, and the company has therefore continued to work on developing products that meet consumer needs.

It is installing a double-width tissue paper machine at Talagante in Chile, which will be commissioned in mid-2013, and the aim of this is to maintain the sales growth and export tissue paper to the region.

It continued to make progress in the tissue and higienic product market in Brazil, increasing its market share. This growth was the outcome of applying effective commercial strategies in the mass and institutional markets.



It attained 6% annual growth in the tissue market in Mexico with its Elite and Premier brands. Moreover, during the year Absormex consolidated its sales in the institutional market with the Elite Profesional brands.

Despite price controls, the new regulations on gaining access to the exchange market and control on paying dividends and bonuses abroad in Argentina, Papelera del Plata had a large improvement in sales and production was over 15% up on the previous year.

In Peru, Protisa grew in the tissue segment, consolidating its sound market share. It attained very strong growth in all its sanitary categories, gaining a good share of the baby diaper market.

Production costs dropped in Colombia, improving the company's profit margin on its products. There was also strong growth in the tissue segment.

In Uruguay, it maintained its high market share of the tissue and sanitary segments, following the company's strategy. The large contribution made by Ipusa to product supply in Mercosur (South America's leading trade bloc) should be highlighted.

Lastly, the tissue business in Ecuador grew on the previous year and market share was consolidated.

Different CMPC Tissue mills, 11 conversion lines and 6 sanitary lines were commissioned in the year.

MILLION US\$ 208
CONSOLIDATED EBDIT

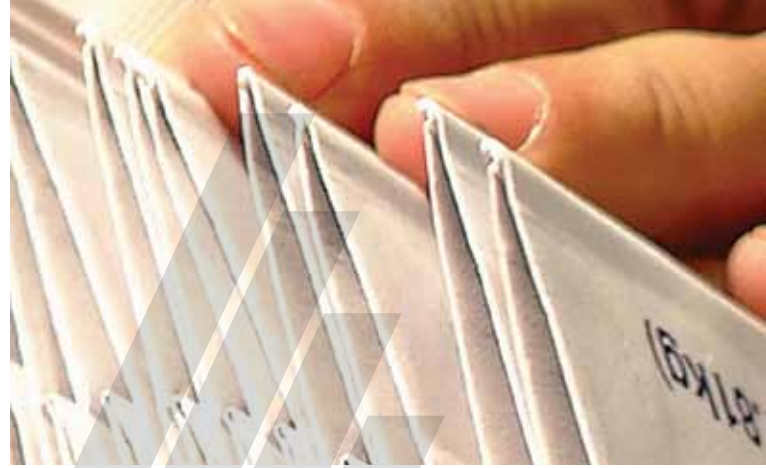
550,000
TONNES
OF TISSUE PRODUCT SALES

2.267
BILLION
BABY NAPPIES WERE SOLD

MILLION US\$ 120
SEWILL BE INVESTED TO CARRY
ON GROWING IN THE REGION



GENERAL MANAGER
JORGE NAVARRETE G.



the company

PAPER PRODUCTS

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 2012

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

The corrugated box business is managed by 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.

The sack business has industrial operations in Chile, Argentina, Peru and Mexico. Under the regional Forsac brand, it handles markets in the United States, the Caribbean and Latin America, and is a leader in some countries and a major player in others.

The moulded pulp tray business is run by the subsidiary Chimolsa, which produces apple and avocado export trays, egg trays and cartons.

BUSINESS DEVELOPMENT

CMPC Productos de Papel had sales of US\$415 million in 2012 with an EBDIT of US\$39.6 million, a 21% year-on-year increase.

CORRUGATED BOX BUSINESS

Envases Impresos successfully started up the Power Ply project to produce multiple types of waves with the aim of expanding and developing new solutions for customers.

Envases Roble Alto has bolstered its new corrugated plant near the



city of Osorno, mainly supplying customers in the salmon farming, meat and dairy industries.

The independent assurance audit on the carbon footprint of Envases Roble Alto was completed in late October 2012.

INDUSTRIAL SACK BUSINESS

Despite global economic uncertainty and instability, Forsac had total sales of 546 million sacks, a 6% year-on-year increase.

Besides opening commercial offices in Atlanta, U.S.A., the facilities acquired at Guadalajara in Mexico were adapted and two production lines were installed. Two additional conversion lines were purchased in the last quarter of the year, which will be installed in the first half of 2013 at the Guadalajara plant. The aim of all this is to boost sales and meet market needs more efficiently.

MOULDED PULP TRAY BUSINESS

Chimolsa's sales were 7% down on the previous year, as its main apple tray product was hit by the lower apple export volume.

The Chimolsa production expansion project is in the equipment assembly stage and is expected to start up in the first half of 2013. The project will raise production by 30%.

MILLION US\$ 39.6
CONSOLIDATED EBDIT

MILLION US\$ 415
ANNUAL SALES

546
MILLION
SACKS SOLD BY FORSAC

190,000
TONNES
OF CORRUGATED
BOXES SALES



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 corporate social responsibility policy and various social investment initiatives are therefore undertaken in this area.



sustainability,
community
and the
environment

cmppc



sustainability, community and the environment

FUNDACIÓN CMPC

Fundación CMPC was established in 2000 to develop educational support projects in state schools and cultural projects. It had completed 12 years of this work in 2012 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 2012 education quality assessment (SIMCE) exam reflected the development and progress of the schools supported by the Foundation, and they all improved their scores.

In 2012, Fundación CMPC helped 12 districts in the Metropolitan, Maule, Bío-Bío and Araucanía regions, benefitting 53 schools and about 10,200 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. Work has therefore been focused on applying a system to help these communities which live in areas around the company's forest lands, providing jobs for heads of households, training for them and their wives, scholarships for their children and 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 one of the most successful activities in 2012 was the local business development programme, in which a community got organised and is now providing transport services to the company.

A further programme undertaken in the year was recognising and disseminating the Mapuche culture. In 2012, the Ñocha (sedge) basketwork cultural programme was developed, in which Mapuche artisans supported by Forestal Mininco managed to organise their art and ancestral trade, building a business that now has huge potential.

JORGE ALESSANDRI EDUCATIONAL PARK

The aim of the Jorge Alessandri Educational Park on the Concepción, Chile road is to disseminate the company's productive, forestry and environmental work 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, trekking, an educational greenhouse,



The environmental commitments are set out in the Sustainable Development Report, in which the company Chairman provides the course of action for this important area.

the Tree Hall and Artequín Museum, which have been visited by more than 1.55 million people since the park was opened in 1993.

160,000 people visited the park in 2012.

ENVIRONMENT

In the environmental area, CMPC advocates the real application of sustainable development principles, which entails making the productive activities required for Chile's progress compatible with the legitimate right of future generations to live in a suitable environment.

An environmental agenda was 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.

Renewable energy generation has been increased 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 prevent this from being disposed of at industrial waste dumps.

The company is very strict about environmental and biodiversity conservation, and it therefore has clean productive processes that comply with current legislation

10,200 CHILDREN
ARE SUPPORTED EACH YEAR
BY FUNDACIÓN CMPC

160,000
PEOPLE VISITED THE JORGE
ALESSANDRI EDUCATIONAL PARK

470 TEACHERS
ARE TRAINED EACH YEAR BY
FUNDACIÓN CMPC

2,091 NEIGHBOURS
TRAINED IN THE FORESTAL
MININCO PROGRAMME



FINANCIAL ANALYSIS

GENERAL INFORMATION



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FINANCIAL ANALYSIS

1. OVERVIEW OF THE YEAR

CMPC had a consolidated net income of US\$202 million in 2012, a decrease of 49% compared to the US\$393 million obtained in 2011. At operating level, this decrease in income was mainly due to a drop in margins because of lower wood pulp prices and higher consolidated operating costs. Non-operating income was down due to exchange rate differences compared to the previous year on account of the appreciation of the Chilean peso, which hit liabilities expressed in that currency. Moreover, income in 2012 included the effects of the modification of the income tax law in Chile, which increased the rate from 17% to 20% thus generating a net charge to income of US\$117 million.

Sales revenues in 2012 amounted to US\$4.759 billion, a 1% year-on-year decrease, mainly explained by lower hardwood and softwood pulp prices. EBITDA in 2012 reached US\$914 million, 14% down on that of the previous year. The forestry business had better performance in 2012, driven by increased margins, essentially due to higher plywood prices. EBITDA in this business had an 18% year-on-year increase.

The Pulp business had an 8% year-on-year drop in revenue. Such decrease was mainly explained by the lower export price of both types of fibre. Lower prices, in addition to higher costs, led to a drop in EBITDA of 36% compared to 2011.

The paper business had 9% lower revenues than the previous year, mainly due to a lower newsprint paper sales volume. EBITDA in this business had a 10% year-on-year decrease.

The tissue business had an 11% year-on-year increase in revenue because of higher sales volumes from the expansion of this business in Latin America. EBITDA was 28% up on the previous year, because of lower costs, particularly fibre, and better operating efficiencies.

The paper products business had a 4% year-on-year revenue decrease, because of a lower sales volume of corrugated containerboard boxes. Nevertheless, the lower sales costs due to decreased raw material costs had a positive effect on the EBITDA of this business, which rose 21% on the previous year.



Non-operating income in 2012 was affected by the appreciation of the Chilean peso against the US dollar in the year, which generated an exchange rate difference loss of US\$37 million in 2012, as compared with earnings of US\$45 million in 2011.

The company showed a financial debt⁽¹⁾ of US\$3.745 billion for the year ended December 31st, 2012 against US\$3.273 billion for the same period in 2011. This increase was essentially due to a bond issuing of US\$500 million in April 2012. Cash flow⁽²⁾ amounted to US\$741 million for the year ended December 31st, 2012. CMPC's net financial debt (financial debt minus cash flow) was therefore US\$3.004 billion for the year ended 31 December 2012, a US\$552 million year-on-year increase. The net debt to EBITDA⁽³⁾ ratio rose from 2.30 times for the year ended December 31st, 2011 to 3.29 times for the same period in 2012.

As reported to the Chilean Superintendency of Securities and Insurance (SVS) and the market in March 1st, 2013, in the last days of February

2013, an audit and internal investigation detected accounting irregularities at our subsidiaries in the tissue business in Colombia. Such irregularities entailed overstating revenues and certain accounts receivable and understating accounts payable. These events occurred from 2008 to 2012 and their regularisation involved adjusting assets and liabilities, as indicated in notes n° 5 and 42 to the Consolidated Financial Statement. Such adjustments meant a net charge to shareholders' equity of US\$35 million, of which US\$14 million was stated in the income of year 2012 and the rest in income of previous years.

The mentioned adjustments were identified by an accounting, financial and legal investigation carried out by the new management of the Colombian Business, supported by corporate specialists as well as external auditors. After completing the investigation and assessing whether to file legal actions, the measures deemed necessary will be taken to assure this situation will not happen again.

⁽¹⁾ 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).

⁽²⁾ 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).

⁽³⁾ Considering an EBITDA accumulated over a 12-rolling month period. It considers the change in the functional currency of CMPC Celulose Riograndense and adjustments for regularisations of Colombian subsidiaries (see note N°5 to the consolidated financial statements).

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FINANCIAL ANALYSIS

2. INCOME ANALYSIS

Table N°1 shows the main items of the consolidated statement of income of Empresas CMPC S.A.

TABLE N°1:
CONSOLIDATED STATEMENT OF INCOME ⁽¹⁾

Figures given in thousands of US\$

| | ACCRUED AT DECEMBER 2012 | ACCRUED AT DECEMBER 2011 |
|---|--------------------------|--------------------------|
| Total current revenue | 4,759,320 | 4,786,415 |
| Operating cost ⁽²⁾ | (3,163,428) | (3,122,339) |
| Operating margin | 1,595,892 | 1,664,076 |
| Other costs and operating expense ⁽³⁾ | (681,808) | (598,466) |
| EBITDA | 914,084 | 1,065,610 |
| EBITDA/operating income % | 19% | 22% |
| Depreciation and stumpage ⁽⁴⁾ | (424,774) | (412,071) |
| Revenue from net biological asset growth ⁽⁵⁾ | 36,786 | 38,964 |
| OPERATING INCOME | 526,096 | 692,503 |
| Financial income | 37,275 | 36,673 |
| Financial costs | (175,231) | (162,918) |
| Interest in profit (loss) of related companies | 12,810 | 11,544 |
| Exchange rate difference | (37,486) | 44,586 |
| Price-level restatement | (18,129) | (20,505) |
| Other profits (loss) | (15,101) | (32,697) |
| Income tax | (127,824) | (175,914) |
| NET INCOME (PROFIT) | 202,410 | 393,272 |
| Net margin ⁽⁶⁾ | 4% | 8% |

⁽¹⁾ The financial statements were restated based on the new functional currency of CMPC Celulose Riograndense and adjustments for regularisation made at Colombian subsidiaries (see note 5: Accounting Changes).

⁽²⁾ 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 13: Biological Assets).

⁽³⁾ Distribution costs, administration and other operating expenses.

⁽⁴⁾ Harvested plantation formation cost (see note 13: Biological Assets).

⁽⁵⁾ Profit from the natural growth of plantations, less higher cost of the harvested and sold portion (see note 13: Biological Assets).

⁽⁶⁾ Total net income (profit)/current revenue.



CMPC is a leading producer of forest products in Latin America. Its main products are sawn and remanufactured lumber, plywood, softwood and hardwood pulp, boxboard, containerboard, tissue and sanitary products, corrugated cardboard boxes, and other packing products. CMPC is structured into five business areas: forestry, wood 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 1% drop in sales in 2012 compared to 2011 and total costs rose 1%. The operating margin, in accordance with the International Financial Reporting Standards (IFRS), decreased by 4% and amounted to US\$1.596 billion.

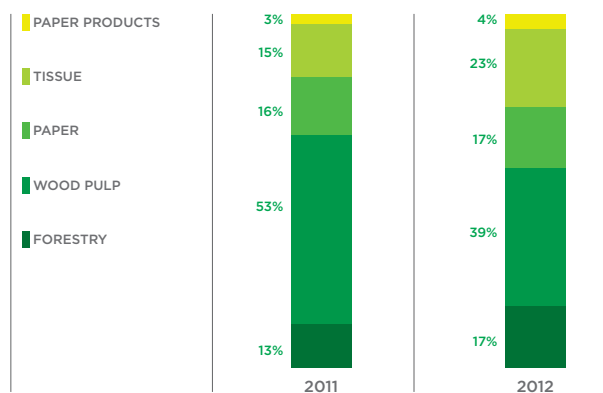
The consolidated EBITDA of Empresas CMPC reached US\$914 million in 2012, 14% down on that of the previous year. That was mainly explained by lower sales revenues, particularly export sales, due to wood pulp prices decrease, which was partly offset by higher revenues from local sales of foreign subsidiaries because of increased volumes and prices of the main products in those markets. Sales costs were also slightly higher. The EBITDA margin

(EBITDA on current revenue) was 19%, down on the 22% obtained in 2011.

Figure N°1 shows the EBITDA breakdown by business area. It can be seen that in 2012 the wood pulp EBITDA share dropped to 39%, mainly due to lower export prices. The tissue and forestry business areas increased their share considerably. This effect, shows the result of CMPC's risk diversification strategy aimed at stabilising the company's revenue.

FIG. N° 1:
EBITDA BREAKDOWN BY BUSINESS AREA

Given in US\$ and accrued up to December



Non-operating income was hit by the appreciation of the Chilean peso in the year. As Empresas



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CMPC has debt in Chilean pesos and this currency appreciated 7.6% against the US dollar in 2012, liabilities in that currency had a higher value in US dollars, which led to an exchange rate difference loss of US\$37 million in 2012, against a gain of US\$45 million in 2011. Moreover, financial costs climbed in 2012 due to higher gross debt compared to the previous year.

The tax provision in 2012 was affected by modifications to the income tax law in Chile, which increased the income tax rate of Chilean corporations from 17% to 20%. In 2012, all the income tax was calculated at the new rate, which generated higher net deferred tax expenditure of US\$117 million and was stated in the third quarter of the year.

2.1.- SALES ANALYSIS

CMPC is characterised by product and market diversification. Current revenue accumulated up to 2012 amounted to US\$4,759 billion, which was a 1% year-on-year decrease. That was mainly due to a 9% drop in export sales, partly offset by a 10% increase in local sales of foreign subsidiaries and 3% increase in local sales in Chile.

Figure N°2 shows that on comparing 2012 with the same period in 2011 the relative sales share of local sales of foreign subsidiaries increased by 3%, mainly due to greater sales of tissue products. The share of local sales in Chile increased by 1% and the share of export sales dropped 4%, mainly explained by lower prices for wood pulp exports.

FIG. N° 2:
BREAKDOWN OF ACCUMULATED SALES TO THIRD PARTIES

Given in US\$ and accrued up to December

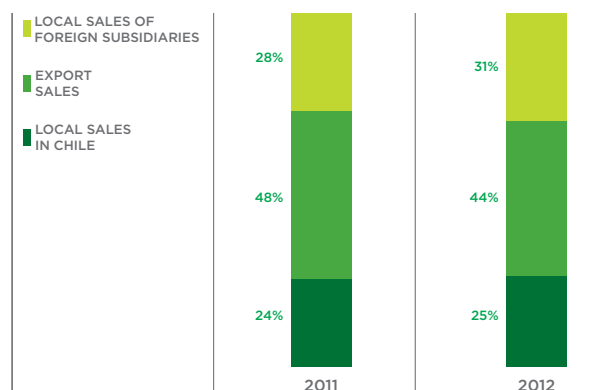
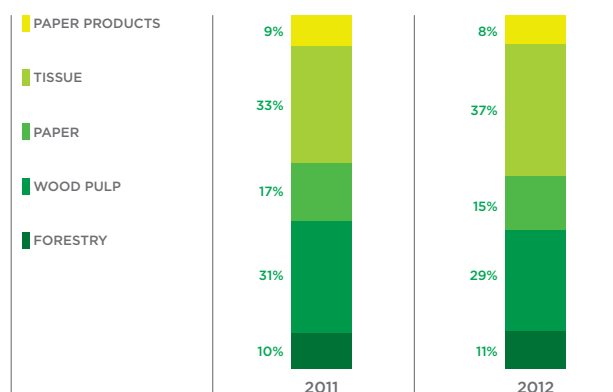


Figure N°3 shows the relative share of each of CMPC's business areas of the consolidated sales. Figure N°4 shows the sales breakdown by export market.



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

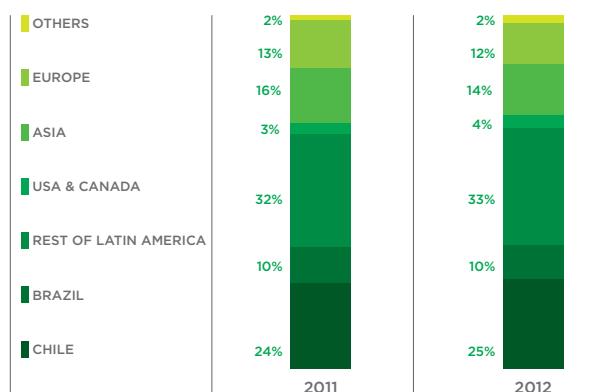
Given in US\$ and accrued up to December



The tissue business increased its relative share of consolidated sales to 37%, and the share of the pulp business dropped to 29%. These two business areas together accounted for 66% of the company's consolidated sales to third parties.

**FIG. N° 4:
BREAKDOWN OF SALES TO THIRD PARTIES BY
GEOGRAPHICAL MARKET**

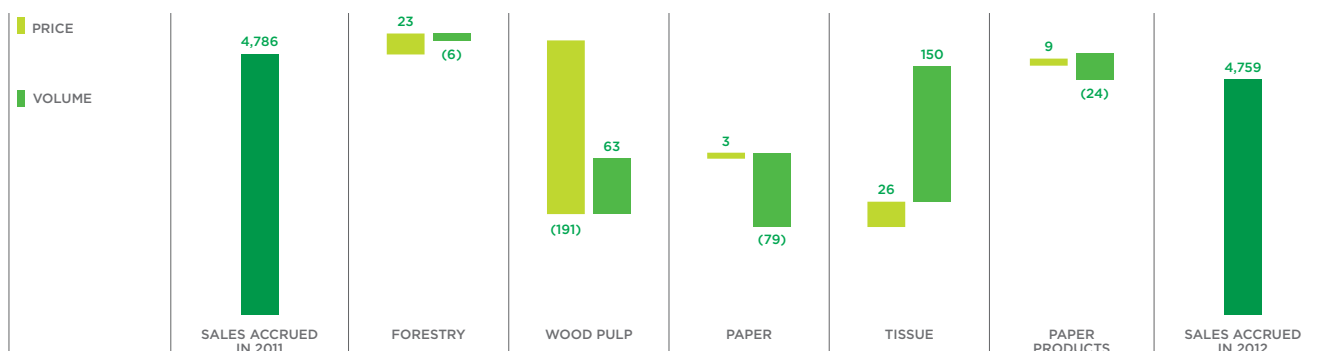
Given in US\$ and accrued up to December



It can be seen that in 2012 sales to Asia and Europe, two of the main pulp export markets, had a lower relative share of the total sales compared to 2011. In contrast, sales in Chile and in Latin America had a higher relative share of CMPC's total sales.

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

Figures in millions of US\$





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2.2.- ANALYSIS BY BUSINESS AREA

- **The forestry business** had a 3% increase in revenue from sales to third parties in 2012 compared to the same period of the previous year, driven by higher prices of plywood panels.

EBITDA had an 18% year-on-year increase. That was mainly because of increased margins, essentially due to higher prices of pine, and better margins of plywood due to increased sales prices.

- **The pulp business** had an 8% year-on-year drop in revenue. This decrease was mainly explained by a drop of 9% and 19% in the average export price of hardwood and softwood, respectively, on the previous year. The average hardwood pulp export price in 2012 was US\$623 CIF per tonne and, in the same period, the average CIF price of softwood pulp exports was US\$647 per tonne. Moreover, hardwood pulp export volume dipped 3%. This was partially offset by the softwood pulp export volume increasing 10% on the previous year. Sales costs in this business area had a slight 3% year-on-year increase.

Lower revenues and higher costs were partly offset by the sale of electricity through the subsidiary Bioenergías Forestales, which started up its operations in the second quarter of 2012 and had sales to third parties of US\$40 million in 2012. It should be highlighted that two new biomass-fired turbo generators with a joint power rating of 150 MW were commissioned in 2012, which reduced third party energy dependence of the company's operations.

As a result of this, the pulp business area EBITDA accrued in 2012 dropped 36% compared to the previous year.

- **In the paper business**, revenue from sales to third parties in 2012 dropped 9% on the previous year, mainly due to the lower sales volume of newsprint, printing and writing papers and boxboard. In 2012, CMPC reduced its newsprint production by about 54,000 tonnes compared to the previous year due to the high electric energy cost. Average sale prices in the paper business remained stable on the same period of the previous year.



The EBITDA of this business area had a 10% year-on-year decrease, explained by the lower sales volume.

- **The tissue business** had an 11% year-on-year increase in revenue, mainly due to a 9% increase in the total sales volume as a result of the expansion plan this business area is carrying out in Latin America. Regional prices in US dollars in 2012 were 1% higher than those in 2011, despite less favourable local currency parities in Brazil and Argentina.

The lower price of both wood pulp fibres in 2012, an important raw material of this business area, had a favourable effect on production costs compared to 2011. This and higher sales led to better margins in relation to 2011, particularly at some of its subsidiaries abroad. The EBITDA of this business area rose 28% on the previous year.

- **The paper product business** had a 4% year-on-year decrease in sales revenue, mainly explained by lower sales volumes of corrugated cardboard

boxes, specially those boxes intended to the fruit sector. This was partially offset by better sales prices in the paper sack business in Chile, Argentina and Peru compared to 2011.

Despite lower sales, this business area had better operating efficiency and benefitted from the lower prices of some raw materials. Due to this, the paper product business had a 21% year-on-year increase in EBITDA.

3. CONSOLIDATED BALANCE SHEET ANALYSIS

The performance of assets and liabilities for the year ended 31 December 2012 compared to the same period of the previous year was as follows:

Current assets had a net increase of US\$139 million. In terms of accounts, this net increase led to higher trade and other receivables of US\$78 million, inventories of US\$77 million, cash and cash equivalents of US\$27 million, biological assets of US\$24 million, tax assets of US\$17 million, and



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accounts receivable from related companies of US\$1 million. That was partly offset by a US\$85 million drop in other financial assets.

Non-current assets had a net increase of US\$559 million, mainly because of increases in other financial assets of US\$293 million, property, plant and equipment of US\$209 million and deferred tax assets of US\$55 million.

Shareholders' equity (which pursuant to the IFRS includes the interest of minority shareholders) rose US\$123 million, due to the net profit obtained in 2012 after deducting the recognised dividends according to the policy established in the shareholders' meeting. In addition, there was a US\$5 million increase in other reserves. Moreover, the buy-back of own shares by CMPC amounting to US\$30 million as part of the Inforsa merger process was stated in shareholders' equity, which reduced the issued

capital stock by US\$15 million and other sundry reserves by US\$15 million (see the statement of changes to shareholders' equity in the consolidated financial statements).

TABLE N° 2:
BALANCE SHEET OVERVIEW ⁽¹⁾

Figures given in thousands of US\$)

| | DEC -12 | DEC -11 |
|---|---------------|---------------|
| Current assets | 3,368 | 3,229 |
| Non-current assets | 10,678 | 10,119 |
| TOTAL ASSETS | 14,046 | 13,348 |
| Current liabilities | 1,584 | 1,058 |
| Non-current liabilities | 4,477 | 4,427 |
| TOTAL LIABILITIES | 6,061 | 5,485 |
| TOTAL SHAREHOLDERS' EQUITY | 7,985 | 7,862 |
| TOTAL SHAREHOLDERS' EQUITY & LIABILITIES | 14,046 | 13,348 |

⁽¹⁾ Assets, liabilities and shareholders' equity for the year ended 31 December 2011 were adjusted to reflect the effects of restating the financial statements of CMPC Celulose Riograndense due to the change of functional currency and regularisations made at Colombian subsidiaries (see note N°5: Accounting Changes).



TABLE N° 3:
FINANCIAL INDICATORS OF THE BALANCE SHEET

| | DECEMBER 2012 | DECEMBER 2011 |
|---|---------------|---------------|
| LIQUIDITY (TIMES) | | |
| Current liquidity: | | |
| Current assets/current liabilities | 2.13 | 3.05 |
| Acid-Test Ratio | | |
| Available assets (current - inventories - advance payments)/current liabilities | 1.41 | 2.06 |
| DEBT | | |
| Debt ratio: | | |
| Total liabilities/controller's equity | 0.76 | 0.70 |
| Short-term debt ratio: | | |
| Current liabilities/total liabilities | 26.1% | 19.3% |
| Long-term debt ratio: | | |
| Non-current liabilities/total liabilities | 73.9% | 80.7% |
| Financial cost hedging: | | |
| Pre-tax profit and financial costs/financial costs | 2.88 | 4.49 |
| Book value per share (US\$) | | |
| Controller's equity/number of shares (US\$) | 3.60 | 3.54 |
| ACTIVITY | | |
| Turnover of assets | | |
| Current revenue/total average assets in the year | 0.35 | 0.37 |
| Inventory turnover | | |
| Sales cost/average inventory in the year | 3.58 | 3.76 |
| Stockholding period | | |
| Average stock in the year *360/sales cost (annualised) | 100.7 days | 95.9 days |



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4. CASH FLOW ANALYSIS

The main components of the net cash flows in 2012 and 2011 were as follows:

**TABLE N° 4:
NET CASH FLOW**

Figures given in thousands of US\$

| | DEC - 12 | DEC - 11 |
|--|----------------|----------------|
| Net cash flow from (used in) operating activities | 757,778 | 812,811 |
| Net cash flow from (used in) investment activities | (787,733) | (832,612) |
| Net cash flow from (used in) financing activities | 40,161 | 77,137 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EXCHANGE RATE VARIATION EFFECTS | 10,206 | 57,336 |
| Exchange rate variation effects on cash and cash equivalents | 16,679 | (17,508) |
| Net variation of cash and cash equivalents | 26,885 | 39,828 |
| Cash and cash equivalents at the beginning of the year | 404,357 | 364,529 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | 431,242 | 404,357 |
| Time deposits with maturity of 90 days to one year | 309,487 | 417,464 |
| CASH FLOW AT THE END OF THE YEAR | 740,729 | 821,821 |

The performance of the main components of the consolidated cash flow for the year ended 31 December 2012 compared to 2011 was as follows:

Consolidated operating activities generated positive operating cash flows of US\$758 million for the year ended 31 December 2012 (US\$813 million for the year ended 31 December 2011).

Consolidated investment activities for the year ended 31 December 2012 used US\$788 million of funds (US\$833 million for the year ended 31 December 2011). These flows were mainly net investment made to purchase property, plant and equipment of US\$568 million (US\$637 million for the year ended 31 December 2011), other cash outlays of US\$165 million (US\$139 million for the year ended 31 December 2011), purchases of other long-term assets of US\$76 million (US\$129 million for the year ended 31 December 2011) and payments arising from forward, termination, option and swap contracts of US\$38 million (US\$8 million for the year ended 31 December 2011). That was partly offset by revenue from interest received of US\$34 million (US\$30 million for the year ended 31



December 2011) and proceeds from the sale of property, plant and equipment of US\$10 million (US\$1 million for the year ended 31 December 2011).

Consolidated net financing flows for the year ended 31 December 2012 were funding of US\$40 million, explained by proceeds from long-term loans of US\$527 million, essentially to issue a bond in the international market in April amounting to US\$500 million, and proceeds from short-term loans of US\$492 million. That was offset by using loan repayment funds of US\$692 million, interest of US\$163 million paid and dividends of US\$124 million paid.

5. NET INCOME AND DIVIDEND ANALYSIS

The company had accrued net income of US\$202 million for the year ended 31 December 2012, which was a 49% year-on-year decrease. Net income in the fourth quarter of 2012 was US\$36 million, 33% up both on that in the third quarter of 2012, and that in the fourth quarter of 2011.

Table 5 below shows the net distributable income, which is the basis for quantifying the dividends to be distributed pursuant to the current dividend policy.

**TABLE N° 5:
NET DISTRIBUTABLE INCOME**

| FOR THE YEAR ENDED | 31/12/2012 / ThUS\$ | 31/12/2011 / ThUS\$ |
|--|---------------------|---------------------|
| Earnings attributable to majority interest ^(*) | 201,746 | 492,126 |
| Fair value variation of forest plantations | (36,786) | (110,355) |
| Deferred taxes related to the fair value of forest plantations | 10,779 | 29,955 |
| Higher expense due an increase in liabilities from deferred tax arising from the income tax rate in Chile increasing from 17% to 20%, laid down in the tax reform in force as of 2012, due to the revaluation of biological assets at their fair value | 56,543 | - |
| Net distributable income | 232,282 | 411,726 |
| Dividend policy application (40%) | 92,913 | 164,690 |
| Dividend per share (US\$/outstanding stock) | 0.0419 | 0.0742 |

^(*) Earnings for the year ended 31 December 2011 exclude the adjustments made from changing the functional currency of Brazilian subsidiaries or adjustments for accounting regularisation in Colombian subsidiaries (see note 5).



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Table N°6 below shows the dividends paid in 2011 and 2012:

**TABLE N° 6:
DIVIDENDS PAID**

| DIVIDEND N° | US\$/SHARE ⁽¹⁾ | Ch\$/SHARE | PAYMENT DATE |
|----------------------------|---------------------------|------------|--------------|
| Final 251 | 0.4347 | 200 | 11-05-11 |
| Interim 252 | 0.2594 | 120 | 14-09-11 |
| Interim 253 ⁽²⁾ | 0.0236 | 12 | 15-12-11 |
| Final 254 | 0.0247 | 12 | 10-05-12 |
| Interim 255 | 0.0168 | 8 | 13-09-12 |
| Interim 256 | 0.0148 | 7 | 27-12-12 |

⁽¹⁾ PTo convert final dividends into Chilean pesos (Ch\$), the exchange rate on the day of the shareholders' meeting was used, and for interim dividends the exchange rate on the day the shareholders' registry was closed.

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

Table N°7 below shows the main profitability indicators.

**TABLE N° 7:
PROFITABILITY INDICATORS ⁽¹⁾**

| | DECEMBER 2012 | DECEMBER 2011 |
|--|---------------|---------------|
| EARNINGS ON INCOME (ANNUAL): | | |
| Profit/current revenue | 4.25% | 8.22% |
| ANNUAL RETURN ON SHAREHOLDERS' EQUITY: | | |
| Profit/total average shareholders' equity in the year ⁽²⁾ | 2.55% | 5.02% |
| ANNUAL RETURN ON ASSETS: | | |
| Profit/average assets in the year | 1.48% | 3.00% |
| ANNUAL YIELD OF OPERATING ASSETS: | | |
| Operating income ⁽³⁾ /average operating assets in the year ⁽⁴⁾ | 4.40% | 5.98% |
| RETURN ON DIVIDENDS: | | |
| Dividends paid (rolling year) ⁽⁵⁾ /market share price ⁽⁶⁾ | 1.53% | 2.53% |
| EARNINGS PER SHARE (US\$): | | |
| Net income in the year (profit attributable to the controller)/N° of shares ⁽⁷⁾ | 0.09 | 0.18 |

⁽¹⁾ The indicators for the year ended 31 December 2011 were calculated considering the effects of restating the financial statements of CMPC Celulose Riograndense due to changing the functional currency and making adjustments for regularisation at Colombian subsidiaries (see note 5: Accounting Changes).

⁽²⁾ Average shareholders' equity in the year.

⁽³⁾ Operating income defined in Table N°1.

⁽⁴⁾ Operating assets: trade receivables and other accounts receivable + inventories + property, plant and equipment + biological assets.

⁽⁵⁾ Dividends paid expressed in US\$.

⁽⁶⁾ Market share price: closing stock market price of the share.

⁽⁷⁾ Considers the average number of shares in the year.



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 managements co-ordinate and control the correct execution of the prevention and mitigation policies for the main risks identified.

6.1.- MARKET RISK

A substantial 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, inventory levels, business strategies and the competitive advantages of the major players in the forestry industry, the availability of substitute products and the product life cycle 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 27% of the consolidated sales in terms of value and is sold to more than 260 customers in 40 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 partly offset by the higher margins of value-added product sales, especially tissue and boxboard.

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 through its subsidiary Inversiones CMPC S.A. The aim of this is to optimise resources, achieve scale economies, and enhance operating control. Subsidiaries only go into debt alone when this is advantageous.



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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, costs and investment expenses, which are directly or indirectly expressed in currencies other than the functional currency.

Exports of CMPC and its subsidiaries accounted for around 44% 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 56% of the company's total sales in the year. Those sales were made in local currencies and in US dollars.

Due to this, it is estimated that the income flow in US dollars or that indexed to this currency accounted for around 63% of the company's total sales. Regarding disbursements, both the raw 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 are made 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 operations are carried out to fix the exchange rates involved. For the year ended 31 December 2012, a large proportion of the forecasted sales of boxboard and wood products to Europe was hedged in Euros up to 2015.

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 contracting short-term forward transactions and, in some cases, subject to limits previously authorised by the Board of Directors, subscribing structured option transactions, which in any case are of a low amount as compared with the company's total sales.

(ii) Interest rate risk:

CMPC manages the interest rate structure of its debt 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 has financial liabilities at a floating rate of US\$346 million and they are therefore subject to interest flow variations from interest rate changes. If this increases or decreases 10% (on the mean annual financing floating rate of 1.95%), it means CMPC's financial expenses per annum rise or drop by about US\$0.67 million.

6.2.2.- CREDIT RISK

Credit risk mainly arises from the possible non performing debts 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 gathers information from various alternative sources, through transferring this risk (using letters of credit or credit insurance) or guarantees that jointly cover 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 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 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 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.



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6.3.- OPERATING RISK

6.3.1.- INDUSTRIAL AND FORESTRY OPERATION RISKS

Events that paralyse the company's productive facilities might prevent it meeting its customer needs, achieving production targets and compel it to make unscheduled outlays for maintenance and investment in assets, all of which could harm the financial results of CMPC. The most significant events that could lead to paralysation include equipment failure, supply interruptions, spillages, explosions, earthquakes, floods, droughts, terrorism and labour conflicts.

The aim of operational risk management at CMPC is to efficiently and effectively protect its employees, the environment, the company's assets and the continuity of the operations 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 their likelihood and mitigate the effects of possible losses. These plans are managed by each company business

unit commensurate with corporate regulations and standards.

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 operational risks of businesses are permanently re-appraised to optimise coverage according to competitive offers in the insurance market. The insurance policy limits and deductibles are generally established based on the maximum losses estimated for each category of risk and the coverage conditions offered 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 compensation determined according to historical 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, it is not possible to rule out that events occurring outside the historical patterns could eventually cause significant losses above the contracted insurance policies coverages.



6.3.2.- CONTINUITY AND COST OF RAW MATERIALS AND SERVICES SUPPLY

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

International oil prices dropped slightly in the year, mainly due to lower demand and increased producer's capacity, despite continued geopolitical and cyclical issues and tensions in the Middle East.

Concerning electric energy, CMPC's main industrial operations mostly have their own energy supply from biomass and/or power supply contracts with third parties. Biomass capacity was increased in the year with the commissioning of new self generating capacity. Moreover, mills have contingency plans to deal with supply shortages. Nevertheless, the weaknesses of the Chilean electric power system continue to generate higher costs and supply disruptions 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 undermine the competitiveness of some of the company's businesses, in which electric power accounts for a large share of their costs, as is the case of newsprint. In 2012, newsprint production was reduced by about 54,000 tonnes due to the energy supply constraints at the price of current contracts and the high cost of obtaining energy in the spot market in the year.

Among CMPC's various product and service suppliers, 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 constantly and systematically works to develop high operating standards and a focus on the safety of its employees and on improving overall labour conditions.

6.3.3.- ENVIRONMENTAL RISKS

CMPC's operations are regulated by environmental standards in Chile and in other countries where it operates. CMPC is distinguished by generating sustainable development bases in 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 industrial mills.

It should be highlighted that in August 2012 the Brazilian subsidiary CMPC Celulose Riograndense obtained FSC® certification for its forest plantations.



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In December 2012, the same certification was granted for the forests plantations in Chile. This Forest Stewardship Council® certification endorses CMPC's care for the environment and sustainable development of its business.

6.3.4.- COMMUNITY RELATION RISKS

CMPC has a good relationship with the neighboring communities around its operations and collaborates in different areas, highlighting the support Fundación CMPC gives to public school education.

The mission of Fundación CMPC is to drive and stimulate education, values, the cultural development and social aid of the communities in which Empresas CMPC S.A. or its subsidiaries have productive operations. Its aim is to improve the education results of primary schoolchildren and foster a good relationship between the company and the surrounding communities. Its programmes benefit over 10,000 pupils at 53 schools in 12 districts. 5,202 hours of training were given to school teachers and heads in 2012.

There are still acts of violence in certain areas of the Bío-Bío and Araucanía regions in Chile, which affect farmers' lands and forestry companies, and are caused by groups demanding alleged ancestral

rights to certain lands. The areas affected have a high level of poverty and deep social problems. Less than 2% of CMPC's plantations in Chile are affected by this issue. CMPC has striven to create employment, education, productive development programmes and micro-entrepreneurship initiatives to alleviate the poverty problem of families living in those areas.

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

6.3.5.- COMPLIANCE RISKS

This risk concerns the company's ability to comply with legal, regulatory, contractual, and extra-contractual liability obligations, in addition to 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 distinguished by its proactive attitude towards issues of safety, the environment, labour conditions, market operation and community relations. In its almost 93-year history, CMPC has had a proven and recognised 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.

6.4.- POLITICAL AND ECONOMIC RISKS IN COUNTRIES IN WHICH CMPC OPERATES

Changes in the political or economic conditions of countries in which CMPC has industrial operations might affect the company's results and the development of its business plan.

CMPC has industrial operations in 8 countries (Chile, Argentina, Brazil, Colombia, Ecuador, Mexico, Peru and Uruguay). Most of the fixed assets are in Chile and Chilean operations account for 64% of the sales. About 19% of CMPC's fixed assets are in Brazil and operations in that country account for 13% of the sales. The governments of the countries in which CMPC operates have a major influence on many

aspects of the private sector, including changes in tax regulations, monetary policies, the exchange rate and public expenditure. They also have an influence on regulatory aspects, such as labour and environmental regulations. CMPC's operations and its financial results could be harmed by these changes.

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 growth conditions continue in developing countries. Nevertheless, it is not possible to rule out cycles of economic instability which, besides new productive capacity coming on stream, could have effects on market stability.

At the 2012 year-end, the following main projects had been completed or were in different stages of execution:

- The plywood mill expansion project, which will double plywood output at an investment of US\$120 million, is in full development. Commissioning is scheduled for the second half of 2013.



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- The second stage of the Santa Fe 2 mill expansion, which will increase hardwood output by 200,000 tonnes a year and entailed an investment of about US\$156 million, started up in early 2012.
- The Laja mill modernisation project, at an investment of around US\$295 million, has been completed and is operating.
- Energy generation projects, which envisage two biomass-fired turbo generators, one at the Santa Fe mill and the other at the Laja mill, with a combined rated capacity of 150 MW. They entailed a total investment of about US\$260 million and were commissioned in 2012.
- The production expansion project of extensible paper for sacks in Chile, at an investment of US\$16.7 million, started up in the first half of 2012.
- The Talagante tissue mill expansion project, which will entail an investment of US\$78 million, is under development according to plan and is scheduled to be commissioned in the second quarter of 2013.
- The project to set up a new multiwall sack mill at Guadalajara in Mexico, which considers four new production lines and an investment of US\$24 million. The first two production lines were commissioned in the second quarter of 2012. The following two lines to complete the project will start up in the second quarter of 2013.

On 18 April 2012, Empresas CMPC S.A., through its subsidiary Inversiones CMPC S.A., issued a bond of US\$500 million in the United States. The bond has 10-year maturity and will bear interest of 4.5% per annum. The actual placement rate was 4.638% per annum, with a 2.65% spread on the 10-year US Treasury bond. Bank of America Merrill Lynch, HSBC, Mitsubishi UFJ and J.P.Morgan were the underwriter banks.

On 19 April 2012, the subsidiary CMPC Celulosa and Endesa S.A. agreed to terminate the arbitration they were involved in to determine the outstanding amount owed by CMPC Celulosa to Endesa for electricity consumption which, in accordance with the verdict of a previous arbitration proceeding, Endesa was not bound to provide at the price set forth in the electricity and power supply contract dated 31 May 2003. Pursuant to the mentioned agreement, CMPC Celulosa bound itself to pay Endesa US\$59.9 million. This shall be paid as follows: US\$25 million in 2012, and reductions will be made for the balance calculated based on the energy consumption saving and assignment of non-conventional renewable energy attributes in 2012 and 2013. The company has sufficient provisions and this agreement therefore had no effect on income in 2012.

In June 2012, the functional currency defined for the Brazilian subsidiary Celulose Riograndense Ltda was changed from Brazilian reales (BRL) to US dollars (US\$). The effects of this change are shown in note 5 to the consolidated financial statements.



On 10 September 2012, Empresas CMPC S.A. reported to the Superintendency of Securities and Insurance (SVS) that, through its subsidiary CMPC Celulose Riograndense S.A., it had reached an agreement with Fibria Celulose S.A. for CMPC to buy forest assets in Brazil in exchange for R\$615 million. This considered a set of tenements in the Brazilian state of Rio Grande do Sul with a total surface area of 100,000 hectares, of which about 38,000 are currently planted with eucalyptus. The definitive contract and the respective payment to Fibria Celulose are subject to the approval of the competent authorities in Brazil. This operation was stated in the item Other non-current financial assets on the balance sheet (see note 8 to the consolidated financial statements).

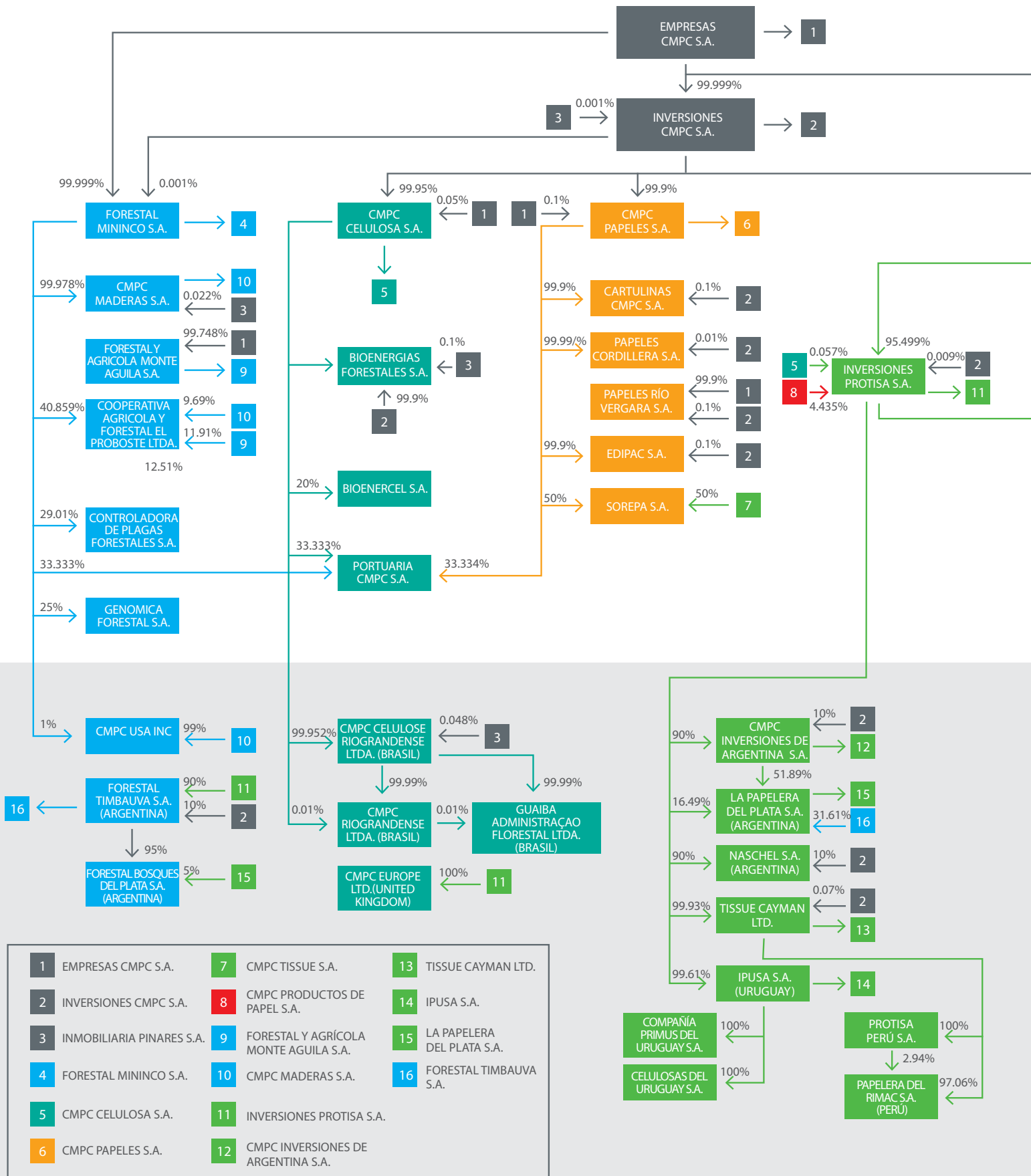
On 6 December 2012, the Board of Directors of Empresas CMPC approved the Guaíba line II industrial expansion project in the state of Rio Grande do Sul in Brazil, which entails building and operating a new bleached eucalyptus pulp line with a production capacity of 1.3 million tonnes a year, to be located next to and operationally integrated to the current line I of the Guaíba mill run by CMPC Celulose Riograndense. This expansion will involve a total investment of about US\$2.1 billion in industrial assets and is estimated will take 25 months.

As part of the financing of this project, the subsidiary CMPC Celulose Riograndense Ltda. secured a loan with Banco Nacional de Desenvolvimento

Econômico e Social de Brasil (BNDES) of up to R\$2.510 billion, structured into various lines, at an average annual nominal rate in reales equivalent to 5.5%.

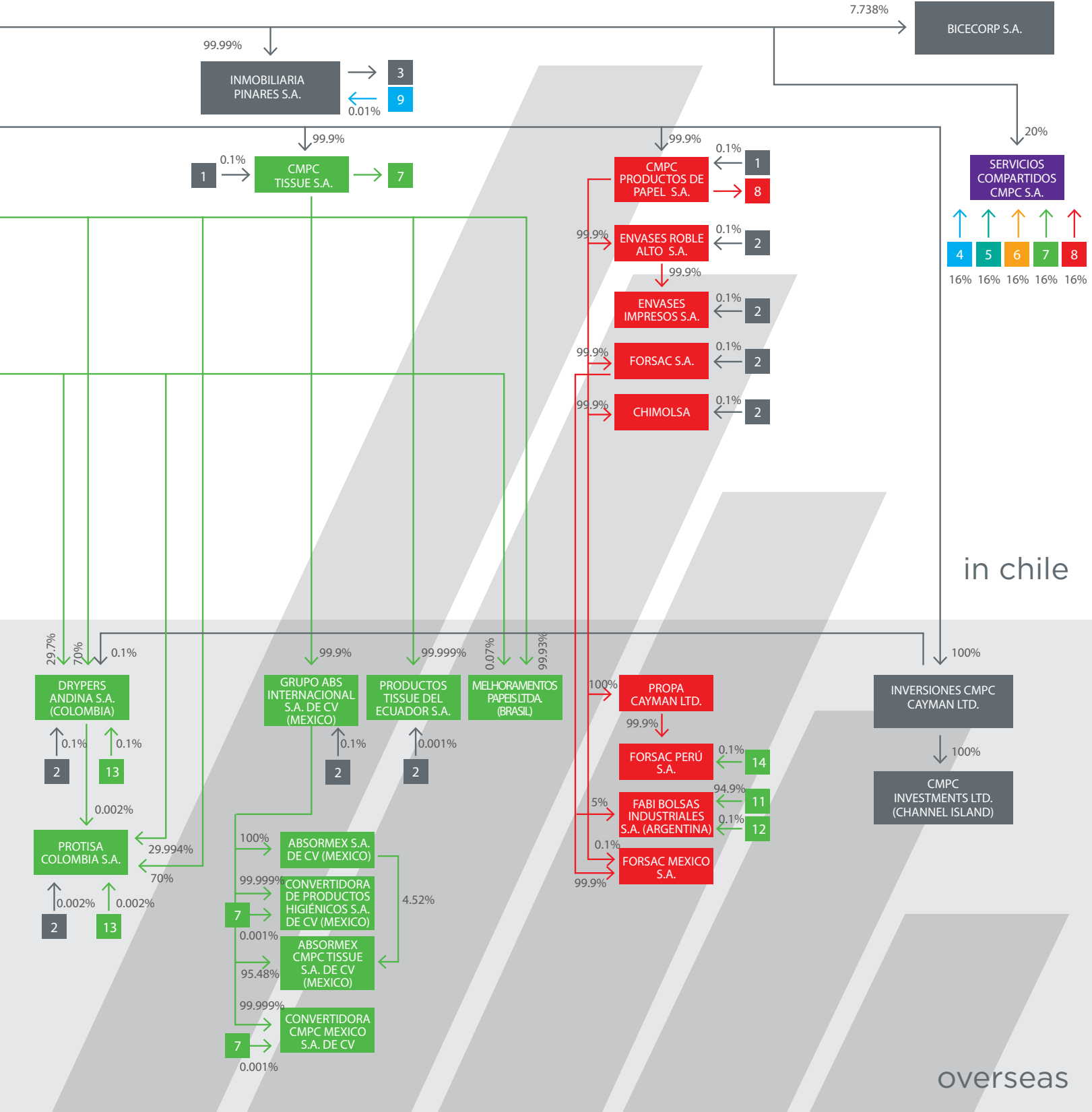
Moreover, on 24 January 2013, an Extraordinary Shareholders' Meeting of Empresas CMPC approved a capital increase of US\$500 million by issuing approximately 155.6 million new shares, in which the Board of Directors was authorised to issue and establish the price in the pre-emptive right period. The capital increase is part of financing of various investment projects, including the new pulp line of the Guaíba mill in Brazil.

On 1 March 2013, the company reported a significant event to the SVS, namely that in an audit and internal investigation process at Tissue Colombia accounting irregularities had been detected. Such irregularities consisted of overstating revenue and certain accounts receivable and understating accounts payable. These events occurred from 2008 to 2012, and it was deemed necessary to make adjustments to assets and liabilities, which meant a net charge to shareholders' equity of US\$35 million, of which part (US\$14 million) was stated in income of 2012, and the rest in income of previous years. Furthermore, management took the action necessary to: i) undertake the corresponding accounting, financial and legal investigations, and ii) assess the advisability of filing legal action for these events. This event did not have a major effect on the equity standing of Empresas CMPC S.A.



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OWNERSHIP STRUCTURE CHART



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GENERAL INFORMATION

CAPITAL STOCK

For the year ended 31 December 2012, the company's capital stock amounted to US\$746 million divided into 2,219.40 million shares. The equity of Empresas CMPC S.A. was US\$7,853.9 million for the year ended 31 December 2012.

SHARE OWNERSHIP

Table A shows the 12 majority shareholders and the number of shares held by each of them for the year ended 31 December 2012.

**TABLE A:
TWELVE MAJORITY SHAREHOLDERS**

FOR THE YEAR ENDED 31 DECEMBER 2012

| SHAREHOLDER | Nº 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 |
| Banco de Chile on behalf of third parties | 104,723,332 |
| Forestal Bureo S.A. | 88,754,760 |
| A.F.P. Provida S.A. for pension funds | 88,254,306 |
| Banco Itaú Chile S.A. on behalf of foreign investors | 72,827,700 |
| A.F.P. Habitat S.A. for pension funds | 59,928,794 |
| A.F.P. Capital S.A. for pension funds | 47,350,780 |
| Inmobiliaria Ñague S.A. | 46,698,796 |
| A.F.P. Cuprum S.A. for pension funds | 44,133,110 |
| 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 mutual relationship control 55.44% of the voting⁽¹⁾ capital for the year ended 31 December 2012.

**TABLE B:
BREAKDOWN OF SHARES OWNED BY THE
CONTROLLER'S COMPANIES**

FOR THE YEAR ENDED 31 DECEMBER 2012

| SHAREHOLDER | Nº 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 |
| Puertos y Logística S.A. | 1,309,480 |
| Others | 3,967,670 |
| TOTAL | 1,230,367,505 |

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 with an equal share: 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.

⁽¹⁾ Percentage of the outstanding stock at the end of the year. This percentage was 52.25% for the total shares issued.



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 | Nº OF SHARES | AMOUNT TRADED THCH\$ | AVERAGE PRICE CH\$/SHARE |
|------------------------------|--------------|----------------------|--------------------------|
| 1 st Quarter 2010 | 10,308,925 | 224,090,542 | 21,737.53 |
| 2 nd Quarter 2010 | 6,124,139 | 138,648,118 | 22,639.61 |
| 3 rd Quarter 2010 | 6,390,007 | 151,537,882 | 23,714.82 |
| 4 th Quarter 2010 | 5,599,320 | 144,060,896 | 25,728.28 |
| 1 st Quarter 2011 | 6,592,258 | 150,570,386 | 22,840.49 |
| 2 nd Quarter 2011 | 5,432,026 | 131,966,639 | 24,294.18 |
| 3 rd Quarter 2011 | 44,940,085 | 185,252,318 | 4,122.21 |
| 4 th Quarter 2011 | 112,373,136 | 207,663,502 | 1,847.98 |
| 1 st Quarter 2012 | 112,414,405 | 229,114,935 | 2,038.13 |
| 2 nd Quarter 2012 | 85,840,618 | 164,311,508 | 1,914.15 |
| 3 rd Quarter 2012 | 69,412,450 | 126,297,509 | 1,819.52 |
| 4 th Quarter 2012 | 75,406,040 | 134,638,420 | 1,785.51 |

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 2011, Inforsa's shares were no longer traded due to the merger with CMPC.

In 2012, related shareholders made company share transactions, as shown in Table D below.

**TABLE D:
SHARE TRANSACTIONS BY RELATED SHAREHOLDERS**

| SHAREHOLDER | RELATIONSHIP | Nº OF SHARES | | AVERAGE UNIT PRICE | | TOTAL AMOUNT TRADED THCH\$ | |
|------------------------------|---------------------------|--------------|--------|----------------------|-----------------|----------------------------|-------------------|
| | | PURCHASED | SOLD | PURCHASED CH\$/SHARE | SOLD CH\$/SHARE | PURCHASED THCH\$/SHARE | SOLD THCH\$/SHARE |
| Suc. Anthony Wilson Grothe | Relative of the executive | | 32,000 | | 1,837.80 | | 58,810 |
| Washington Williamson Lefort | Relative of the executive | | 55 | | 1,892.00 | | 104 |



CONSOLIDATED FINANCIAL STATEMENTS

SUMMARISED FINANCIAL STATEMENTS



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consolidated financial statements

EMPRESAS CMPC



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INDEPENDENT AUDITORS' REPORT

To the Shareholders and Board of Directors of
Empresas CMPC S.A.

We have audited the accompanying consolidated financial statements of Empresas CMPC S.A. and its subsidiaries (the "Company"), which comprise the consolidated statement of financial position as of December 31, 2012, and the related consolidated statements of income, changes in equity, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We did not audit the financial statements as of and for the year ended December 31, 2012 of certain wholly-owned subsidiaries, which statements reflect total assets and revenues, constituting 10.3% and 23.7%, respectively, of the corresponding consolidated total assets and revenues for the year ended December 31, 2012. Those statements were audited by other auditors, whose reports has been furnished to us, and our opinion, insofar as it relates to the amounts included for such subsidiaries, is based solely on the reports of the other auditors. We conducted our audit 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Deloitte® se refiere a Deloitte Touche Tohmatsu Limited una compañía privada limitada por garantía, de Reino Unido, y a su red de firmas miembro, cada una de las cuales es una entidad legal separada e independiente. Por favor, vea en www.deloitte.cl acerca de la descripción detallada de la estructura legal de Deloitte Touche Tohmatsu Limited y sus firmas miembro.

Deloitte Touche Tohmatsu Limited es una compañía privada limitada por garantía constituida en Inglaterra & Gales bajo el número 07271800, y su domicilio registrado: Hill House, 1 Little New Street, London, EC4A 3TR, Reino Unido.

Opinion

In our opinion, based on our audit and the reports of the 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 as of December 31, 2012, and the results of their operations and their cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other-matters, predecessor auditors' opinion on 2011 Financial Statements

The consolidated financial statements of Empresas CMPC S.A. and its subsidiaries as of and for the year ended December 31, 2011, prepared in accordance with International Financial Reporting Standards, before being restated as explained in Note 5, were audited by other auditors, who based on their audit and the reports of other auditors, expressed an unmodified opinion dated March 8, 2012 on those statements.

Other-matters, restated financial statements as of December 31, 2011

As part of our audit of the 2012 consolidated financial statements, we also audited the adjustments described in Note 5 that were applied to restate the 2011 consolidated financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2011 consolidated financial statements of Empresas CMPC SA and its subsidiaries other than with respect to the restatement adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2011 consolidated financial statements as a whole.

The accompanying financial statements have been translated into English for the convenience of readers outside of Chile.

The image shows the signature of Deloitte, written in a cursive, handwritten style.

March 27, 2013
Santiago, Chile

consolidated financial statements

EMPRESAS CMPC



STATEMENT OF FINANCIAL POSITION

| | Note No. | As of December 31, 2012 ThUS\$ | As of December 31, 2011 ThUS\$ |
|--|----------|--------------------------------------|--------------------------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | 8 | 431,242 | 404,357 |
| Other current financial assets | 8 | 433,951 | 519,217 |
| Other current non-financial assets | 9 | 32,667 | 32,732 |
| Trade and other current receivables | 10 | 969,941 | 891,996 |
| Accounts receivable from related entities, current | 11 | 2,382 | 1,317 |
| Inventories | 12 | 1,098,369 | 1,021,085 |
| Current biological assets | 13 | 244,886 | 220,871 |
| Current tax assets, current | 14 | 154,964 | 137,565 |
| TOTAL CURRENT ASSETS | | 3,368,402 | 3,229,140 |
| NON-CURRENT ASSETS | | | |
| Other non-current financial assets | 8 | 302,861 | 9,399 |
| Other non-current non-financial assets | 9 | 30,326 | 45,748 |
| Trade and other non-current receivables | 10 | 29,551 | 37,638 |
| Investments accounted for using equity method | 16 | 93,853 | 77,027 |
| Intangible assets other than goodwill | 17 | 10,546 | 10,044 |
| Goodwill | 18 | 142,691 | 155,181 |
| Property, plant and equipment | 19 | 6,569,815 | 6,360,340 |
| Non-current biological assets | 13 | 3,280,990 | 3,261,039 |
| Current tax assets, non-current | 14 | 11,004 | 10,892 |
| Deferred tax assets | 21 | 206,038 | 151,302 |
| TOTAL NON-CURRENT ASSETS | | 10,677,675 | 10,118,610 |
| TOTAL ASSETS | | 14,046,077 | 13,347,750 |
| EQUITY AND LIABILITIES | | | |
| LIABILITIES | | | |
| Current liabilities | | | |
| Other current financial liabilities | 22 | 705,490 | 293,446 |
| Trade and other current payables | 23 | 721,740 | 597,664 |
| Accounts payable to related entities, current | 24 | 20,772 | 22,498 |
| Other current provisions | 25 | 24,516 | 1,868 |
| Current tax liabilities, current | 14 | 22,294 | 27,931 |
| Current provisions for employee benefits | 26 | 47,474 | 45,403 |
| Other current non-financial liabilities | 27 | 41,658 | 69,194 |
| TOTAL CURRENT LIABILITIES | | 1,583,944 | 1,058,004 |
| Non-current liabilities | | | |
| Other non-current financial liabilities | 22 | 3,230,886 | 3,137,196 |
| Accounts payable to related entities, non-current | 24 | - | 10,000 |
| Other non-current provisions | 25 | 26,437 | 78,464 |
| Deferred tax liabilities | 21 | 1,107,435 | 1,002,363 |
| Current tax liabilities, non-current | 14 | 22,565 | 113,414 |
| Non-current provisions for employee benefits | 26 | 86,059 | 83,414 |
| Other non-current non-financial liabilities | 27 | 3,717 | 2,459 |
| TOTAL NON-CURRENT LIABILITIES | | 4,477,099 | 4,427,310 |
| TOTAL LIABILITIES | | 6,061,043 | 5,485,314 |
| Equity | | | |
| Issued capital | 28 | 746,027 | 761,425 |
| Retained earnings | 29 | 7,038,548 | 6,929,432 |
| Treasury shares | 28 | - | (30,237) |
| Other reserves | 30 | 195,737 | 193,237 |
| TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF PARENT | | 7,980,312 | 7,853,857 |
| Non-controlling interests | | 4,722 | 8,579 |
| TOTAL EQUITY | | 7,985,034 | 7,862,436 |
| TOTAL EQUITY AND LIABILITIES | | 14,046,077 | 13,347,750 |

STATEMENT OF CHANGES IN EQUITY

| | Issued capital Note 28 ThUS\$ | Share premium Note 28 ThUS\$ | Company shares Note 28 ThUS\$ | Reserve of exchange difference on translation Note 30 ThUS\$ | Other miscellaneous reserves Note 30 ThUS\$ | Other miscellaneous reserves Note 30 ThUS\$ | Other reserves ThUS\$ | Retained earnings Note 29 ThUS\$ | Equity attributable to equity owners of parent ThUS\$ | Non-controlling interests ThUS\$ | Total equity ThUS\$ |
|---|-------------------------------------|------------------------------------|-------------------------------------|--|---|---|--------------------------|--|--|-------------------------------------|------------------------|
| FOR THE YEAR ENDED DECEMBER 31, 2012 | | | | | | | | | | | |
| Opening balance 1/1/2012 | 761,425 | - | (30,237) | (96,895) | 11,750 | 278,382 | 193,237 | 6,929,432 | 7,853,857 | 8,579 | 7,862,436 |
| RESTATED OPENING BALANCE | 761,425 | - | (30,237) | (96,895) | 11,750 | 278,382 | 193,237 | 6,929,432 | 7,853,857 | 8,579 | 7,862,436 |
| Changes in equity | | | | | | | | | | | |
| Comprehensive income | | | | | | | | | | | |
| Profit (loss) | - | - | - | - | - | - | - | 201,746 | 201,746 | 664 | 202,410 |
| Other comprehensive income | - | - | - | 16,836 | (9,352) | 9,855 | 17,339 | - | 17,339 | - | 17,339 |
| COMPREHENSIVE INCOME | - | - | - | 16,836 | (9,352) | 9,855 | 17,339 | 201,746 | 219,085 | 664 | 219,749 |
| Dividends | - | - | - | - | - | - | - | (92,913) | (92,913) | - | (92,913) |
| Increase (decrease) through transfers and other changes | (15,398) | - | 30,237 | - | - | (14,839) | (14,839) | 283 | 283 | (4,521) | (4,238) |
| TOTAL CHANGES IN EQUITY | (15,398) | - | 30,237 | 16,836 | (9,352) | (4,984) | 2,500 | 109,116 | 126,455 | (3,857) | 122,598 |
| CLOSING BALANCE 12/31/2012 | 746,027 | - | - | (80,059) | 2,398 | 273,398 | 195,737 | 7,038,548 | 7,980,312 | 4,722 | 7,985,034 |

| | | | | | | | | | | | |
|--|----------------|----------|-----------------|-----------------|---------------|----------------|----------------|------------------|------------------|--------------|------------------|
| FOR THE YEAR ENDED DECEMBER 31, 2011 | | | | | | | | | | | |
| Opening balance 1/1/2011 | 692,358 | 13,620 | - | 66,067 | 9,245 | 198,535 | 273,847 | 6,685,585 | 7,665,410 | 156,321 | 7,821,731 |
| Increase (decrease) through corrections of errors | - | - | - | (58,186) | - | - | (58,186) | 25,756 | (32,430) | - | (32,430) |
| RESTATED OPENING BALANCE | 692,358 | 13,620 | - | 7,881 | 9,245 | 198,535 | 215,661 | 6,711,341 | 7,632,980 | 156,321 | 7,789,301 |
| Changes in equity | | | | | | | | | | | |
| Comprehensive income | | | | | | | | | | | |
| Profit (loss) | - | - | - | - | - | - | - | 390,925 | 390,925 | 2,347 | 393,272 |
| Other comprehensive income | - | - | - | (104,776) | 2,505 | (4,357) | (106,628) | - | (106,628) | - | (106,628) |
| COMPREHENSIVE INCOME | - | - | - | (104,776) | 2,505 | (4,357) | (106,628) | 390,925 | 284,297 | 2,347 | 286,644 |
| Issue of equity | 55,447 | - | - | - | - | - | - | - | 55,447 | - | 55,447 |
| Dividends | - | - | - | - | - | - | - | (172,834) | (172,834) | - | (172,834) |
| Increase (decrease) through transfers and other changes | 13,620 | (13,620) | - | - | - | 84,204 | 84,204 | - | 84,204 | (150,089) | (65,885) |
| Increase (decrease) through treasury shares transactions | - | - | (30,237) | - | - | - | - | - | (30,237) | - | (30,237) |
| TOTAL CHANGES IN EQUITY | 69,067 | (13,620) | (30,237) | (104,776) | 2,505 | 79,847 | (22,424) | 218,091 | 220,877 | (147,742) | 73,135 |
| CLOSING BALANCE 12/31/2011 | 761,425 | - | (30,237) | (96,895) | 11,750 | 278,382 | 193,237 | 6,929,432 | 7,853,857 | 8,579 | 7,862,436 |

consolidated financial statements

EMPRESAS CMPC



INCOME STATEMENT

| | Note No. | For the year ended December 31, | |
|--|----------|---------------------------------|-------------|
| | | 2012 ThUS\$ | 2011 ThUS\$ |
| PROFIT (LOSS) | | | |
| Revenue | 32 | 4,759,320 | 4,786,415 |
| Cost of sales | | (3,789,800) | (3,715,337) |
| GROSS PROFIT | | 969,520 | 1,071,078 |
| Other income | 13 | 238,384 | 219,891 |
| Distribution costs | | (264,425) | (228,080) |
| Administrative expense | | (220,196) | (203,744) |
| Other expense | | (197,187) | (166,642) |
| Other losses | 33 | (15,101) | (32,697) |
| PROFIT OPERATING ACTIVITIES | | 510,995 | 659,806 |
| Finance income | | 37,275 | 36,673 |
| Finance costs | 34 | (175,231) | (162,918) |
| Share of profit of associates and joint ventures accounted for using equity method | 16 | 12,810 | 11,544 |
| Foreign exchange differences | 35 | (37,486) | 44,586 |
| Loss on indexation units | | (18,129) | (20,505) |
| PROFIT BEFORE TAX | | 330,234 | 569,186 |
| Tax expense | 36 | (127,824) | (175,914) |
| PROFIT FROM CONTINUING OPERATIONS | | 202,410 | 393,272 |
| PROFIT | | 202,410 | 393,272 |
| PROFIT ATTRIBUTABLE TO: | | | |
| Profit attributable to owners of parent | | 201,746 | 390,925 |
| Profit attributable to non-controlling interests | | 664 | 2,347 |
| PROFIT | | 202,410 | 393,272 |
| EARNINGS PER SHARE | | | |
| Basic earnings per share | | | |
| BASIC EARNINGS PER SHARE FROM CONTINUING OPERATIONS (US\$ PER SHARE) | 31 | 0.0909 | 0.1774 |
| BASIC EARNINGS PER SHARE FROM DISCONTINUED OPERATIONS (US\$ PER SHARE) | | - | - |
| TOTAL BASIC EARNINGS PER SHARE | | 0.0909 | 0.1774 |
| Diluted earnings per share | | | |
| DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS (US\$ PER SHARE) | 31 | 0.0909 | 0.1774 |
| DILUTED EARNINGS PER SHARE FROM DISCONTINUED OPERATIONS (US\$ PER SHARE) | | - | - |
| TOTAL DILUTED EARNINGS PER SHARE | | 0.0909 | 0.1774 |
| STATEMENT OF OTHER COMPREHENSIVE INCOME | | | |
| Profit | | 202,410 | 393,272 |
| COMPONENTS OF OTHER COMPREHENSIVE INCOME, BEFORE TAX | | | |
| EXCHANGE DIFFERENCES ON TRANSLATION | | | |
| Gains (losses) on exchange differences on translation, before tax | 30 | 16,836 | (104,776) |
| OTHER COMPREHENSIVE INCOME, BEFORE TAX, EXCHANGE DIFFERENCES ON TRANSLATION | | 16,836 | (104,776) |
| CASH FLOW HEDGES | | | |
| Gains (losses) on cash flow hedges, before tax | | (4,257) | 3,849 |
| Reclassification adjustments on cash flow hedges, before tax | | (7,433) | (831) |
| OTHER COMPREHENSIVE INCOME, BEFORE TAX, CASH FLOW HEDGES | | (11,690) | 3,018 |
| Share of other comprehensive income of associates and joint ventures accounted for using equity method, before tax | | 9,855 | (4,357) |
| TOTAL OTHER COMPREHENSIVE INCOME, BEFORE TAX | | 15,001 | (106,115) |
| INCOME TAX RELATING TO COMPONENTS OF OTHER COMPREHENSIVE INCOME | | | |
| Income tax relating to cash flow hedges of other comprehensive income | 21 | 2,338 | (513) |
| TOTAL INCOME TAX RELATING TO COMPONENTS OF OTHER COMPREHENSIVE INCOME | | 2,338 | (513) |
| TOTAL OTHER COMPREHENSIVE INCOME | | 17,339 | (106,628) |
| TOTAL COMPREHENSIVE INCOME | | 219,749 | 286,644 |
| COMPREHENSIVE INCOME ATTRIBUTABLE TO | | | |
| Comprehensive income, attributable to owners of parent | | 219,085 | 284,297 |
| Comprehensive income, attributable to non-controlling interests | | 664 | 2,347 |
| TOTAL COMPREHENSIVE INCOME | | 219,749 | 286,644 |

STATEMENT OF CASH FLOWS

| | Note No. | For the year ended December 31, | |
|--|----------|------------------------------------|------------------|
| | | 2012 ThUS\$ | 2011 ThUS\$ |
| STATEMENT OF CASH FLOWS | | | |
| CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES | | | |
| Profit | | 202,410 | 393,272 |
| Adjustments to reconcile profit (loss) | | | |
| Adjustments for income tax expense | 36 | 127,824 | 175,914 |
| Adjustments for finance costs | 34 | 175,231 | 165,348 |
| Adjustments for increase in inventories | | (62,476) | (67,662) |
| Adjustments for increase in trade accounts receivable | | (111,075) | (86,774) |
| Adjustments for decrease in other operating receivables | | 53,036 | 10,844 |
| Adjustments for increase in trade accounts payable | | 17,612 | 26,486 |
| Adjustments for increase in other operating payables | | 27,982 | 514 |
| Adjustments for depreciation and amortization expense | 17 - 19 | 335,460 | 332,059 |
| Adjustments for impairment loss recognized in profit or loss | | 2,734 | 4,280 |
| Adjustments for provisions | 25 | 9,567 | 26,088 |
| Adjustments for unrealized foreign exchange losses (gains) | 35 | 55,615 | (24,081) |
| Adjustments for fair value gains | 8 | (210,846) | (217,642) |
| Adjustments for undistributed profits of associates | 16 | (12,810) | (11,544) |
| Other adjustments for non-cash items | | 290,912 | 263,841 |
| Other adjustments for which cash effects are investing or financing cash flows | | (37,275) | (36,673) |
| Other adjustments to reconcile profit (loss) | | (17,189) | 2,401 |
| TOTAL ADJUSTMENTS TO RECONCILE PROFIT | | 644,302 | 563,399 |
| Income taxes paid | | (88,934) | (143,860) |
| NET CASH FLOWS FROM OPERATING ACTIVITIES | | 757,778 | 812,811 |
| CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES | | | |
| Cash flows from losing control of subsidiaries or other businesses | | - | 43,347 |
| Cash flows used in obtaining control of subsidiaries or other businesses | | (792) | - |
| Proceeds from sales of property, plant and equipment | | 9,943 | 1,089 |
| Purchase of property, plant and equipment | | (568,462) | (637,246) |
| Proceeds from sales of intangible assets | | 5,480 | - |
| Purchase of other long-term assets | | (76,005) | (128,619) |
| Cash payments for future contracts, forward contracts, option contracts and swap contracts | | (37,502) | (7,641) |
| Cash receipts from future contracts, forward contracts, option and swap contracts | | 6,465 | - |
| Dividends received | | 3,379 | 5,466 |
| Interest received | | 34,338 | 29,661 |
| Other outflows of cash | 8 | (164,577) | (138,669) |
| NET CASH FLOWS USED IN INVESTING ACTIVITIES | | (787,733) | (832,612) |
| CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES | | | |
| Payments to acquire or redeem entity's shares | | - | (37,366) |
| Proceeds from long-term borrowings | | 491,747 | 494,585 |
| Proceeds from short-term borrowings | | 527,465 | 865,934 |
| TOTAL PROCEEDS FROM BORROWINGS | | 1,019,212 | 1,360,519 |
| Repayments of borrowings | | (691,669) | (901,698) |
| Dividends paid | | (123,959) | (206,481) |
| Interest paid | | (163,423) | (137,837) |
| NET CASH FLOWS FROM FINANCING ACTIVITIES | | 40,161 | 77,137 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES | | 10,206 | 57,336 |
| EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS | | | |
| Effect of exchange rate changes on cash and cash equivalents | | 16,679 | (17,508) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | | 26,885 | 39,828 |
| Cash and cash equivalents at beginning of year | 8 | 404,357 | 364,529 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | 8 | 431,242 | 404,357 |

summarised financial statements

EMPRESAS CMPC



SUMMARISED AND CLASSIFIED BALANCE SHEETS

(In thousands of US dollars - ThUS\$)

| | INVERSIONES CMPC S.A. and subsidiaries | | FORESTAL MININCO S.A. and subsidiaries | | CMPC CELULOSA S.A. and subsidiary | | CMPC PAPELES S.A. and subsidiaries | | CMPC TISSUE S.A. and subsidiaries | |
|---|--|------------------|--|------------------|-----------------------------------|------------------|------------------------------------|------------------|-----------------------------------|------------------|
| | 2012 ThUS\$ | 2011 ThUS\$ | 2012 ThUS\$ | 2011 ThUS\$ | 2012 ThUS\$ | 2011 ThUS\$ | 2012 ThUS\$ | 2011 ThUS\$ | 2012 ThUS\$ | 2011 ThUS\$ |
| ASSETS | | | | | | | | | | |
| TOTAL CURRENT ASSETS | 3,357,813 | 3,244,425 | 442,956 | 439,109 | 795,804 | 680,913 | 402,736 | 357,242 | 864,770 | 849,441 |
| Property, plant & equipment | 5,180,596 | 5,051,728 | 1,128,988 | 1,035,094 | 3,317,390 | 3,271,444 | 564,025 | 549,806 | 1,078,751 | 1,021,453 |
| Biological assets | 771,215 | 754,627 | 2,352,756 | 2,322,816 | 579,169 | 560,682 | - | - | 192,046 | 193,945 |
| Intangible assets and others | 1,418,679 | 929,127 | 54,386 | 49,451 | 389,542 | 61,455 | 13,410 | 180,245 | 275,890 | 240,309 |
| TOTAL NON-CURRENT ASSETS | 7,370,490 | 6,735,482 | 3,536,130 | 3,407,361 | 4,286,101 | 3,893,581 | 577,435 | 730,051 | 1,546,687 | 1,455,707 |
| TOTAL ASSETS | 10,728,303 | 9,979,907 | 3,979,086 | 3,846,470 | 5,081,905 | 4,574,494 | 980,171 | 1,087,293 | 2,411,457 | 2,305,148 |
| NET EQUITY & LIABILITIES | | | | | | | | | | |
| TOTAL CURRENT LIABILITIES | 1,481,924 | 973,518 | 273,973 | 337,688 | 1,431,808 | 929,031 | 135,007 | 132,051 | 866,505 | 810,066 |
| TOTAL NON-CURRENT LIABILITIES | 3,996,033 | 3,986,832 | 690,848 | 764,784 | 2,059,702 | 1,936,273 | 149,956 | 274,982 | 761,942 | 713,347 |
| Equity attributable to the controlling company's equity holders | 5,242,572 | 5,004,767 | 3,005,982 | 2,743,902 | 1,589,873 | 1,708,635 | 687,363 | 672,620 | 733,415 | 729,366 |
| Minority interest | 3,887 | 7,395 | 8,283 | 96 | 522 | 555 | 7,845 | 7,640 | 49,595 | 52,369 |
| TOTAL NET EQUITY | 5,250,346 | 5,019,557 | 3,014,265 | 2,743,998 | 1,590,395 | 1,709,190 | 695,208 | 680,260 | 783,010 | 781,735 |
| TOTAL NET EQUITY & LIABILITIES | 10,728,303 | 9,979,907 | 3,979,086 | 3,846,470 | 5,081,905 | 4,574,494 | 980,171 | 1,087,293 | 2,411,457 | 2,305,148 |

| | CMPC PRODUCTOS DE PAPEL S.A. and subsidiaries | | INMOBILIARIA PINARES S.A. | | FORESTAL Y AGRÍCOLA MONTE ÁGUILA S.A. | | PAPELES RÍO VERGARA S.A. | | SERVICIOS COMPARTIDOS CMPC S.A. | | PORTUARIA CMPC S.A. | | BIOENERGÍAS FORESTALES S.A. | | INVERSIONES CMPC CAYMAN LTD. and subsidiary | |
|--|---|----------------|---------------------------|--------------|---------------------------------------|----------------|--------------------------|----------------|---------------------------------|---------------|---------------------|--------------|-----------------------------|-------------|---|----------------|
| | 2012 ThUS\$ | 2011 ThUS\$ | 2012 ThUS\$ | 2011 ThUS\$ | 2012 ThUS\$ | 2011 ThUS\$ | 2012 ThUS\$ | 2011 ThUS\$ | 2012 ThUS\$ | 2011 ThUS\$ | 2012 ThUS\$ | 2011 ThUS\$ | 2012 ThUS\$ | 2011 ThUS\$ | 2012 ThUS\$ | 2011 ThUS\$ |
| | 209,378 | 201,570 | 1,502 | 1,535 | 18,494 | 11,680 | 91,310 | 79,921 | 11,034 | 9,917 | 1,323 | 919 | 12,541 | - | 329 | 335 |
| | 220,321 | 208,912 | 203 | 203 | 77,111 | 77,284 | 135,583 | 145,230 | 7 | 11 | 102 | 102 | - | - | - | - |
| | - | - | - | - | 158,864 | 168,336 | - | - | - | - | - | - | - | - | - | - |
| | 43,465 | 37,302 | 3,551 | 3,507 | 4,184 | 6,206 | 3,211 | 3,075 | 315 | 227 | 1,988 | 1,835 | 24 | - | 497,611 | 497,649 |
| | 263,786 | 246,214 | 3,754 | 3,710 | 240,159 | 251,826 | 138,794 | 148,305 | 322 | 238 | 2,090 | 1,937 | 24 | - | 497,611 | 497,649 |
| | 473,164 | 447,784 | 5,256 | 5,245 | 258,653 | 263,506 | 230,104 | 228,226 | 11,356 | 10,155 | 3,413 | 2,856 | 12,565 | - | 497,940 | 497,984 |
| | | | | | | | | | | | | | | | | |
| | 128,165 | 182,493 | 873 | 871 | 7,479 | 23,423 | 6,637 | 14,344 | 7,040 | 7,175 | 540 | 498 | 6,713 | - | 1,074 | 897 |
| | 278,082 | 183,917 | 2,585 | 2,387 | 88,070 | 81,740 | 27,458 | 27,017 | 3,475 | 2,818 | 945 | 871 | - | - | - | - |
| | 66,827 | 81,264 | 1,798 | 1,987 | 163,104 | 158,343 | 196,009 | 186,865 | 841 | 162 | 1,928 | 1,487 | 5,852 | - | 496,866 | 497,087 |
| | 90 | 110 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | 66,917 | 81,374 | 1,798 | 1,987 | 163,104 | 158,343 | 196,009 | 186,865 | 841 | 162 | 1,928 | 1,487 | 5,852 | - | 496,866 | 497,087 |
| | 473,164 | 447,784 | 5,256 | 5,245 | 258,653 | 263,506 | 230,104 | 228,226 | 11,356 | 10,155 | 3,413 | 2,856 | 12,565 | - | 497,940 | 497,984 |

summarised financial statements

EMPRESAS CMPC



SUMMARISED STATEMENT OF COMPREHENSIVE INCOME BY FUNCTION

(In thousands of US dollars - ThUS\$)

| | INVERSIONES CMPC S.A. and subsidiaries | | FORESTAL MININCO S.A. and subsidiaries | | CMPC CELULOSA S.A. and subsidiary | | CMPC PAPELES S.A. and subsidiaries | | CMPC TISSUE S.A. and subsidiaries | |
|---|--|----------------|--|---------------|-----------------------------------|----------------|------------------------------------|----------------|-----------------------------------|-----------------|
| | 2012 ThUS\$ | 2011 ThUS\$ | 2012 ThUS\$ | 2011 ThUS\$ | 2012 ThUS\$ | 2011 ThUS\$ | 2012 ThUS\$ | 2011 ThUS\$ | 2012 ThUS\$ | 2011 ThUS\$ |
| Gross margin | 996,188 | 1,082,539 | 57,376 | 67,667 | 216,747 | 433,626 | 159,235 | 163,141 | 509,728 | 414,114 |
| Other income | (682,315) | (721,026) | (61,580) | (4,527) | (287,182) | (105,767) | (50,560) | (56,873) | (462,573) | (439,670) |
| PROFIT BEFORE TAX | 313,873 | 361,513 | (4,204) | 63,140 | (70,435) | 327,859 | 108,675 | 106,268 | 47,155 | (25,556) |
| Income tax earnings (expense) | (90,210) | (128,803) | (26,671) | (20,470) | (47,440) | (101,093) | (27,223) | (27,066) | (4,411) | 3,716 |
| PROFIT | 223,663 | 232,710 | (30,875) | 42,670 | (117,875) | 226,766 | 81,452 | 79,202 | 42,744 | (21,840) |
| Profit attributable to majority interest | 222,620 | 230,575 | (30,993) | 39,824 | (117,868) | 226,786 | 81,181 | 77,133 | 41,273 | (19,020) |
| Profit attributable to minority interest | 1,043 | 2,135 | 118 | 2,846 | (7) | (20) | 271 | 2,069 | 1,471 | (2,820) |
| PROFIT | 223,663 | 232,710 | (30,875) | 42,670 | (117,875) | 226,766 | 81,452 | 79,202 | 42,744 | (21,840) |
| Statement of Other Comprehensive Income Profit | 223,663 | 232,710 | (30,875) | 42,670 | (117,875) | 226,766 | 81,452 | 79,202 | 42,744 | (21,840) |
| Total other earnings and expenses charged or credited to net equity | 11,737 | (101,773) | (1,987) | (1,025) | (902) | (274) | (6,242) | 89 | (63,489) | 62,144 |
| TOTAL INCOME FROM COMPREHENSIVE EARNINGS AND EXPENSES | 235,400 | 130,937 | (32,862) | 41,645 | (118,777) | 226,492 | 75,210 | 79,291 | (20,745) | 40,304 |
| Comprehensive earnings and expenses attributable to majority shareholders | 234,357 | 128,802 | (32,980) | 38,799 | (118,770) | 226,512 | 74,939 | 77,222 | (22,216) | 43,124 |
| Comprehensive earnings and expenses attributable to minority shareholders | 1,043 | 2,135 | 118 | 2,846 | (7) | (20) | 271 | 2,069 | 1,471 | (2,820) |
| TOTAL INCOME FROM COMPREHENSIVE EARNINGS AND EXPENSES | 235,400 | 130,937 | (32,862) | 41,645 | (118,777) | 226,492 | 75,210 | 79,291 | (20,745) | 40,304 |

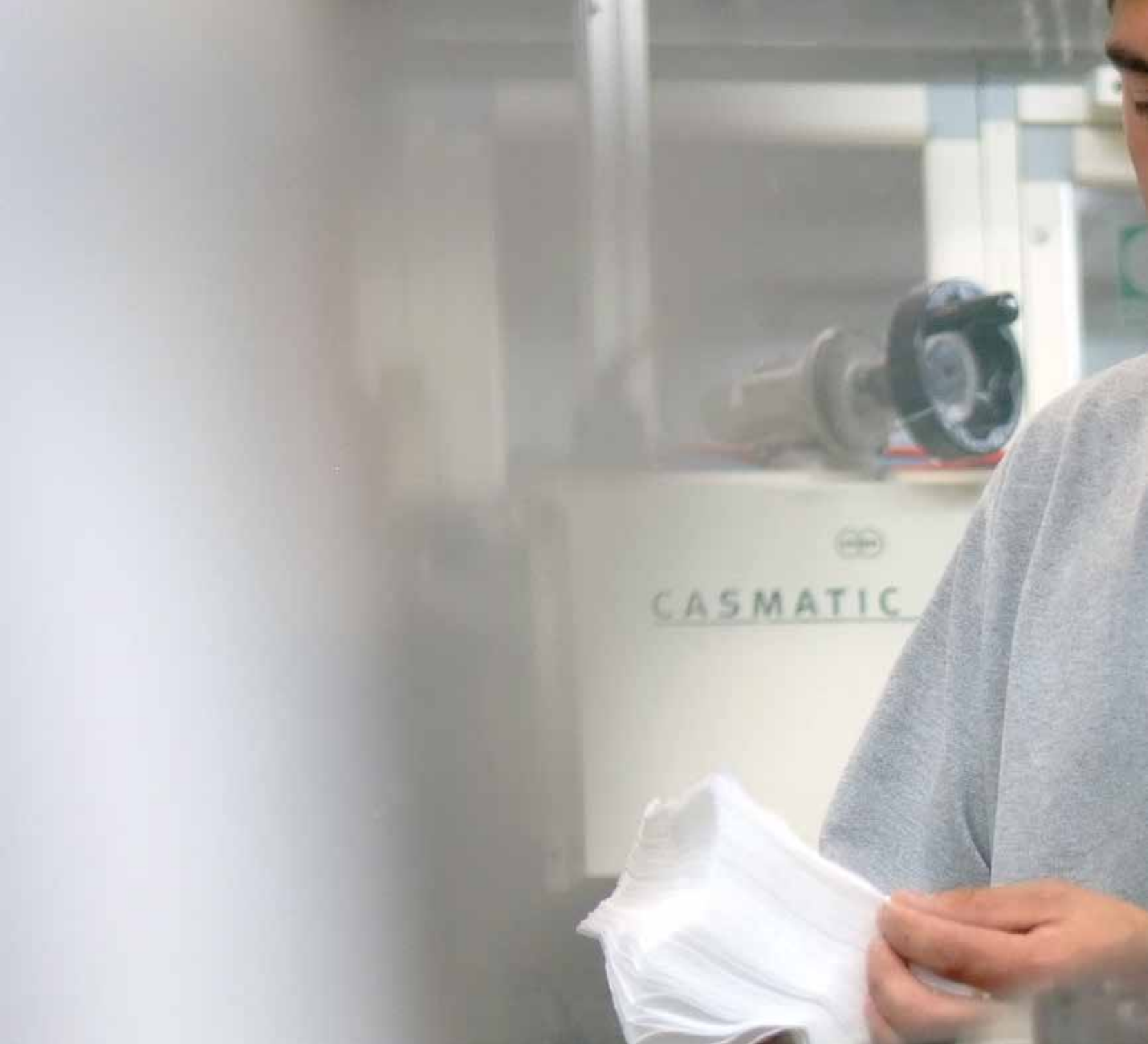
| | CMPC PRODUCTOS DE PAPEL S.A. and subsidiaries | | INMOBILIARIA PINARES S.A. | | FORESTAL Y AGRÍCOLA MONTE AGUILA S.A. | | PAPELES RÍO VERGARA S.A. | | SERVICIOS COMPARTIDOS CMPC S.A. | | PORTUARIA CMPC S.A. | | BIOENERGÍAS FORESTALES S.A. | | INVERSIONES CMPC CAYMAN LTD. and subsidiary | |
|--|---|---------------|---------------------------|-------------|---------------------------------------|---------------|--------------------------|-----------------|---------------------------------|-------------|---------------------|-------------|-----------------------------|-------------|---|--------------|
| | 2012 ThUS\$ | 2011 ThUS\$ | 2012 ThUS\$ | 2011 ThUS\$ | 2012 ThUS\$ | 2011 ThUS\$ | 2012 ThUS\$ | 2011 ThUS\$ | 2012 ThUS\$ | 2011 ThUS\$ | 2012 ThUS\$ | 2011 ThUS\$ | 2012 ThUS\$ | 2011 ThUS\$ | 2012 ThUS\$ | 2011 ThUS\$ |
| | 71,550 | 60,494 | - | - | 7,993 | (1,448) | 17,568 | 13,835 | 1,055 | 433 | 801 | 646 | 31,324 | - | - | - |
| | (88,690) | (41,452) | (202) | 308 | 956 | 32,807 | (3,623) | (9,051) | (234) | 407 | (284) | (746) | (3,013) | - | (197) | (124) |
| | (17,140) | 19,042 | (202) | 308 | 8,949 | 31,359 | 13,945 | 4,784 | 821 | 840 | 517 | (100) | 28,311 | - | (197) | (124) |
| | 2,104 | (2,580) | 16 | (73) | (4,188) | (5,901) | (4,801) | (23,811) | (142) | (168) | (76) | 45 | (5,627) | - | - | - |
| | (15,036) | 16,462 | (186) | 235 | 4,761 | 25,458 | 9,144 | (19,027) | 679 | 672 | 441 | (55) | 22,684 | - | (197) | (124) |
| | (15,019) | 16,441 | (186) | 235 | 4,761 | 25,458 | 9,144 | (19,027) | 679 | 672 | 441 | (55) | 22,684 | - | (197) | (124) |
| | (17) | 21 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | (15,036) | 16,462 | (186) | 235 | 4,761 | 25,458 | 9,144 | (19,027) | 679 | 672 | 441 | (55) | 22,684 | - | (197) | (124) |
| | (15,036) | 16,462 | (186) | 235 | 4,761 | 25,458 | 9,144 | (19,027) | 679 | 672 | 441 | (55) | 22,684 | - | (197) | (124) |
| | 582 | 221 | - | (132) | - | - | - | - | - | - | - | - | - | - | - | - |
| | (14,454) | 16,683 | (186) | 103 | 4,761 | 25,458 | 9,144 | (19,027) | 679 | 672 | 441 | (55) | 22,684 | - | (197) | (124) |
| | (14,437) | 16,662 | (186) | 103 | 4,761 | 25,458 | 9,144 | (19,027) | 679 | 672 | 441 | (55) | 22,684 | - | (197) | (124) |
| | (17) | 21 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | (14,454) | 16,683 | (186) | 103 | 4,761 | 25,458 | 9,144 | (19,027) | 679 | 672 | 441 | (55) | 22,684 | - | (197) | (124) |





FINANCIAL STATEMENTS

2012



CONSOLIDATED FINANCIAL STATEMENTS
SUMMARISED FINANCIAL STATEMENTS
SUBSIDIARIES OF CMPC IN CHILE



financial statements

cmpc

consolidated financial statements

EMPRESAS CMPC



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INDEPENDENT AUDITORS' REPORT

To the Shareholders and Board of Directors of
Empresas CMPC S.A.

We have audited the accompanying consolidated financial statements of Empresas CMPC S.A. and its subsidiaries (the "Company"), which comprise the consolidated statement of financial position as of December 31, 2012, and the related consolidated statements of income, changes in equity, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We did not audit the financial statements as of and for the year ended December 31, 2012 of certain wholly-owned subsidiaries, which statements reflect total assets and revenues, constituting 10.3% and 23.7%, respectively, of the corresponding consolidated total assets and revenues for the year ended December 31, 2012. Those statements were audited by other auditors, whose reports has been furnished to us, and our opinion, insofar as it relates to the amounts included for such subsidiaries, is based solely on the reports of the other auditors. We conducted our audit 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Deloitte Touche Tohmatsu Limited es una compañía privada limitada por garantía constituida en Inglaterra & Gales bajo el número 07271800, y su domicilio registrado: Hill House, 1 Little New Street, London, EC4A 3TR, Reino Unido.

Opinion

In our opinion, based on our audit and the reports of the 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 as of December 31, 2012, and the results of their operations and their cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other-matters, predecessor auditors' opinion on 2011 Financial Statements

The consolidated financial statements of Empresas CMPC S.A. and its subsidiaries as of and for the year ended December 31, 2011, prepared in accordance with International Financial Reporting Standards, before being restated as explained in Note 5, were audited by other auditors, who based on their audit and the reports of other auditors, expressed an unmodified opinion dated March 8, 2012 on those statements.

Other-matters, restated financial statements as of December 31, 2011

As part of our audit of the 2012 consolidated financial statements, we also audited the adjustments described in Note 5 that were applied to restate the 2011 consolidated financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2011 consolidated financial statements of Empresas CMPC SA and its subsidiaries other than with respect to the restatement adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2011 consolidated financial statements as a whole.

The accompanying financial statements have been translated into English for the convenience of readers outside of Chile.

The image shows the signature of Deloitte, written in a cursive, handwritten style.

March 27, 2013
Santiago, Chile

consolidated financial statements

EMPRESAS CMPC



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EMPRESAS CMPC



STATEMENT OF FINANCIAL POSITION

| | NOTE NO. | AS OF DECEMBER 31, 2012 THUS\$ | AS OF DECEMBER 31, 2011 THUS\$ |
|--|----------|--------------------------------|--------------------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | 8 | 431,242 | 404,357 |
| Other current financial assets | 8 | 433,951 | 519,217 |
| Other current non-financial assets | 9 | 32,667 | 32,732 |
| Trade and other current receivables | 10 | 969,941 | 891,996 |
| Accounts receivable from related entities, current | 11 | 2,382 | 1,317 |
| Inventories | 12 | 1,098,369 | 1,021,085 |
| Current biological assets | 13 | 244,886 | 220,871 |
| Current tax assets, current | 14 | 154,964 | 137,565 |
| TOTAL CURRENT ASSETS | | 3,368,402 | 3,229,140 |
| NON-CURRENT ASSETS | | | |
| Other non-current financial assets | 8 | 302,861 | 9,399 |
| Other non-current non-financial assets | 9 | 30,326 | 45,748 |
| Trade and other non-current receivables | 10 | 29,551 | 37,638 |
| Investments accounted for using equity method | 16 | 93,853 | 77,027 |
| Intangible assets other than goodwill | 17 | 10,546 | 10,044 |
| Goodwill | 18 | 142,691 | 155,181 |
| Property, plant and equipment | 19 | 6,569,815 | 6,360,340 |
| Non-current biological assets | 13 | 3,280,990 | 3,261,039 |
| Current tax assets, non-current | 14 | 11,004 | 10,892 |
| Deferred tax assets | 21 | 206,038 | 151,302 |
| TOTAL NON-CURRENT ASSETS | | 10,677,675 | 10,118,610 |
| TOTAL ASSETS | | 14,046,077 | 13,347,750 |
| EQUITY AND LIABILITIES | | | |
| LIABILITIES | | | |
| Current liabilities | | | |
| Other current financial liabilities | 22 | 705,490 | 293,446 |
| Trade and other current payables | 23 | 721,740 | 597,664 |
| Accounts payable to related entities, current | 24 | 20,772 | 22,498 |
| Other current provisions | 25 | 24,516 | 1,868 |
| Current tax liabilities, current | 14 | 22,294 | 27,931 |
| Current provisions for employee benefits | 26 | 47,474 | 45,403 |
| Other current non-financial liabilities | 27 | 41,658 | 69,194 |
| TOTAL CURRENT LIABILITIES | | 1,583,944 | 1,058,004 |
| Non-current liabilities | | | |
| Other non-current financial liabilities | 22 | 3,230,886 | 3,137,196 |
| Accounts payable to related entities, non-current | 24 | - | 10,000 |
| Other non-current provisions | 25 | 26,437 | 78,464 |
| Deferred tax liabilities | 21 | 1,107,435 | 1,002,363 |
| Current tax liabilities, non-current | 14 | 22,565 | 113,414 |
| Non-current provisions for employee benefits | 26 | 86,059 | 83,414 |
| Other non-current non-financial liabilities | 27 | 3,717 | 2,459 |
| TOTAL NON-CURRENT LIABILITIES | | 4,477,099 | 4,427,310 |
| TOTAL LIABILITIES | | 6,061,043 | 5,485,314 |
| Equity | | | |
| Issued capital | 28 | 746,027 | 761,425 |
| Retained earnings | 29 | 7,038,548 | 6,929,432 |
| Treasury shares | 28 | - | (30,237) |
| Other reserves | 30 | 195,737 | 193,237 |
| TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF PARENT | | 7,980,312 | 7,853,857 |
| Non-controlling interests | | 4,722 | 8,579 |
| TOTAL EQUITY | | 7,985,034 | 7,862,436 |
| TOTAL EQUITY AND LIABILITIES | | 14,046,077 | 13,347,750 |

STATEMENT OF CHANGES IN EQUITY

| | ISSUED CAPITAL NOTE 28 THUS\$ | SHARE PREMIUM NOTE 28 THUS\$ | COMPANY SHARES NOTE 28 THUS\$ | RESERVE OF EXCHANGE DIFFERENCE ON TRANSLATION NOTE 30 THUS\$ | OTHER MISCELLANEOUS RESERVES NOTE 30 THUS\$ | OTHER MISCELLANEOUS RESERVES NOTE 30 THUS\$ | OTHER RESERVES THUS\$ | RETAINED EARNINGS NOTE 29 THUS\$ | EQUITY ATTRIBUTABLE TO EQUITY OWNERS OF PARENT THUS\$ | NON- CONTROLLING INTERESTS THUS\$ | TOTAL EQUITY THUS\$ |
|--|--|---------------------------------------|--|--|---|---|-----------------------------|---|--|--|---------------------------|
| FOR THE YEAR ENDED DECEMBER 31, 2012 | | | | | | | | | | | |
| Opening balance 1/1/2012 | 761,425 | - | (30,237) | (96,895) | 11,750 | 278,382 | 193,237 | 6,929,432 | 7,853,857 | 8,579 | 7,862,436 |
| RESTATED OPENING BALANCE | 761,425 | - | (30,237) | (96,895) | 11,750 | 278,382 | 193,237 | 6,929,432 | 7,853,857 | 8,579 | 7,862,436 |
| Changes in equity | | | | | | | | | | | |
| Comprehensive income | | | | | | | | | | | |
| Profit (loss) | - | - | - | - | - | - | - | 201,746 | 201,746 | 664 | 202,410 |
| Other comprehensive income | - | - | - | 16,836 | (9,352) | 9,855 | 17,339 | - | 17,339 | - | 17,339 |
| COMPREHENSIVE INCOME | - | - | - | 16,836 | (9,352) | 9,855 | 17,339 | 201,746 | 219,085 | 664 | 219,749 |
| Dividends | - | - | - | - | - | - | - | (92,913) | (92,913) | - | (92,913) |
| Increase (decrease) through transfers and other changes | (15,398) | - | 30,237 | - | - | (14,839) | (14,839) | 283 | 283 | (4,521) | (4,238) |
| TOTAL CHANGES IN EQUITY | (15,398) | - | 30,237 | 16,836 | (9,352) | (4,984) | 2,500 | 109,116 | 126,455 | (3,857) | 122,598 |
| CLOSING BALANCE 12/31/2012 | 746,027 | - | - | (80,059) | 2,398 | 273,398 | 195,737 | 7,038,548 | 7,980,312 | 4,722 | 7,985,034 |
| FOR THE YEAR ENDED DECEMBER 31, 2011 | | | | | | | | | | | |
| Opening balance 1/1/2011 | 692,358 | 13,620 | - | 66,067 | 9,245 | 198,535 | 273,847 | 6,685,585 | 7,665,410 | 156,321 | 7,821,731 |
| Increase (decrease) through corrections of errors | - | - | - | (58,186) | - | - | (58,186) | 25,756 | (32,430) | - | (32,430) |
| RESTATED OPENING BALANCE | 692,358 | 13,620 | - | 7,881 | 9,245 | 198,535 | 215,661 | 6,711,341 | 7,632,980 | 156,321 | 7,789,301 |
| Changes in equity | | | | | | | | | | | |
| Comprehensive income | | | | | | | | | | | |
| Profit (loss) | - | - | - | - | - | - | - | 390,925 | 390,925 | 2,347 | 393,272 |
| Other comprehensive income | - | - | - | (104,776) | 2,505 | (4,357) | (106,628) | - | (106,628) | - | (106,628) |
| COMPREHENSIVE INCOME | - | - | - | (104,776) | 2,505 | (4,357) | (106,628) | 390,925 | 284,297 | 2,347 | 286,644 |
| Issue of equity | 55,447 | - | - | - | - | - | - | - | 55,447 | - | 55,447 |
| Dividends | - | - | - | - | - | - | - | (172,834) | (172,834) | - | (172,834) |
| Increase (decrease) through transfers and other changes | 13,620 | (13,620) | - | - | - | 84,204 | 84,204 | - | 84,204 | (150,089) | (65,885) |
| Increase (decrease) through treasury shares transactions | - | - | (30,237) | - | - | - | - | - | (30,237) | - | (30,237) |
| TOTAL CHANGES IN EQUITY | 69,067 | (13,620) | (30,237) | (104,776) | 2,505 | 79,847 | (22,424) | 218,091 | 220,877 | (147,742) | 73,135 |
| CLOSING BALANCE 12/31/2011 | 761,425 | - | (30,237) | (96,895) | 11,750 | 278,382 | 193,237 | 6,929,432 | 7,853,857 | 8,579 | 7,862,436 |

consolidated financial statements

EMPRESAS CMPC



INCOME STATEMENT

| | NOTE NO. | FOR THE YEAR ENDED DECEMBER 31, | |
|--|----------|------------------------------------|------------------|
| | | 2012 THUS\$ | 2011 THUS\$ |
| PROFIT (LOSS) | | | |
| Revenue | 32 | 4,759,320 | 4,786,415 |
| Cost of sales | | (3,789,800) | (3,715,337) |
| GROSS PROFIT | | 969,520 | 1,071,078 |
| Other income | 13 | 238,384 | 219,891 |
| Distribution costs | | (264,425) | (228,080) |
| Administrative expense | | (220,196) | (203,744) |
| Other expense | | (197,187) | (166,642) |
| Other losses | 33 | (15,101) | (32,697) |
| PROFIT OPERATING ACTIVITIES | | 510,995 | 659,806 |
| Finance income | | 37,275 | 36,673 |
| Finance costs | 34 | (175,231) | (162,918) |
| Share of profit of associates and joint ventures accounted for using equity method | 16 | 12,810 | 11,544 |
| Foreign exchange differences | 35 | (37,486) | 44,586 |
| Loss on indexation units | | (18,129) | (20,505) |
| PROFIT BEFORE TAX | | 330,234 | 569,186 |
| Tax expense | 36 | (127,824) | (175,914) |
| PROFIT FROM CONTINUING OPERATIONS | | 202,410 | 393,272 |
| PROFIT | | 202,410 | 393,272 |
| PROFIT ATTRIBUTABLE TO: | | | |
| Profit attributable to owners of parent | | 201,746 | 390,925 |
| Profit attributable to non-controlling interests | | 664 | 2,347 |
| PROFIT | | 202,410 | 393,272 |
| EARNINGS PER SHARE | | | |
| Basic earnings per share | | | |
| BASIC EARNINGS PER SHARE FROM CONTINUING OPERATIONS (US\$ PER SHARE) | 31 | 0.0909 | 0.1774 |
| BASIC EARNINGS PER SHARE FROM DISCONTINUED OPERATIONS (US\$ PER SHARE) | | - | - |
| TOTAL BASIC EARNINGS PER SHARE | | 0.0909 | 0.1774 |
| Diluted earnings per share | | | |
| DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS (US\$ PER SHARE) | 31 | 0.0909 | 0.1774 |
| DILUTED EARNINGS PER SHARE FROM DISCONTINUED OPERATIONS (US\$ PER SHARE) | | - | - |
| TOTAL DILUTED EARNINGS PER SHARE | | 0.0909 | 0.1774 |
| STATEMENT OF OTHER COMPREHENSIVE INCOME | | | |
| Profit | | 202,410 | 393,272 |
| COMPONENTS OF OTHER COMPREHENSIVE INCOME, BEFORE TAX | | | |
| EXCHANGE DIFFERENCES ON TRANSLATION | | | |
| Gains (losses) on exchange differences on translation, before tax | 30 | 16,836 | (104,776) |
| OTHER COMPREHENSIVE INCOME, BEFORE TAX, EXCHANGE DIFFERENCES ON TRANSLATION | | 16,836 | (104,776) |
| CASH FLOW HEDGES | | | |
| Gains (losses) on cash flow hedges, before tax | | (4,257) | 3,849 |
| Reclassification adjustments on cash flow hedges, before tax | | (7,433) | (831) |
| OTHER COMPREHENSIVE INCOME, BEFORE TAX, CASH FLOW HEDGES | | (11,690) | 3,018 |
| Share of other comprehensive income of associates and joint ventures accounted for using equity method, before tax | | 9,855 | (4,357) |
| TOTAL OTHER COMPREHENSIVE INCOME, BEFORE TAX | | 15,001 | (106,115) |
| INCOME TAX RELATING TO COMPONENTS OF OTHER COMPREHENSIVE INCOME | | | |
| Income tax relating to cash flow hedges of other comprehensive income | 21 | 2,338 | (513) |
| TOTAL INCOME TAX RELATING TO COMPONENTS OF OTHER COMPREHENSIVE INCOME | | 2,338 | (513) |
| TOTAL OTHER COMPREHENSIVE INCOME | | 17,339 | (106,628) |
| TOTAL COMPREHENSIVE INCOME | | 219,749 | 286,644 |
| COMPREHENSIVE INCOME ATTRIBUTABLE TO | | | |
| Comprehensive income, attributable to owners of parent | | 219,085 | 284,297 |
| Comprehensive income, attributable to non-controlling interests | | 664 | 2,347 |
| TOTAL COMPREHENSIVE INCOME | | 219,749 | 286,644 |

STATEMENT OF CASH FLOWS

| | NOTE NO. | FOR THE YEAR ENDED DECEMBER 31, | |
|--|----------|---------------------------------|------------------|
| | | 2012 THUS\$ | 2011 THUS\$ |
| STATEMENT OF CASH FLOWS | | | |
| CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES | | | |
| Profit | | 202,410 | 393,272 |
| Adjustments to reconcile profit (loss) | | | |
| Adjustments for income tax expense | 36 | 127,824 | 175,914 |
| Adjustments for finance costs | 34 | 175,231 | 165,348 |
| Adjustments for increase in inventories | | (62,476) | (67,662) |
| Adjustments for increase in trade accounts receivable | | (111,075) | (86,774) |
| Adjustments for decrease in other operating receivables | | 53,036 | 10,844 |
| Adjustments for increase in trade accounts payable | | 17,612 | 26,486 |
| Adjustments for increase in other operating payables | | 27,982 | 514 |
| Adjustments for depreciation and amortization expense | 17 - 19 | 335,460 | 332,059 |
| Adjustments for impairment loss recognized in profit or loss | | 2,734 | 4,280 |
| Adjustments for provisions | 25 | 9,567 | 26,088 |
| Adjustments for unrealized foreign exchange losses (gains) | 35 | 55,615 | (24,081) |
| Adjustments for fair value gains | 8 | (210,846) | (217,642) |
| Adjustments for undistributed profits of associates | 16 | (12,810) | (11,544) |
| Other adjustments for non-cash items | | 290,912 | 263,841 |
| Other adjustments for which cash effects are investing or financing cash flows | | (37,275) | (36,673) |
| Other adjustments to reconcile profit (loss) | | (17,189) | 2,401 |
| TOTAL ADJUSTMENTS TO RECONCILE PROFIT | | 644,302 | 563,399 |
| Income taxes paid | | (88,934) | (143,860) |
| NET CASH FLOWS FROM OPERATING ACTIVITIES | | 757,778 | 812,811 |
| CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES | | | |
| Cash flows from losing control of subsidiaries or other businesses | | - | 43,347 |
| Cash flows used in obtaining control of subsidiaries or other businesses | | (792) | - |
| Proceeds from sales of property, plant and equipment | | 9,943 | 1,089 |
| Purchase of property, plant and equipment | | (568,462) | (637,246) |
| Proceeds from sales of intangible assets | | 5,480 | - |
| Purchase of other long-term assets | | (76,005) | (128,619) |
| Cash payments for future contracts, forward contracts, option contracts and swap contracts | | (37,502) | (7,641) |
| Cash receipts from future contracts, forward contracts, option and swap contracts | | 6,465 | - |
| Dividends received | | 3,379 | 5,466 |
| Interest received | | 34,338 | 29,661 |
| Other outflows of cash | 8 | (164,577) | (138,669) |
| NET CASH FLOWS USED IN INVESTING ACTIVITIES | | (787,733) | (832,612) |
| CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES | | | |
| Payments to acquire or redeem entity's shares | | - | (37,366) |
| Proceeds from long-term borrowings | | 491,747 | 494,585 |
| Proceeds from short-term borrowings | | 527,465 | 865,934 |
| TOTAL PROCEEDS FROM BORROWINGS | | 1,019,212 | 1,360,519 |
| Repayments of borrowings | | (691,669) | (901,698) |
| Dividends paid | | (123,959) | (206,481) |
| Interest paid | | (163,423) | (137,837) |
| NET CASH FLOWS FROM FINANCING ACTIVITIES | | 40,161 | 77,137 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES | | 10,206 | 57,336 |
| EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS | | | |
| Effect of exchange rate changes on cash and cash equivalents | | 16,679 | (17,508) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | | 26,885 | 39,828 |
| Cash and cash equivalents at beginning of year | 8 | 404,357 | 364,529 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | 8 | 431,242 | 404,357 |

consolidated financial statements

EMPRESAS CMPC



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2012

1. GENERAL INFORMATION

Empresas CMPC S.A., the parent company, was incorporated in Chile in 1920 as a corporation and is ruled by the Corporations Law 18,046 dated on October 22, 1981 and its subsequent amendments. It is registered in the Securities Register of the Chilean Superintendency of Securities and Insurance (hereinafter the "SVS") under the number 0115. For taxation purposes in Chile, its taxpayer number (RUT for its Spanish acronym) is 90,222,000-3.

Considering the requirements of IAS 24, note 39 indicates a detail of the shares of Empresas CMPC S.A. belonging to shareholders controlling directly or through other related entities or persons, a 55.44% of the Company's issued capital with voting rights. All of these shareholders that are part of the same business group do not have an agreement to act jointly.

The corporate domicile and head office of Empresas CMPC S.A. (hereinafter "CMPC", "Empresas CMPC" or "the Company") are at 1343th Agustinas Street, Santiago, Chile, telephone (56-2) 24412000.

CMPC is one of the major forestry companies in Latin America participating in several segments within this industry. Its production and commercial activities are carried out through five business segments: Forestry, Pulp, Paper, Tissue and Paper Products. A holding company is responsible for centralized strategic coordination, and for providing functional administrative and financial support activities and handling relationships with external entities.

CMPC has over 646 thousand hectares of forestry plantations, principally of pine and eucalyptus, out of which 484 thousand hectares are in Chile, 59 thousand in Argentina and 103 thousand in Brazil. Also, the Company has entered into land use rights, sharecropping and lease contracts with third parties covering 34 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 its products mainly in Chile, Asia, Europe, the United States and the rest of Latin America. At an aggregate level, over 74% of revenues are from exports or from foreign subsidiaries and over 25% in Chile. It also has commercial and financial subsidiaries in Europe, the United States and the Cayman Islands.

As of December 31, 2012, CMPC comprises of 59 companies: Empresas CMPC S.A., the parent company, 54 subsidiaries and 4 associates. CMPC has consolidated all those companies in which it has control over their business operations, and in those cases in which the Company only has significant influence, those investments are accounted for using the equity method and its proportional share in their equity and profits (losses) is recognized.

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

| CONSOLIDATED SUBSIDIARIES | TAXPAYER ID | COUNTRY | FUNCTIONAL CURRENCY | OWNERSHIP INTEREST (%) | | | | | |
|---|--------------|-----------------|---------------------|------------------------|----------|----------|-------------------|----------|----------|
| | | | | DECEMBER 31, 2012 | | | DECEMBER 31, 2011 | | |
| | | | | 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 |
| 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 |
| 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 | 100.0000 | 100.0000 |
| Papeles Río Vergara S.A. | 76,150,883-0 | Chile | US\$ | 99.9000 | 0.1000 | 100.0000 | 99.9000 | 0.1000 | 100.0000 |
| Cooperativa Agrícola y Forestal El Proboste Ltda. | 70,029,300-9 | Chile | US\$ | 0.0000 | 74.9692 | 74.9692 | 0.0000 | 74.2535 | 74.2535 |
| Bioenergías Forestales S.A. | 76,188,197-3 | Chile | US\$ | 0.0000 | 100.0000 | 100.0000 | 0.0000 | 100.0000 | 100.0000 |
| 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 | 100.0000 | 100.0000 |
| Naschel S.A. | Foreign | Argentina | ARS | 0.0000 | 100.0000 | 100.0000 | 0.0000 | 100.0000 | 100.0000 |
| Fabi Bolsas Industriales S.A. | Foreign | Argentina | US\$ | 0.0000 | 100.0000 | 100.0000 | 0.0000 | 100.0000 | 100.0000 |
| La Papelera del Plata S.A. | Foreign | Argentina | ARS | 0.0000 | 99.9914 | 99.9914 | 0.0000 | 99.9914 | 99.9914 |
| Melhoramentos Papéis Ltda. | Foreign | Brazil | BRL | 0.0000 | 100.0000 | 100.0000 | 0.0000 | 100.0000 | 100.0000 |
| CMPC Celulose Riograndense Ltda. | Foreign | Brazil | US\$ | 0.0000 | 100.0000 | 100.0000 | 0.0000 | 100.0000 | 100.0000 |
| CMPC Riograndense Ltda. | Foreign | Brazil | US\$ | 0.0000 | 100.0000 | 100.0000 | 0.0000 | 100.0000 | 100.0000 |
| Guaíba Administracao Florestal Ltda. | Foreign | Brazil | US\$ | 0.0000 | 100.0000 | 100.0000 | 0.0000 | 100.0000 | 100.0000 |
| CMPC Investments Ltd. | Foreign | Channel Islands | 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 |
| 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 International S.A. de CV | Foreign | Mexico | MXN | 0.0000 | 100.0000 | 100.0000 | 0.0000 | 94.6916 | 94.6916 |
| Absormex S.A. de CV | Foreign | Mexico | MXN | 0.0000 | 100.0000 | 100.0000 | 0.0000 | 94.6916 | 94.6916 |
| Convertidora de Productos Higiénicos S.A. de CV | Foreign | Mexico | MXN | 0.0000 | 100.0000 | 100.0000 | 0.0000 | 94.6916 | 94.6916 |
| Convertidora CMPC México S.A. de CV | Foreign | Mexico | MXN | 0.0000 | 100.0000 | 100.0000 | 0.0000 | 0.0000 | 0.0000 |
| Absormex CMPC Tissue S.A. de CV (ex-IPG S.A. de CV) | Foreign | Mexico | MXN | 0.0000 | 100.0000 | 100.0000 | 0.0000 | 94.6916 | 94.6916 |
| 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 | 100.0000 | 100.0000 |

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EMPRESAS CMPC



The subsidiary Inversiones CMPC S.A. is registered in the Securities Register of the Chilean SVS under number 0672, and prepares consolidated financial statements which are available to the public. Its accounting policies are in line 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. In this context, and in order to carry out this merger, at the aforementioned shareholders meeting it was agreed to a stock split of shares of Empresas CMPC S.A. from 220 million at that date to 2,200 million shares, (equivalent to a ten - for - one split), and also it was agreed to issue additional share capital of ThUS\$ 55,446.97, equivalent to 26,773,533 paid shares, corresponding to the ownership of non-controlling shareholders of Inforsa. In addition, all necessary corporate restructurings and other activities would be made to carry out this merger (see Note 28).

On September 16, 2011, the CMPC's stock split referred to in the preceding paragraph was carried out, after which the Company's issued capital went from being divided into 220 million shares to being divided into 2,200 million shares, as agreed to by the Board of Directors of CMPC on September 8, 2011. On October 30, 2011, the additional share capital issued, mentioned in the preceding paragraph was made for an amount of ThUS\$ 55,446.97 equivalent to 26,773,533 paid shares, which was paid-in shares at an exchange ratio of one share in CMPC for 15 shares in Inforsa held by the non-controlling shareholders. Overall, considering the shares repurchased by Empresas CMPC S.A. (44,730) and the shares repurchased by Inforsa (109,976,258 equivalent to 7,331,751 new shares in Empresas CMPC S.A.), carried out under the Inforsa merger process into CMPC, the issued capital of CMPC was valued at ThUS\$ 746,027 equivalent to 2,219,397,052 subscribed and paid shares. On July 23, 2012, it was informed to th SVS the repurchasing of shares.

The changes in consolidation that have occurred during each of the reporting years were the following:

- i) As part of the abovementioned merger process the following corporate restructurings were carried out:

On June 6, 2011, the company Papeles Río Vergara S.A. was incorporated, whose corporate objectives include production of pulp and/or chemical, semi-chemical and mechanical pastes and manufacturing 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 split up of the Company Inversiones CMPC S.A.; on September 1, 2011, Industrias Forestales S.A. made a capital contribution of ThUS\$ 80,989 to its subsidiary Papeles Río Vergara S.A.; on September 3, 2011, Inversiones Nacimiento S.A. was dissolved because Empresas CMPC S.A. became the owner of all of its shares; and on September 13, 2011, Papeles San Roque S.A. was also dissolved because Empresa CMPC S.A. became the owner of all of its shares (informed to the SVS as Material Event on August 23, 2011). These corporate restructurings made resulted in Empresas CMPC S.A., becoming, from October 30, 2011, in the direct owner of 81.95% of the issued capital of Industrias Forestales S.A. (86.21% of the shares in circulation of that company). Previously, Empresas CMPC S.A. ownership interest over Industrias Forestales S.A. was exercised through the subsidiary CMPC Papeles S.A.

It is important to mention that, by the end of the legal period to exercise the right to withdraw, as established in the extraordinary shareholders meeting, certain non-controlling shareholders of Inforsa exercised that right over 110,005,679 shares, out of which 109,976,258 were repurchased by Inforsa for ThUS\$ 37,151, resulting in an increase of the ownership interest of Empresas CMPC S.A. to 86.21% of the shares in circulation as of October 30, 2011.

On October 30, 2011, all the legal and corporate actions required to formalize the merger of Inforsa into CMPC were finalized and, consequently, the shares exchange of 291,626,732 shares of Inforsa held by its non-controlling shareholders and 109,976,258 shares of Inforsa (equivalent to 7,331,751 shares of CMPC) repurchased by INFORSA, in exchange of 26,773,533 shares of Empresas CMPC S.A., at a exchange share ratio of 1 - for - 15, was made so that Inforsa was absorbed as a result of Empresas CMPC S.A. becoming the owner of all the issued shares.

Regarding the shareholders of Empresas CMPC S.A. who exercised their withdrawal rights, both the number of shares and the amounts involved are disclosed in further detail in note 28.

- ii) On December 27, 2012, the Brazilian subsidiary CMPC Celulose Riograndense Ltda. increased its issued capital by ThUS\$ 325,000 (ThBRL 671,358), which was paid by the subsidiary CMPC Celulosa S.A. The new ownership interest in this subsidiary are 99.95% for CMPC Celulosa S.A. and 0.05% for Inmobiliaria Pinares S.A..
- iii) On December 19, 2012, the documents of incorporation of Convertidora CMPC México S.A. de CV were registered in the Public Registry of Property and Commerce of Monterrey, State of Nuevo Leon, Mexico. This company was created from the split - up of subsidiary Convertidora de Productos Higiénicos S.A. de CV, where the ownership interest held by Empresas CMPC S.A. did not change.
- iv) On November 23, 2012, the public deed formalizing the capital increase made by the subsidiary Forestal Mininco S.A., was registered in the Trade Register of Concepcion. The capital increase amounted to ThUS\$ 295,060 divided into 35,336,518 shares, which were subscribed and fully paid by Empresas CMPC S.A.
- v) On November 29, 2012, the public deed formalizing the capital increase made by the subsidiary CMPC Maderas S.A., was registered in the Trade Register of Concepcion. The capital increase amounted to ThUS\$ 295,060 which consisted of 10,655,830 shares, which were subscribed and fully paid by the subsidiary Forestal Mininco S.A.
- vi) On November 27, 2012, the subsidiary Protisa Colombia S.A. increased its issued capital by ThUS\$ 1,676, which was fully paid by its shareholders (CMPC Tissue S.A. 70.00%, Inversiones Protisa S.A. 29.99%, Inversiones CMPC S.A. and other subsidiaries 0.01%). On the same date, the Colombian subsidiary Drypers Andina S.A., increased its issued capital by ThUS\$ 1,000, which was fully paid by its shareholders (CMPC Tissue S.A. 70.00%, Inversiones Protisa S.A. 29.70%, Inversiones CMPC S.A. and other subsidiaries 0.30%).
- vii) On August 30, 2012, the Brazilian subsidiary Melhoramentos Papéis Ltda. increased its issued capital by ThUS\$ 56,331, which was fully paid in by its shareholders (CMPC Tissue S.A. 99.93% and Inversiones Protisa S.A. 0.07%).

consolidated financial statements

EMPRESAS CMPC



viii) On June 29, 2012, Empresas CMPC S.A., through its subsidiaries CMPC Tissue S.A. and Inversiones CMPC S.A., obtained 100% of control of Grupo ABS Internacional S.A. de CV of Mexico, by purchasing 2.86% of the shares (76,675,910 shares) for ThUS\$ 3,789 held by the non-controlling shareholder César Montemayor, the Company made a portion of the payment by compensating the outstanding receivable account balance for ThUS\$ 2,997 from such shareholder while the remaining amount was paid in cash. As a result, the new ownership interest in Grupo ABS Internacional S.A. de CV of Mexico is 99.90% for CMPC Tissue S.A. and 0.10% for Inversiones CMPC S.A.

Previously, CMPC subscribed to two capital contributions totaling 2,082,285,082 shares in Grupo ABS Internacional S.A. de CV. These capital contributions made for ThUS\$ 65,900 and ThUS\$ 95,700 were paid by capitalizing a previously recognized outstanding liability previously recognized for future capital contributions. As a result, CMPC's ownership interest increases to 97.14%.

ix) 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. To carry out the merger, the shareholders agreed to increase the number of shares of Forestal Mininco S.A. from 237,300,000 to 328,362,775 no par value shares. This capital increase was for ThUS\$ 233,831, equivalent to 91,062,775 paid shares, corresponding to the ownership 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 treated as a reorganization of entities under common control.

x) On December 29, 2011, Forestal Crecex S.A. sold 3,002 shares of CMPC Maderas S.A. to Inmobiliaria Pinares S.A. for ThUS\$ 152.

xi) In November 28, 2011, the public deed establishing the incorporation 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. This subsidiary has started its activities during this period, operating new equipment and facilities for generating electrical energy based on biomass consumption.

xii) On November 20, 2011, Forestal Coihueco S.A. sold all of its shares in Inmobiliaria y Forestal Maitenes S.A. to Forestal Mininco S.A. for ThUS\$ 59,524, resulting in the dissolution of Inmobiliaria y Forestal Maitenes S.A., and its merger into Forestal Mininco S.A. because all its shares were owned by Forestal Mininco S.A.

xiii) On September 29, 2011, the subsidiary Inversiones Protisa S.A. sold to Inversiones CMPC S.A. part of its ownership in the Argentinian company CMPC Inversiones Argentina S.A. (10.00%) and part of its ownership in the Argentinian company Naschel S.A. (10.00%).

xiv) On August 17, 2011 the deed of incorporation 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, out 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. Subsequently, on November 15, 2011, the division and merger of the subsidiary CMPC Inversiones Argentina S.A. and Forestal Timbauva S.A. was approved, during which the former transferred all of its forestry-related assets and liabilities to the latter. The new ownership structure in Forestal Timbauva S.A. is 90.00% for Inversiones Protisa S.A. and 10.00% for Inversiones CMPC S.A.

- xv) On August 22, 2011, the public deed for 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 purposes of the merger, the capital was increased by 941 new shares for a total amount 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 non-controlling shareholders. The final ownership structure of 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%.
- xvi) On July 28, 2011, the merger 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, was registered in the Public Property and Trade Register of the state of Monterrey, Nuevo León, Mexico, by the incorporation of the latter two entities into Absormex CMPC Tissue S.A. de CV (ex-IPG S.A. de CV). Empresas CMPC S.A. kept its ownership interest in that subsidiary.
- xvii) On June 22, 2011, the corporate 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.
- xviii) On May 10, 2011, the subsidiary Inversiones Protisa S.A. increased its issued capital by issuing 10,000 new shares for a total of ThUS\$ 455,110, which was subscribed to and paid in by its shareholders (CMPC Tissue S.A. 99.99% and Inversiones CMPC S.A. 0.01%).
- xix) 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 Compañía S.R.C., Spain, and they kept the same ownership interest in that company.

Considering the Company's history of profitable operations, new investment plans at the domestic and international level and the access to funding in the financial markets, management states that the Company will continue as a going concern.

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The total employees of CMPC and its subsidiaries as of December 31, 2012 is 15,915, distributed among the various operating segments as follows:

| SEGMENTS | MANAGERS | PROFESSIONALS AND TECHNICIANS | EMPLOYEES | TOTAL |
|-----------------|------------|-------------------------------|---------------|---------------|
| Forest | 21 | 694 | 1,342 | 2,057 |
| Pulp | 27 | 854 | 966 | 1,847 |
| Paper | 19 | 599 | 1,065 | 1,683 |
| Tissue products | 62 | 2,080 | 5,526 | 7,668 |
| Paper products | 31 | 385 | 1,849 | 2,265 |
| Other | 12 | 346 | 37 | 395 |
| TOTALS | 172 | 4,958 | 10,785 | 15,915 |

The average number of employees of CMPC during the year ended December 31, 2012 was 15,646.

These consolidated financial statements consist of consolidated statements of financial position, consolidated statements of comprehensive income, consolidated statements of cash flows, consolidated statements of changes in equity and notes, consisting of a summary of significant accounting policies and other explanatory information.

CMPC has determined the United States dollar (hereinafter "U.S. dollar") as its functional and presentation currency, except for the subsidiaries in the tissue operating segment which have determined the local currency of each country where they operate as their functional currency.

The subsidiaries that keep their accounting records in a currency other than the U.S. dollar have translated their financial statements from their functional currency to the presentation currency, 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 presented in thousands of U.S. dollars (ThUS\$) and have been prepared from the accounting records of Empresas CMPC S.A. and its subsidiaries.

In the accompanying consolidated statements of financial position, assets and liabilities are classified in terms of their maturities 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 consolidated statements of comprehensive income, expenses are presented classified by function, identifying depreciation and personnel expenses based on their nature, and the statement of cash flows is presented using the indirect method.

The consolidated financial statements give a true view of the equity and financial position as of December 31, 2012, as well as the consolidated results of operations, changes in equity and cash flows, of CMPC for the year ended.

The information in these financial statements and their respective explanatory notes as of December 31, 2011 are presented for comparative purposes in accordance with the requirements of the International Financial Reporting Standards (IFRS).

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

These consolidated financial statements have been approved at the Board of Directors' meeting held on March 27, 2013, and management has been authorized to publish 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 is to ensure the Company's capacity to continue as a going concern while maximizing the return for its shareholders.

To meet these objectives, the Company is constantly monitoring the return obtained by each business, managing their appropriate operation so as to maximize the financial return for its shareholders.

One of the activities performed to monitor each business consists of ensuring that the decision-making process on investing in financial instruments be made in line with the prudent profile of the Company, and under favorable market conditions. Financial instruments are monitored on an ongoing basis by the Company's board of directors. Among the activities relating to capital management, the Company reviews on a daily basis its cash balances in order to make its investment decisions.

CMPC manages its capital structure so that its indebtedness levels do not impair its ability to pay its obligations or to obtain an adequate return for its investors. For certain of its debt obligations, CMPC is required to maintain a debt to equity ratio equal to or lower than 0.8 times. As of December 31, 2012 and 2011, this financial ratio was fully complied with, as it was equal to 0.48 and 0.43 times, respectively (see Note 22.2.e).

In addition to abovementioned ratio, and as part of its financial covenants to comply with, the Company must maintain quarterly a minimum equity of CLF 71,580,000 (equivalent to US\$ 3,406 million and US\$ 3,074 million, as of December 31, 2012 and 2011, respectively) which as of December 31, 2012 and 2011 was met since the equity amounted to US\$ 7,827 million and US\$ 7,689 million, respectively (See Note 22.2.e).

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The main accounting policies applied in these consolidated financial statements are set out below. These policies have been designed considering the IFRS effective as of December 31, 2012 and have been consistently applied to all periods presented in these consolidated financial statements.

2.1. BASIS OF PREPARATION

These consolidated financial statements of Empresas CMPC S.A. as of December 31, 2012 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 prepares its financial statements under the historical cost basis, except for certain financial assets and liabilities (including derivative instruments) and biological assets which are measured at fair value.

Certain account balances of the 2011 financial statements have been reclassified in order to conform their presentation with that of the financial statements as of December 31, 2012.

2.2. BASIS OF PRESENTATION

A) SUBSIDIARIES

Subsidiaries are all entities (including special-purpose entities) over which Empresas CMPC S.A. has the power to govern the financial and operating policies, generally accompanied by holding more than half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible at the end of the reporting period 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 acquisition method is used to account for the acquisition of subsidiaries by CMPC. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition-date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquirer and the equity interests issued by the acquirer. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are initially recognized at their fair value on the acquisition date. The excess of consideration transferred over the fair value of CMPC's share of the identifiable

net assets acquired is recognized as goodwill. If the consideration transferred is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly as a gain in the statement of income (Note 2.8).

B) TRANSACTIONS AND NON-CONTROLLING INTERESTS

The transactions, balances and unrealized gains/losses on transactions between CMPC's related companies are fully eliminated in consolidation. The accounting policies of the subsidiaries are in line with those of the parent company.

Non-controlling interest is presented within equity in the statement of financial position. The gain or loss attributable to the non-controlling interests is presented in the statement of income as part of the gain (loss) for the year. Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded 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 and are initially recognized at cost. The carrying amount of the investments of Empresas CMPC S.A. in associates includes goodwill, net of any accumulated impairment loss, at the acquisition date (Note 2.8).

The share of Empresas CMPC S.A. in profits or losses of its associates, subsequent to the acquisition, are recognized in profit or loss, and its share in other comprehensive income movements subsequent to the acquisition are recognized 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 exceeds its ownership interest in an associate, the Company discontinues recognizing its share of any further losses unless it has incurred obligations or made payments on behalf of the associate.

2.3. SEGMENT REPORTING

IFRS 8, *Operating Segments* ("IFRS 8") requires to 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 segment performance and make decisions on how to allocate resources to them.

CMPC presents the information by segments based on the financial information made available for decision-making, regarding matters like the measurement of profitability and allocation of investments, and on the basis of the differentiation of products, in accordance with IFRS 8.

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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, which are related to CMPC are aggregated under the segment "Others" as they do not individually represent significant amounts for their designation as an operating segment.

2.4. FOREIGN CURRENCY TRANSACTIONS

FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY

Items included in the financial statements of each of CMPC's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in U.S. 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). Consequently, the Company's presentation currency for its consolidated financial statements is the U.S. dollar.

TRANSACTIONS AND BALANCES

All of the transactions 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 recognized at the exchange rate prevailing at the date of the transaction.

Monetary assets and liabilities balances denominated in foreign currencies are measured at the exchange rate at the closing date of each reporting period. The change between the initial and closing values is recognized in line item exchange differences, except when such changes are deferred in other comprehensive income such as cash flow hedges.

The fair value of available - for - sale monetary financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate prevailing at the end of the reporting period. The foreign exchange gains and losses that are recognized in profit or loss are determined based on the amortized cost of the monetary asset. Other foreign exchange gains or losses are recognized in other comprehensive income.

CMPC ENTITIES

The profit (loss) and the financial position of all CMPC's entities (none of which has the currency of a hyperinflationary economy) with 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 closing exchange rate;
- b) Income and expenses for each statement of comprehensive income 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 reserve of exchange differences on translation in other comprehensive income.

The change determined by exchange difference between an investment in an entity whose functional currency is other than the functional currency of the subsidiary, is recognized in other comprehensive income and accumulated in equity under reserve of exchange differences on translation.

Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income are reclassified from equity to profit or loss on repayment of the monetary items.

FOREIGN CURRENCY EXCHANGE RATES

As of December 31, 2012 and 2011, the exchange rates of the main foreign currencies used by CMPC's companies, with respect to the U.S. dollar, are the following:

| EXCHANGE RATES | | 12/31/2012 | | 12/31/2011 | |
|-----------------------|-----|--------------|-----------------|--------------|-----------------|
| | | CLOSING RATE | MONTHLY AVERAGE | CLOSING RATE | MONTHLY AVERAGE |
| Chilean peso | CLP | 479.96 | 486.49 | 519.20 | 483.67 |
| Unidad de fomento (*) | CLF | 0.02 | 0.02 | 0.02 | 0.02 |
| Argentinian peso | ARS | 4.92 | 4.55 | 4.30 | 4.13 |
| Peruvian nuevo sol | PEN | 2.55 | 2.64 | 2.70 | 2.75 |
| Mexican peso | MXN | 13.01 | 13.17 | 13.99 | 12.43 |
| Uruguayan peso | UYU | 19.40 | 20.31 | 20.04 | 19.31 |
| Colombian peso | COP | 1,768.23 | 1,797.70 | 1,942.70 | 1,847.14 |
| Euro | EUR | 0.76 | 0.78 | 0.77 | 0.71 |
| Brazilian reais | BRL | 2.04 | 1.95 | 1.88 | 1.67 |

(*) 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 recognized 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.

In the event of financing of an asset through direct and indirect loans, the policy is to capitalize the borrowing 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 property, plant and equipment transferred from other comprehensive

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income. In the reported accounting periods this situation did not apply as CMPC did not capitalize interest on loans for property, plant and equipment.

Depreciation is calculated using the straight-line method, distributed systematically over their useful lives of the assets. These useful lives have been determined on the basis of the normal deterioration 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 lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Costs incurred from daily maintenance and common repairs are recognized in profit or loss, 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 net disposal proceeds with the net carrying amount and are recognized in the income statement.

On the first time adoption of IFRS (January 1, 2008), the Company recognized its main property, plant and equipment at fair value and used that fair value as their deemed cost as permitted by IFRS 1 paragraph D5. Property, plant and equipment acquired after IFRS transition date, except for assets from newly-acquired companies, are measured at cost.

Property, plant and equipment acquired in a business combination are recognized at their acquisition-date fair value, as required by IFRS 3, paragraph 18, and use that fair value as the initial cost of the asset.

2.6. BIOLOGICAL ASSETS (FOREST PLANTATIONS)

Forestry plantations are shown in the statement of financial position at their fair value. The forest groups are recognized at fair value less harvesting costs and transportation costs to the point of sale.

The fair value of biological assets is measured at the present value of cash flows from the harvest on a growth cycle based on productive forest land. Plantations in their first year are measured at their cost of establishment.

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

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

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

2.7. INTANGIBLE ASSETS

Intangible assets are mainly trademarks, water rights, emission rights, electricity line easements and computer software.

A) TRADEMARKS

CMPC has a portfolio of trademarks mostly developed internally, while some of them have been acquired from other parties. These trademarks are measured at cost or acquisition cost, respectively. Expenditures incurred internally - developed trademarks are expensed as 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 tested for impairment.

B) WATER RIGHTS

The water rights acquired by the Company correspond to the right to use water from natural sources and are recorded at cost. Given that these rights are perpetual, they are not amortized; however, they are annually tested for impairment.

C) EMISSION RIGHTS

In Chile there are emission rights assigned by the Comisión Nacional del Medio Ambiente (National Environment Commission - CONAMA, according to its Spanish acronym), necessary for the normal operation of factories. These rights are recognized at cost, provided that payments exist, from the date the Company remains in a position to exert the emission controls and measurement. These rights are not amortized; however, they must be annually tested for impairment. The rights assigned by CONAMA to the Company and its subsidiaries are not recognized in the financial statement because no payment 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 tested for impairment. The amounts paid are capitalized as of the date of the contract.

E) COSTS OF ACQUISITION AND DEVELOPMENT OF COMPUTER SOFTWARE

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

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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 recognized at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of any goodwill relating to the entity sold.

Goodwill arising from the acquisition of companies whose functional currency is other than the U.S. dollar is recognized 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. Each of these CGUs represents CMPC's investment in an industrial plant (Note 2.9).

2.9 IMPAIRMENT LOSSES ON NON-FINANCIAL ASSETS

CMPC reviews the carrying amount of its intangible assets with indefinite useful lives and goodwill at least annually, or whenever there is an indication that these assets may be impaired. If any such indication exists, the recoverable amount of these assets is estimated in order to determine the extent of the impairment loss (if any).

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 carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell 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 flows.

Non-financial assets other than goodwill that suffer an impairment are reviewed for possible reversal of the impairment at each reporting date. Impairment losses can only be reversed to the extent that it does increase the carrying amount of the asset but does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized in profit or loss within line item other gains (losses).

2.10. FINANCIAL ASSETS

CMPC classifies its financial instruments into the following categories: at fair value through profit or loss, held-to-maturity financial assets, loans and receivables, and available-for-sale financial assets. The classification of the financial instruments depends on the purpose of the financial instruments and is determined by management at the time of initial recognition.

Investments are initially recognized at fair value plus transaction costs for all financial assets not recognized at fair value through profit or loss. Financial assets recognized at fair value through profit or loss are initially recognized at fair value and transactions costs are expensed as incurred.

Investments are derecognized when the contractual rights to receive cash flows has expired or when the Company has transferred substantially all the risks and rewards of ownership.

(A) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss are financial instruments held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling it in the short term. Derivatives are also classified as held for trading unless they are designated as hedging instruments. Assets in this category are classified as current assets. They are subsequently measured at fair value and recognizing any changes in fair value in profit or loss in line item other gains (losses).

(B) HELD-TO-MATURITY FINANCIAL ASSETS

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 financial assets, except for those maturing in less than 12 months after the date of the financial statement, which are classified as Other current financial assets. They are measured at amortized cost and the interest income on the instrument is recognized in the statement of income.

(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 over 12 months after the date of the financial statement, which are classified as non-current assets. They are recognized at their amortized cost, the accrued income according to agreed conditions being recognized directly to the income statement.

(D) AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available for sale financial assets are non-derivative instruments that are designated in this category when the Company's management plans to use these resources in the medium or long term, before their respective maturities. They are subsequently measured at fair value, recognizing the changes in fair value in other comprehensive income. Once the instruments are sold, the reserve accumulated in equity is recycled to profit or loss, forming part of the gain/loss for the period in which this instrument is 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.

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2.11. HEDGING INSTRUMENTS

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognizing the 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, in each period, 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 in the reserve of cash flows hedges recognized in other comprehensive income and accumulated in equity is presented in Note 30. The 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 recognized in the income statement together with any changes in the fair value of the hedged asset or liability.

(B) CASH FLOW HEDGE

The objective is to reduce the financial risk of sales in euros of the wood and cardboard product businesses, through the introduction of a series of EUR-US\$ exchange-rate contracts. Hedges are documented and tested to measure their effectiveness. The purpose of the oil price swaps is to hedge the risk of potential increases in oil costs that impact the rates of shipping freight contracts for transport of cellulose.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated in the reserve of cash flow hedge in equity. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss in Other gains/(losses).

Upon billing or accrual of the underlying services or revenue, the amount accumulated in equity (reserve of cash flow hedge) is recycled to profit or loss (revenues) through that date.

VALUATION TECHNIQUES

CMPC determines the fair value of its derivatives contracts based on internal models, which are mainly based on discounting future cash flows at relevant market rates.

These models incorporate 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 obtained 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 oil prices derivatives, the valuation is obtained from data provided by third parties.

2.12. INVENTORIES

Finished products are measured 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 estimated distribution and selling costs. When market conditions indicate 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 measured at cost and when they are consumed they are included in the carrying amount of finished products at average cost.

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2.13. TRADE AND OTHER ACCOUNTS RECEIVABLE

Trade receivables are initially recognized at fair value and subsequently are recognized at its amortized cost. Consequently, the Company recognizes the revenue from 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 recognized as deferred revenue within current liabilities and the accrued portion is recognized in 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 incurred. Trade receivables are classified as Trade and other current 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 checking accounts, time deposits and other highly liquid 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.

Bank overdrafts are included in interest-bearing loans in current liabilities.

2.15. ISSUED CAPITAL

Ordinary shares are classified as equity.

2.16. TRADE AND OTHER ACCOUNTS PAYABLE

Payables to suppliers are initially recognized at fair value and subsequently are measured 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 recognized at fair value, which corresponds to the value of the debt net of directly associated transaction costs, and are subsequently measured at their amortized cost using the effective interest 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 carrying amount of the debt to approximate its 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 prior periods and the change in deferred taxes.

Deferred tax is recognized on temporary differences arising from the tax bases of assets and liabilities and their carrying amounts. However, deferred tax is not recognized if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profits or taxable profit or loss. Deferred tax is determined using the tax rates (and tax laws) that have been enacted or substantively enacted, in each country of operation, by the end of the reporting period and which are expected to apply to the period when the related deferred tax asset is realized or deferred tax liability is settled.

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

In accordance with the criteria of IAS 12 no deferred taxes have been recognized for temporary differences arising between the tax and carrying amounts 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 share in the other comprehensive income of associates recognized directly in equity, disclosed in the statement of comprehensive income, has not been recognized.

2.19. EMPLOYEE BENEFITS

A large number of CMPC's subsidiaries in Chile have collective agreements with their employees 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 recognized 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 measured 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 an agreement in 1997 with the labor union to provide medical assistance for life to its retired workers as of that date. The amount recognized in the current financial statements refers to the actuarial calculation of the obligation generated by this arrangement.

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The gains or losses from changes in the actuarial variables, if any, are recognized in profit or loss for the period in which they arise.

The Company also recognizes a liability for bonuses to its principal executives when it is contractually committed or when past practice has created a constructive obligation, which is presented in current provisions for employee benefits.

2.20. PROVISIONS

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

A restructuring provision is recognized when the Company has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

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

2.21. REVENUE RECOGNITION

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 recognized when the Company has transferred to the buyer the risks and benefits inherent to the ownership of the goods and it retains neither continuing managerial involvement associated with ownership nor effective control over the goods sold. Generally, this means that the sales are recognized 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 2010, being the official rules for the interpretation of trade terms issued by the International Chamber of Commerce.

Revenue recognition 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 point of sale is the time of delivery to the buyer, recognizing the revenue is upon 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.

When 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 delivered to customers is considered as revenue.

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

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

Revenue from rendering of services is recognized when the service has been rendered. A service is considered to be rendered upon satisfactory receipt by the customer.

2.22. LEASE CONTRACTS

Leases of property, plant and equipment, where the terms of the lease transfer substantially all the risks and rewards of ownership to the Company are classified as finance leases. Finance leases are recognized at the commencement of the lease term at the fair value of the leased property. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability so as to produce a constant periodic rate of interest on the remaining balance of the liability. The respective lease obligations, net of financial charges, are shown in interest-bearing loans. Property, plant and equipment acquired under finance lease contracts is depreciated according to the expected useful life of the asset.

Leased assets under which the lessor keeps all the rights and benefits of ownership, are classified as operating leases, and the minimum lease payments are recognized as an expense on a straight-line basis over the lease term.

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2.23. DIVIDEND DISTRIBUTION

Dividend distribution to the shareholders are recognized as a liability at the end of each reporting period based on the dividend policy approved by the shareholders meeting.

2.24. THE ENVIRONMENT

Environmental liabilities, if any, are recognized when a current obligation is probable to be incurred and the amount of that obligation 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 AND DEVELOPMENT

These expenses are included in line item administrative expenses in the statement of comprehensive income, and they are expensed in the period in which they are incurred.

2.26. MARKETING EXPENSES

Marketing expenses are expensed when incurred.

2.27. EARNINGS PER SHARE

Earnings per share are calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of subscribed to and paid in ordinary shares during the period.

2.28. INSURANCE AND CASUALTY EXPENSES

Payments of the various insurance policies contracted by the Company are recognized in expenses over the period of time they cover, regardless of the terms of payment. The amounts paid are recognized as Other non-financial assets under current assets.

The costs of claims are immediately recognized in profit or loss after they are known. The reimbursable amounts are recognized in Trade and other current receivable, calculated according to the terms of the insurance policies, once all the conditions that assure the recoverability have been met.

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 and it is 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 main risks 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 production 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.

One of the first categories of CMPC's products is bleached kraft pulp, which represents 27% of consolidated sales in value and is marketed to over 260 customers in 40 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: market risk (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.

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A) MARKET RISK

- 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 incomes, costs and investment costs which are denominated directly or indirectly in currencies other than the functional currency.

During the period ended as of December 31, 2012, the exports of CMPC and its subsidiaries represented approximately 44% of total sales, being the main destination 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 in this period 56% of the Company's total sales. Such sales were carried out both in local currencies and dollars.

Consequently, the revenue flow in United States dollars or indexed to that currency is estimated to reach a percentage of close to 63% 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, 2012 a significant proportion was hedged of the estimated sales of cardboard and wood to Europe in euros through to 2015.

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\$ 1,294 million as of December 31, 2012 (US\$ 1,702 million as of December 31, 2011). 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\$ 129 million respectively (US\$ 170 million as of December 31, 2011). The above effect would be recognized as a credit or charge to reserves for exchange difference on translations and as a loss or gain for the period, as per the following table:

| | DECEMBER 31, 2012 | | DECEMBER 31, 2011 | |
|--|---------------------|---------------------|---------------------|---------------------|
| | APPRECIATION 10% | DEPRECIATION 10% | APPRECIATION 10% | DEPRECIATION 10% |
| | THUS\$ | THUS\$ | THUS\$ | THUS\$ |
| Effect on reserves of exchange difference on translation | 176,987 | (176,987) | 210,776 | (210,776) |
| Effect on profit (loss) | (47,596) | 47,596 | (40,576) | 40,576 |
| NET EFFECT ON EQUITY | 129,391 | (129,391) | 170,200 | (170,200) |

- 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\$ 346 millions as of December 31, 2012 (US\$ 500 millions as of December 31, 2011); 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 1.95% as of December 31, 2012 and 3.1% as of December 31, 2011), this implies that the annual financial expenses of CMPC increase or decrease by US\$ 0.67 million (US\$ 1.55 million as of December 31, 2011).

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 jointly cover all export sales and approximately a half of domestic sales.

The detail of trade accounts receivable with and without collateral at each year is as follows:

| | 12/31/2012 | 12/31/2011 |
|---------------------------------------|-------------|-------------|
| ACCOUNTS RECEIVABLE | 100% | 100% |
| Credit insurance or letters of credit | 56% | 60% |
| Without collateral | 44% | 40% |

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.

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

| ISSUER | 12/31/2012 | | 12/31/2011 | |
|---|----------------|------------------|----------------|----------------|
| | PORTFOLIO | THUS\$ | PORTFOLIO | THUS\$ |
| Banco Santander - Chile | 12.02% | 136,275 | 7.32% | 67,327 |
| J.P. Morgan Chase Bank N.A. - United States | 10.01% | 113,460 | 7.99% | 73,465 |
| BancoEstado S.A. Corredores de Bolsa - Chile | 9.35% | 106,012 | 4.06% | 37,315 |
| Banco BBVA - Chile | 7.37% | 83,525 | 3.70% | 34,064 |
| BNP Paribas - Brazil (land purchase warranty) | 6.04% | 68,510 | - | - |
| BanChile Corredores de Bolsa S.A. - Chile | 4.72% | 53,537 | - | - |
| Banco BCI - United States | 4.41% | 50,008 | - | - |
| Banco de Chile | 4.18% | 47,352 | 7.99% | 73,435 |
| Banco Corpbanca - Chile | 3.75% | 42,551 | 7.23% | 66,505 |
| Banco Itaú - Chile | 3.19% | 36,197 | 3.84% | 35,310 |
| Banco Bradesco - Brazil | 3.16% | 35,878 | 0.58% | 5,345 |
| Itaú Chile Corredor de Bolsa Ltda. | 2.73% | 31,003 | 1.14% | 10,487 |
| HSBC Bank - Chile | 2.36% | 26,711 | 8.74% | 80,325 |
| Banco Security - Chile | 1.77% | 20,025 | - | - |
| Banco BCI - Chile | 1.02% | 11,545 | 11.98% | 110,134 |
| Banco Santander - Mexico | 1.01% | 11,413 | 1.43% | 13,146 |
| Banco de Crédito del Perú | 0.58% | 6,614 | 0.57% | 5,254 |
| Citibank N.A. - England | 0.56% | 6,326 | 1.75% | 16,133 |
| Banco BICE - Chile | 0.33% | 3,700 | - | - |
| BNP Paribas - France | 0.31% | 3,540 | 0.30% | 2,725 |
| Banco Santander - Brazil | 0.27% | 3,025 | - | - |
| Banco BBVA - Peru | 0.20% | 2,220 | 0.30% | 2,772 |
| Banco Itaú - Brazil | 0.18% | 2,022 | - | - |
| Banco J.P. Morgan Chase Bank - Chile | 0.05% | 609 | - | - |
| Bank of America Merrill Lynch - England | 0.05% | 532 | - | - |
| Banco Scotiabank - Chile | 0.04% | 470 | 0.04% | 397 |
| HSBC Bank USA, N.A. - United States | 0.03% | 352 | 0.04% | 325 |
| Rothschild Asset Management - England | 0.02% | 216 | 0.02% | 221 |
| J.P. Morgan Money Market Fund - United States | 0.01% | 138 | 0.02% | 138 |
| Goldman Sach - England | 0.01% | 68 | - | - |
| J.P. Morgan Money Market Chase Bank N.A. - United States | 0.01% | 65 | 0.01% | 64 |
| BancoEstado - Chile | 0.00% | 38 | 0.21% | 1,951 |
| Deutsche Bank - England | 0.00% | 17 | - | - |
| Bice Agente de Valores S.A. - Chile | - | - | 15.69% | 144,260 |
| BCI Corredores de Bolsa S.A. - Chile | - | - | 9.84% | 90,477 |
| BancoEstado N.Y. - United States | - | - | 2.18% | 20,001 |
| Corpbanca Corredores de Bolsa S.A. - Chile | - | - | 1.82% | 16,770 |
| Banco Corpbanca N.Y. - United States | - | - | 1.09% | 10,002 |
| HSBC Bank PLC - England | - | - | 0.07% | 638 |
| Wachovia Bank N.A. - United States | - | - | 0.06% | 521 |
| Citibank N.A. N.Y. - United States | - | - | 0.00% | 24 |
| BBH & Co. Money Market Fund - United States | - | - | 0.00% | 2 |
| Banco Citibank N.A - Chile | - | - | 0.00% | 1 |
| FINANCIAL INSTITUTIONS | 79.72% | 903,954 | 100.00% | 919,534 |
| Fibra Celulose S.A. - Brazil (advance purchase land) | 20.28% | 229,998 | - | - |
| SUBTOTAL | 100.00% | 1,133,952 | 100.00% | 919,534 |
| Plus: Cash and bank accounts | | 34,102 | | 13,439 |
| TOTAL CASH AND CASH EQUIVALENTS AND OTHER FINANCIAL ASSETS | | 1,168,054 | | 932,973 |

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 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)

(**) Net financial debt: Financial debt with third parties less Cash.

(***) 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).

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.

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3.3. OPERATING RISKS

A) RISKS OF INDUSTRIAL AND FORESTRY OPERATIONS

Events interrupting the Company's production facilities may prevent supplying products to our clients, the fulfillment of our production goals and cause unscheduled disbursements for maintenance and investments in assets, all of which may adversely affect the financial results of CMPC. The most significant events that may generate such stoppages include equipment breakdowns, interruptions of supplies, spills, explosions, earthquakes, floods, droughts, terrorism and labor disputes.

The objective of the operating risk management in CMPC is to protect, efficiently and effectively, the employees, the environment, the Company's assets, and the business performance as a whole. For that purpose, measures to prevent accidents, losses and insurance covers are managed in a balanced manner. Work in loss prevention is systematic and performed according to pre-established procedures, to which are added periodic inspections performed by the insurance companies' engineers. CMPC is also drawing up a continuous improvement plan for its operating risk condition with a view to minimizing the probability of occurrence and attenuating the effects of any possible disasters. 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. These plans are managed by each of the Company's business units according to standards and regulations defined at corporate level.

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 forestry plantations are exposed to fire and other natural risks, which are also covered by insurance policies, with maximum limits and deductibles determined in accordance with historic losses. Other risks not covered, such as biological risks, might adversely affect the plantations. Even though these factors have caused no significant damages to CMPC's forestry plantations in the past, there is no assurance about the occurrence of events outside the historical patterns that could generate significant losses, in excess of insurance coverage.

B) 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.

International oil prices show a slight downward trend in the period, mainly due to a decrease in demand and an

improvement in the capacity of the producers, in spite of constant short-term geopolitical problems and tension in the Middle East.

With respect to electricity, CMPC's principal plants mainly have their own power supply from the consumption of biomass and from contracts with third parties. This capacity was increased in the period from new own generating capacity in service. Furthermore, every plant has contingency plans to cope with restricted supply scenarios. However, the weaknesses of the Chilean electricity system continue generating higher costs for CMPC and discontinuities in the power supply. The relatively high rates paid for electricity power in Chile continue being a cause for concern. If this situation continues, coupled with the termination of the current fixed price contracts in the next few years, it will affect the level of competitiveness of some of the Company's businesses in which power has a high incidence on their costs, such as newsprint. Indeed, in 2012 newsprint production was reduced by about 54,000 tons, due to limitations in the availability of energy at the price of existing contracts and the high cost of obtaining energy in the spot market during this period.

Among CMPC's many suppliers of products and services in Chile, there are companies that provide specialized support and logistical services for its forestry and industrial operations. If these services are not performed at the level of quality required, or the contractual relationship with such companies 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 there is a permanent and systematic work in the development of high operating standards, with an emphasis on employee safety and the improvement of working conditions in general.

C) 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.

It should be noted that in August 2012 the Brazilian subsidiary CMPC Celulose Riograndense Ltda obtained FSC® certification for its forest plantations. In December 2012 the certification for forests in Chile was obtained. These accreditations, given by the *Forest Stewardship Council*®, represent a reaffirmation of CMPC's concern for the environment and sustainable development.

D) 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.

CMPC Foundation's mission is to promote and encourage the education, values education, cultural development

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and social assistance of the communities in which Empresas CMPC S.A. or its subsidiaries carry out their productive activities. Its aims are to improve the educational outcomes of children in primary education levels and foster a good relationship between the company and the surrounding communities. Its programs benefit more than 10,000 students in 53 institutions of 12 communes. During year 2012, 5,202 hours of training were given to teachers and administrators of educational institutions.

In certain zones of the regions Bio-Bio and Araucanía in Chile, have occurred violent incidents affecting farmers' and forest companies' land caused by Mapuche indigenous groups who reclaim their native land. The affected zones have a high level of poverty and serious social incidents. Less than 2% 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 living in those regions.

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

E) 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 93 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.

F) RISK DUE TO THE POLITICAL AND ECONOMIC CONDITIONS OF THE COUNTRIES WHERE CMPC OPERATES

Changes in the political and economic conditions of the countries where CMPC has industrial operations could affect the Company's financial results, as well as also the development of its business plan.

CMPC has industrial operations in 8 countries (Chile, Argentina, Brazil, Colombia, Ecuador, Mexico, Peru and Uruguay). A large part of its fixed assets is located in Chile and 64% of its sales stem from Chilean operations. In turn, about 19% of CMPC's fixed assets are in Brazil and 13% of its sales originate in Brazilian operations.

The governments of the countries where CMPC operates bear a substantial influence on many aspects of the

private sector, including changes in tax regulations, monetary policies, exchange rates and public expenses. They also influence regulatory aspects, such as labor and environmental regulations. CMPC's operations and its financial results could be adversely affected by these changes.

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 period. Consequently, actual results can differ from these estimates.

The accounting principles and the areas requiring of the use of estimates and judgments in the preparation of the financial statements are 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 forestry plantations are measured in the statement of financial position at fair value. Consequently, the forest groups are accounted for at fair value of standing timber less costs to sell.

New plantations (over the last year) are measured 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 recognized 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

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not corrected if they 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 8.8% (7.7% in 2011).

In addition, a sensitivity test of direct costs was carried out (including the harvest and transport), where variations of 5% generate a change of 3.4% (2.5% in 2011).

Finally, downward variations in the discount rate of 100 bps increases the value of plantations by 4.2% (4.2% in 2011). This test considers a base annual discount rate of 7% in Chile, 10% in Argentina and 4% in Brazil.

4.2. POST-EMPLOYMENT BENEFIT OBLIGATIONS

The Company recognizes this liability 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 its legal 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 goodwill allocated, 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 carrying amount, an impairment loss is recognized 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.

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5. ACCOUNTING CHANGES AND CORRECTIONS OF ERROR

As of December 31, 2012, there are no changes in the accounting policies with respect to the same period of the previous year.

Certain reclassifications have been made in the financial statements at December 31, 2011 to adapt the information presented to the SVS's XBRL "Taxonomy 2012" format and its mandatory notes.

The Management of CMPC Celulosa S.A. has approved the correction of the functional currency from the Brazilian real to the U.S. dollar made by its subsidiary CMPC Celulose Riograndense Ltda. of Brazil. All analysis performed indicate that the financial and economic conditions of that subsidiary and its environment allow to conclude that the U.S. dollar is the currency that best reflects its business operations and represents its financial situation. The Board of Directors of that subsidiary agreed to make the corrections since the year 2010, which was the year it started its operations, and restate the respective financial statements of prior years, reporting this situation and its effects to its parent CMPC.

Additionally, as described in note 42 of these financial statements, the Company made the necessary adjustments to correct the accounting records of its Colombian entities, Drypers Andina S.A. and Protisa Colombia S.A.

The effects recognized on equity as a result of the correction of the functional currency and other adjustments mentioned above were as follows:

As of December 31, 2011

| | THUS\$ |
|---|------------------|
| EQUITY PREVIOUSLY PRESENTED IN THE FINANCIAL STATEMENT AS OF DECEMBER 31, 2011 | 7,848,480 |
| EFFECT IN EQUITY DUE TO CORRECTION FUNCTIONAL CURRENCY (FROM BRAZILIAN REAIS TO U.S. DOLLAR) IN CMPC CELULOSE RIOGRANDENSE LTDA. OF BRAZIL: | |
| - Increase in retained earnings | 33,549 |
| - Effect in profit (loss) for the year 2011: | |
| - Effect of correction functional currency Brazilian subsidiary | (33,735) |
| - Reversal of cumulative translation adjustment at the parent level | (52,309) |
| - Increase in Other Comprehensive Income due to Reserve of Exchange Differences on Translation | |
| - Reversal of cumulative translation adjustment at the parent level as of January 1, 2011 | (58,186) |
| - Reversal of cumulative translation adjustment at the parent level 2011 (Investment) | 95,278 |
| - Reversal of cumulative translation adjustment at the parent level 2011 (Financing) | 52,309 |
| EFFECT ON EQUITY FOR ACCOUNTING ERROR CORRECTIONS IN COLOMBIAN SUBSIDIARIES | |
| - Decrease in retained earnings | (5,431) |
| - Effect in profit (loss) for the year 2011: | |
| Effect of error correction | (15,157) |
| - Other net adjustments | (2,362) |
| EQUITY AS RESTATED AS OF DECEMBER 31, 2011 | 7,862,436 |

The following tables set forth the effects on assets and liabilities as of January 1 and December 31, 2011 as a result of the correction of the functional currency and accounting adjustments mentioned above, and other minor reclassifications

| ASSETS | BALANCES PREVIOUSLY REPORTED 12/31/2011 THUS\$ | ADJUSTMENTS AND RECLASSIFICATIONS THUS\$ | BALANCES RESTATED 12/31/2011 THUS\$ | EQUITY AND LIABILITIES | BALANCES PREVIOUSLY REPORTED 12/31/2011 THUS\$ | ADJUSTMENTS AND RECLASSIFICATIONS THUS\$ | BALANCES RESTATED 12/31/2011 THUS\$ |
|-------------------------------|--|--|-------------------------------------|--|--|--|-------------------------------------|
| TOTAL CURRENT ASSETS | 3,247,968 | (18,828) | 3,229,140 | TOTAL CURRENT LIABILITIES | 1,058,004 | | 1,058,004 |
| PROPERTY, PLANT AND EQUIPMENT | 6,310,136 | 50,204 | 6,360,340 | TOTAL NON-CURRENT LIABILITIES | 4,387,092 | 40,218 | 4,427,310 |
| Non-current biological assets | 3,261,039 | | 3,261,039 | Equity attributable to equity owners of parent | 7,839,901 | 13,956 | 7,853,857 |
| Other non-current assets | 474,433 | 22,798 | 497,231 | Non-controlling interests | 8,579 | | 8,579 |
| TOTAL NON-CURRENT ASSETS | 10,045,608 | 73,002 | 10,118,610 | TOTAL EQUITY | 7,848,480 | 13,956 | 7,862,436 |
| TOTAL ASSETS | 13,293,576 | 54,174 | 13,347,750 | TOTAL EQUITY AND LIABILITIES | 13,293,576 | 54,174 | 13,347,750 |

| ASSETS | BALANCES PREVIOUSLY REPORTED 01/01/2011 THUS\$ | ADJUSTMENTS AND RECLASSIFICATIONS THUS\$ | BALANCES RESTATED 01/01/2011 THUS\$ | EQUITY AND LIABILITIES | BALANCES PREVIOUSLY REPORTED 01/01/2011 THUS\$ | ADJUSTMENTS AND RECLASSIFICATIONS THUS\$ | BALANCES RESTATED 01/01/2011 THUS\$ |
|-------------------------------|--|--|-------------------------------------|--|--|--|-------------------------------------|
| TOTAL CURRENT ASSETS | 3,027,727 | (8,680) | 3,019,047 | TOTAL CURRENT LIABILITIES | 1,320,951 | | 1,320,951 |
| PROPERTY, PLANT AND EQUIPMENT | 6,204,558 | (35,529) | 6,169,029 | TOTAL NON-CURRENT LIABILITIES | 3,733,774 | (3,591) | 3,730,183 |
| Non-current biological assets | 3,142,319 | | 3,142,319 | Equity attributable to equity owners of parent | 7,665,410 | (32,430) | 7,632,980 |
| Other non-current assets | 501,852 | 8,188 | 510,040 | Non-controlling interests | 156,321 | | 156,321 |
| TOTAL NON-CURRENT ASSETS | 9,848,729 | (27,341) | 9,821,388 | TOTAL EQUITY | 7,821,731 | (32,430) | 7,789,301 |
| TOTAL ASSETS | 12,876,456 | (36,021) | 12,840,435 | TOTAL EQUITY AND LIABILITIES | 12,876,456 | (36,021) | 12,840,435 |

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Additionally, the following tables set forth the effects in the statement of income and statement of cash flows for the year ended December 31, 2011 as a result of the corrections of the functional currency and accounting adjustments:

| | BALANCES PREVIOUSLY REPORTED 12/31/2011 THUS\$ | ADJUSTMENTS AND RECLASSIFICATIONS THUS\$ | BALANCES RESTATE 12/31/2011 THUS\$ |
|---|--|--|---|
| STATEMENT OF INCOME | | | |
| Gross Profit | 1,081,882 | (10,804) | 1,071,078 |
| Other expenses | (441,682) | (60,210) | (501,892) |
| PROFIT BEFORE TAX | 640,200 | (71,014) | 569,186 |
| Tax expenses | (145,727) | (30,187) | (175,914) |
| PROFIT | 494,473 | (101,201) | 393,272 |
| Profit attributable to owners of parent | 492,126 | (101,201) | 390,925 |
| Profit attributable to non-controlling interests | 2,347 | - | 2,347 |
| PROFIT | 494,473 | (101,201) | 393,272 |
| BASIC AND DILUTED EARNINGS PER SHARE (US\$ PER SHARE) | 0.2234 | (0.0460) | 0.1774 |
| STATEMENT OF OTHER COMPREHENSIVE INCOME | | | |
| Profit | 494,473 | (101,201) | 393,272 |
| Other comprehensive expenses | (254,215) | 147,587 | (106,628) |
| TOTAL COMPREHENSIVE INCOME | 240,258 | 46,386 | 286,644 |
| Comprehensive income, attributable to owners of parent | 237,911 | 46,386 | 284,297 |
| Comprehensive income, attributable to non-controlling interests | 2,347 | - | 2,347 |
| TOTAL COMPREHENSIVE INCOME | 240,258 | 46,386 | 286,644 |
| STATEMENT OF CASH FLOWS | | | |
| Net cash flows from operating activities | 812,811 | - | 812,811 |
| Net cash flows used in investing activities | (832,612) | - | (832,612) |
| Net cash flows from financing activities | 77,137 | - | 77,137 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES | 57,336 | - | 57,336 |
| Effect of exchange rate changes on cash and cash equivalents | (17,508) | - | (17,508) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 39,828 | - | 39,828 |
| Cash and cash equivalents at beginning of year | 364,529 | - | 364,529 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | 404,357 | - | 404,357 |

6. NEW ACCOUNTING PRONOUNCEMENTS

The following new accounting pronouncement have been applied since January 1, 2012:

| STANDARDS, INTERPRETATIONS AND AMENDMENTS | EFFECTIVE: |
|---|---|
| Amendment to IAS 12 Income Taxes | Annual period beginning on or after January 1, 2012 |
| Amendment to IFRS 7 Financial Instruments: Disclosures | Annual period beginning on or after July 1, 2011 |

The application of these pronouncements has had no significant effects on CMPC. The rest of the accounting principles applied in 2012 have not changed with respect to those used in 2011.

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: |
|---|--|
| Amendment to IAS 1 Presentation of Financial Statements | Annual periods beginning on or after July 1, 2012 |
| Amendment to IAS 19 Employee benefits | Annual periods beginning on or after January 1, 2013 |
| IAS 27: Separate financial statements | Annual periods beginning on or after January 1, 2013 |
| IAS 28: Investments in associates | Annual periods beginning on or after January 1, 2013 |
| Amendments to IAS 32 Financial Statements: Presentation | Annual periods beginning on or after January 1, 2014 |
| Amendment to IFRS 7: Financial Instruments: Disclosures | Annual periods beginning on or after January 1, 2013 |
| IFRS 9: Financial instruments: Classification and measurement | Annual periods beginning on or after January 1, 2015 |
| IFRS 10: Consolidated Financial Statements | Annual periods beginning on or after January 1, 2013 |
| IFRS 11: Joint Arrangements | Annual periods beginning on or after January 1, 2013 |
| IFRS 12: Disclosure of interests in other entities | Annual periods beginning on or after January 1, 2013 |
| IFRS 13: Fair value measurement | Annual periods beginning on or after January 1, 2013 |
| Improvements to IFRS: Correspond to a several improvements that modify the following standards: IFRS 1, IAS 1 and IAS 32 | Annual periods beginning on or after January 1, 2013 |
| Transition guide: | Annual periods starting on or after January 1, 2013 |
| Amendments to IFRS 10, 11 and 12 Amendments to IFRS 10, 12 and IAS 27 Investment entities | 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.

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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 646 thousand hectares of forest plantations, basically of pine and eucalyptus, of which 484 thousand hectares are located in Chile, 59 thousand hectares in Argentina and 103 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, sharecropping and rentals with third parties comprising 34 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 49% 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 140 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 comes exclusively

from cultivated forests or origin-controlled plantations, free of controversies and perfectly traceable from the forest to their final destination.

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

Of the total pulp produced, approximately 390 thousand tons are sold to subsidiaries and the difference is exported from Chile and Brazil to more than 250 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, 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, Colombia, Ecuador and Brazil.

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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 Forsac 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.

The general information on profit or loss by operating segment as of December 31, 2012 and 2011 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\$ | | |
| FOR THE YEAR ENDED AS OF DECEMBER 31, 2012 | | | | | | | | | |
| Total revenue from external clients | 502,569 | 1,374,799 | 725,166 | 1,764,421 | 392,365 | 4,759,320 | - | - | 4,759,320 |
| Total revenue between operating segments of the same entity | 312,626 | 241,160 | 150,586 | 3,574 | 22,686 | 730,632 | 50,660 | (781,292) | - |
| TOTAL REVENUE FROM EXTERNAL AND RELATED CLIENTS | 815,195 | 1,615,959 | 875,752 | 1,767,995 | 415,051 | 5,489,952 | 50,660 | (781,292) | 4,759,320 |
| Depreciation and amortization expenses | (25,406) | (194,178) | (41,129) | (67,653) | (12,928) | (341,294) | (1,223) | 7,057 | (335,460) |
| Interest income | 689 | 792 | 15,088 | 2,828 | 6 | 19,403 | 234,880 | (217,008) | 37,275 |
| Interest expense | (42,329) | (112,565) | (10,288) | (57,638) | (20,362) | (243,182) | (149,057) | 217,008 | (175,231) |
| Other significant items of incomes (expenses) | 13,241 | (49,466) | 1,523 | (47,697) | (3,685) | (86,084) | 78,293 | (7,310) | (15,101) |
| TOTAL OTHER SIGNIFICANT INCOMES (EXPENSES) | (28,399) | (161,239) | 6,323 | (102,507) | (24,041) | (309,863) | 164,116 | (7,310) | (153,057) |
| Share in profit (loss) of investments in associates | (5) | (38) | - | - | - | (43) | 12,853 | - | 12,810 |
| Total profit (loss) before taxes | (31,510) | (53,066) | (32,024) | (2,939) | 1,286 | (118,253) | (9,571) | - | (127,824) |
| EBITDA (1) | 159,254 | 364,019 | 156,960 | 207,634 | 39,571 | 927,438 | (11,546) | (1,808) | 914,084 |
| Operating profit (loss) (2) | 71,783 | 179,377 | 115,831 | 139,981 | 26,643 | 533,615 | (12,769) | 5,250 | 526,096 |
| Profit (Loss), before tax | 5,898 | (42,192) | 122,620 | 44,415 | (16,412) | 114,329 | 228,394 | (12,489) | 330,234 |
| PROFIT (LOSS) | (25,612) | (95,258) | 90,596 | 41,476 | (15,126) | (3,924) | 218,823 | (12,489) | 202,410 |
| Assets | 4,479,680 | 5,124,343 | 1,210,140 | 2,332,492 | 495,291 | 13,641,946 | 4,991,071 | (4,586,940) | 14,046,077 |
| Investments accounted for using equity method | 244 | 320 | - | - | - | 564 | 93,289 | - | 93,853 |
| Liabilities | 1,110,287 | 3,527,474 | 318,922 | 1,592,299 | 412,257 | 6,961,239 | 3,470,639 | (4,370,835) | 6,061,043 |
| Impairment losses recognized in loss | (113) | (1,735) | (26) | (815) | (67) | (2,756) | - | - | (2,756) |
| Reversal of Impairment losses recognized in profit | - | - | 18 | 4 | - | 22 | - | - | 22 |
| Cash flows from operating activities | 175,138 | 196,781 | 151,013 | 193,102 | 30,200 | 746,234 | 11,544 | - | 757,778 |
| Cash flows used in investing activities | (174,834) | (565,352) | (50,122) | (138,583) | (19,235) | (948,126) | (224,814) | 385,207 | (787,733) |
| Cash flows from (used in) financing activities | 3,027 | 400,403 | (97,963) | (30,723) | (10,447) | 264,297 | 161,071 | (385,207) | 40,161 |

- (1) Corresponds to the gross profit plus depreciation and amortization, plus costs of formation of harvested plantations, plus higher cost of the portion operated and sold of the plantations deriving from the revaluation for their natural growth (see Note 13 Biological assets), less distribution cost, less administrative expenses and less other expenses.
- (2) Corresponds to the profit (loss) before income tax, finance income and finance costs, exchange differences, results from indexation units, other gains (losses) and share of profit (loss) of associates accounted for using equity method.
- (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.

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The general information on assets, liabilities and cash flows as of December 31, 2012 and 2011 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\$ | | |
| FOR THE YEAR ENDED AS OF DECEMBER 31, 2011 | | | | | | | | | |
| Total revenue from external clients | 485,882 | 1,495,813 | 801,100 | 1,596,182 | 407,438 | 4,786,415 | - | - | 4,786,415 |
| Total revenue between operating segments of the same entity | 292,110 | 261,343 | 164,070 | 3,865 | 24,667 | 746,055 | 46,379 | (792,434) | - |
| TOTAL REVENUE FROM EXTERNAL AND RELATED CLIENTS | 777,992 | 1,757,156 | 965,170 | 1,600,047 | 432,105 | 5,532,470 | 46,379 | (792,434) | 4,786,415 |
| Depreciation and amortization expenses | (24,673) | (194,437) | (40,798) | (66,347) | (10,959) | (337,214) | (1,062) | 6,217 | (332,059) |
| Interest income | 2,482 | 683 | 15,896 | 1,605 | 10 | 20,676 | 210,446 | (194,449) | 36,673 |
| Interest expense | (46,803) | (101,335) | (12,459) | (51,563) | (18,344) | (230,504) | (126,863) | 194,449 | (162,918) |
| Other significant incomes (expenses) | 5,639 | (7,020) | 5,307 | (29,102) | (3,984) | (29,160) | 1,856 | (5,393) | (32,697) |
| TOTAL OTHER SIGNIFICANT INCOMES (EXPENSES) | (38,682) | (107,672) | 8,744 | (79,060) | (22,318) | (238,988) | 85,439 | (5,393) | (158,942) |
| Profit (loss) of investments in associates | 17 | 5 | - | - | - | 22 | 11,522 | - | 11,544 |
| Total profit (loss) of segment before taxes | (38,655) | (101,092) | (31,722) | 4,634 | (3,614) | (170,449) | (5,465) | - | (175,914) |
| EBITDA (1) | 135,317 | 572,958 | 174,454 | 162,170 | 32,694 | 1,077,593 | (12,513) | 530 | 1,065,610 |
| Operating profit (loss) (2) | 88,565 | 359,552 | 133,656 | 95,823 | 21,735 | 699,331 | (13,575) | 6,747 | 692,503 |
| Profit (Loss), before tax | 125,919 | 327,810 | 149,895 | (26,668) | 23,270 | 600,226 | 409,463 | (440,503) | 569,186 |
| PROFIT (LOSS) | 87,264 | 226,718 | 118,173 | (22,034) | 19,656 | 429,777 | 403,998 | (440,503) | 393,272 |
| Assets | 4,367,500 | 4,575,169 | 1,301,141 | 2,205,376 | 489,532 | 12,938,718 | 4,853,213 | (4,444,181) | 13,347,750 |
| Investments accounted for using equity method | 234 | 371 | - | - | - | 605 | 76,422 | - | 77,027 |
| Liabilities | 1,269,538 | 2,865,318 | 434,014 | 1,481,552 | 360,114 | 6,410,536 | 3,258,482 | (4,183,704) | 5,485,314 |
| Impairment losses recognized in loss | (35) | (136) | (199) | (2,850) | (1,313) | (4,533) | - | - | (4,533) |
| Reversal of Impairment losses recognized in profit | 40 | - | 22 | 65 | 126 | 253 | - | - | 253 |
| Cash flows from operating activities | 142,833 | 455,152 | 143,426 | 73,387 | 675 | 815,473 | (2,662) | - | 812,811 |
| Cash flows used in investing activities | (163,484) | (413,659) | 35,848 | (166,743) | (17,985) | (726,023) | (71,289) | (35,300) | (832,612) |
| Cash flows from (used in) financing activities | 18,665 | (41,683) | (209,757) | 82,335 | 17,546 | (132,894) | 174,731 | 35,300 | 77,137 |

- (1) Corresponds to the gross profit plus depreciation and amortization, plus costs of formation of harvested plantations, plus higher cost of the portion operated and sold of the plantations deriving from the revaluation for their natural growth (see Note 13 Biological assets), less distribution cost, less administrative expenses and less other expenses.
- (2) Corresponds to the profit (loss) before income tax, finance income and finance costs, exchange differences, results from indexation units, other gains (losses) and share of profit (loss) of associates accounted for using equity method.
- (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.

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.

Revenues from sales to CMPC's external clients, at the end of each reporting period, are distributed among the following geographical areas:

| CONCEPTS | YEAR | |
|---------------------------|------------------|------------------|
| | 2012 THUS\$ | 2011 THUS\$ |
| Chile (Country's Company) | 1,209,029 | 1,169,750 |
| Brazil | 464,470 | 487,071 |
| Rest of Latin America | 1,570,624 | 1,521,276 |
| United States and Canada | 165,138 | 158,148 |
| Asia | 684,016 | 750,569 |
| Europe | 565,015 | 603,490 |
| Others | 101,028 | 96,111 |
| TOTAL | 4,759,320 | 4,786,415 |

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

Non-current assets by geographical area other than financial instruments, deferred tax assets, post-employment benefits assets, and rights arising under insurance contracts, are as follows:

| DESCRIPTION OF GEOGRAPHICAL AREA | 12/31/2012 | | 12/31/2011 | |
|----------------------------------|----------------|-------------------|----------------|------------------|
| | % | THUS\$ | % | THUS\$ |
| Chile (Country's Company) | 72.06% | 7,327,301 | 74.71% | 7,439,717 |
| Brazil | 19.86% | 2,019,605 | 17.14% | 1,707,132 |
| Rest of Latin America | 8.08% | 821,870 | 8.15% | 811,060 |
| TOTAL | 100.00% | 10,168,776 | 100.00% | 9,957,909 |

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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, 2012 | | | | | |
| CASH AND CASH EQUIVALENTS | 419 | - | 430,823 | - | 431,242 |
| Time deposits over 90 days | - | - | 309,487 | - | 309,487 |
| Cross currency swap operations | 116,093 | - | - | - | 116,093 |
| Forward exchange contract operations | 4,609 | - | - | - | 4,609 |
| Options | 704 | - | - | - | 704 |
| Hedging assets | 3,058 | - | - | - | 3,058 |
| OTHER FINANCIAL ASSETS | 124,464 | - | 309,487 | - | 433,951 |
| Hedging assets | 4,353 | - | - | - | 4,353 |
| Advance and guarantee assets acquisition | - | - | 298,508 | - | 298,508 |
| OTHER FINANCIAL ASSETS - NON-CURRENT | 4,353 | - | 298,508 | - | 302,861 |
| TOTAL FINANCIAL ASSETS | 129,236 | - | 1,038,818 | - | 1,168,054 |
| 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 |

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, 2012 and 2011, 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\$ | ARGENTINIAN PESO THUS\$ | URUGUAYAN PESO THUS\$ | PERUVIAN NUEVO SOL THUS\$ | COLOMBIAN PESO THUS\$ | MEXICAN PESO THUS\$ | POUND STERLING THUS\$ | BRAZILIAN REAIS THUS\$ | TOTALS THUS\$ |
|--|---------------------|----------------|---------------|-------------------------|-----------------------|---------------------------|-----------------------|---------------------|-----------------------|------------------------|----------------|
| BALANCE AS OF DECEMBER 31, 2012 | | | | | | | | | | | |
| Cash & banks | 3,652 | 8,959 | 120 | 7,871 | 116 | 591 | 1,996 | 9,168 | 55 | 1,574 | 34,102 |
| Time deposits, less than 90 days | 38,724 | 112,035 | 4,144 | - | - | 7,490 | - | 669 | 2,182 | 40,925 | 206,169 |
| Marketable securities, highly liquid | 190,552 | 354 | 65 | - | - | - | - | - | - | - | 190,971 |
| TOTAL | 232,928 | 121,348 | 4,329 | 7,871 | 116 | 8,081 | 1,996 | 9,837 | 2,237 | 42,499 | 431,242 |
| 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 |

Cash in hand and bank checking accounts are available resources and their carrying amount is equal to their fair value (ThUS\$ 34,102 as of December 31, 2012 and ThUS\$ 13,439 as of December 31, 2011).

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

| ENTITIES | CURRENCY | 12/31/2012 THUS\$ | 12/31/2011 THUS\$ |
|---|----------|-------------------|-------------------|
| Banco BCI - United States | US\$ | 50,008 | - |
| J.P. Morgan Chase Bank N.A. - United States | US\$ | 40,658 | 6,000 |
| Banco Bradesco - Brazil | BRL | 35,878 | 5,345 |
| Banco Santander - Chile | CLP | 35,024 | - |
| Banco Security - Chile | US\$ | 20,025 | - |
| Banco de Crédito del Perú | PEN | 5,270 | 4,107 |
| Citibank N.A. - England | EUR | 4,144 | 16,106 |
| Banco BICE - Chile | CLP | 3,700 | - |
| Banco Santander - Brazil | BRL | 3,025 | - |
| Banco BBVA - Peru | PEN | 2,220 | 2,772 |
| Citibank N.A. - England | GBP | 2,182 | 27 |
| Banco Itaú - Brazil | BRL | 2,022 | - |
| Banco de Crédito del Perú | US\$ | 1,344 | 1,147 |
| Banco Santander - Mexico | MXN | 669 | 285 |
| Citibank N.A. N.Y. - United States | US\$ | - | 24 |
| BancoEstado N.Y. - United States | US\$ | - | 20,001 |
| Corpbanca N.Y. - United States | US\$ | - | 10,002 |
| Banco Citibank N.A. - Chile | GBP | - | 1 |
| Banco de Chile | CLP | - | 19 |
| Banco BCI - Chile | CLP | - | 24,706 |
| HSBC Bank - Chile | CLP | - | 4 |
| HSBC Bank PLC - England | GBP | - | 638 |
| TOTAL | | 206,169 | 91,184 |

Investments in time deposits are made following policies of counterparty risk authorized by the board of CMPC. Provided these policies are met, the counterparty is determined using criteria of diversification and financial return.

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Highly liquid marketable securities are the following:

| ENTITIES | CURRENCY | 12/31/2012 THUS\$ | 12/31/2011 THUS\$ |
|--|----------|----------------------|----------------------|
| INVESTMENTS IN INVESTMENT FUND UNITS (ABROAD): | | | |
| Rothschild Asset Management - England | US\$ | 216 | 221 |
| J.P. Morgan Money Market Fund - United States | US\$ | 138 | 138 |
| J.P. Morgan Money Market Chase Bank N.A. - United States | EUR | 65 | 64 |
| BBH & Co. Money Market Fund - United States | US\$ | - | 2 |
| MARKETABLE SECURITIES UNDER RESALE AGREEMENT: | | | |
| BancoEstado S.A. Corredores de Bolsa - Chile | CLP | 106,012 | 37,315 |
| Banchile Corredores de Bolsa S.A. - Chile | CLP | 53,537 | - |
| Itaú Chile Corredor de Bolsa Ltda. | CLP | 31,003 | 10,487 |
| BICE Agente de Valores S.A. - Chile | CLP | - | 144,260 |
| Corpbanca Corredores de Bolsa S.A. - Chile | CLP | - | 16,770 |
| BCI Corredora de Bolsa S.A. - Chile | CLP | - | 90,477 |
| TOTAL | | 190,971 | 299,734 |

As of December 31, 2012 and 2011, the carrying amount 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 | 12/31/2012 THUS\$ | 12/31/2011 THUS\$ |
|---|----------------------|----------------------|
| Cash and cash equivalents | 431,242 | 404,357 |
| CASH AND CASH EQUIVALENTS PRESENTED IN THE STATEMENT OF CASH FLOWS | 431,242 | 404,357 |

8.2. OTHER CURRENT FINANCIAL ASSETS

These assets represent investments typical made for cash management purposes, such as repurchase and resale agreements whose maturity exceeds 90 days. Also, the cumulative change in fair value 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 contracts used to hedge the potential financial risk associated with the volatility of sales in euros of the businesses of wood products and cardboard.

As of December 31, 2012 and 2011, other financial assets are detailed as follows:

Balances as of December 31, 2012

A) TIME DEPOSITS BETWEEN 90 DAYS AND ONE YEAR

| ENTITY | CURRENCY | THUS\$ |
|-------------------------|----------|----------------|
| Banco BCI - Chile | CLF | 10,721 |
| Banco Corpbanca - Chile | CLP | 20,062 |
| HSBC Bank - Chile | CLP | 10,349 |
| HSBC Bank - Chile | CLF | 15,737 |
| Banco de Chile | CLF | 21,029 |
| Banco Itaú - Chile | CLF | 36,197 |
| Banco Santander - Chile | CLF | 95,481 |
| Banco BBVA - Chile | US\$ | 40,668 |
| Banco Corpbanca - Chile | CLF | 17,058 |
| Banco BBVA - Chile | CLF | 42,185 |
| SUBTOTAL | | 309,487 |

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) investing activities (ThUS\$ 164,577).

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 | 168,765 | US\$ | Libor+0.58 | 100,437 | 68,328 | (3,490) | 3/1/2015 |
| Banco de Chile | CLF | 2.88 | 70,851 | US\$ | Libor+1.82 | 57,002 | 13,849 | (507) | 3/24/2014 |
| Banco de Chile | CLF | 2.88 | 70,827 | US\$ | Libor+1.81 | 58,353 | 12,474 | (530) | 3/24/2014 |
| Banco Santander - Chile | CLF | 2.70 | 45,323 | US\$ | 3.87 | 40,056 | 5,267 | (1,358) | 6/15/2013 |
| Banco Corpbanca - Chile | CLF | 2.68 | 53,442 | US\$ | 3.83 | 48,011 | 5,431 | (1,299) | 3/1/2015 |
| Banco Santander - Mexico | US\$ | Libor+0.80 | 50,000 | MXN | TIE+0.55 | 39,256 | 10,744 | 1,562 | 9/9/2013 |
| SUBTOTAL | | | 459,208 | | | 343,115 | 116,093 | (5,622) | |

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C) FORWARD CURRENCY TRANSACTIONS

| ENTITIES | RIGHTS | | OBLIGATIONS | | FAIR VALUE OF NET ASSETS THUS\$ | EFFECT IN PROFIT (LOSS) THUS\$ | MATURITY |
|---|----------|----------------|-------------|----------------|---------------------------------|--------------------------------|-----------|
| | CURRENCY | AMOUNT THUS\$ | CURRENCY | AMOUNT THUS\$ | | | |
| Banco Santander - Chile | CLP | 3,057 | US\$ | 2,800 | 257 | 199 | 6/12/2013 |
| Banco Santander - Chile | CLP | 3,011 | US\$ | 2,800 | 211 | 112 | 6/12/2013 |
| Banco Santander - Chile | US\$ | 15,010 | CLP | 14,994 | 16 | 16 | 1/4/2013 |
| Banco Santander - Chile | US\$ | 20,011 | CLP | 19,992 | 19 | 19 | 1/4/2013 |
| Banco BBVA - Chile | CLP | 21,498 | CLF | 21,162 | 336 | 337 | 5/10/2013 |
| Banco BBVA - Chile | CLP | 21,498 | CLF | 21,162 | 336 | 337 | 5/10/2013 |
| Banco BCI - Chile | CLP | 21,491 | CLF | 21,152 | 339 | 340 | 5/8/2013 |
| Banco BCI - Chile | CLP | 21,491 | CLF | 21,151 | 340 | 340 | 5/8/2013 |
| Banco BCI - Chile | CLP | 10,767 | CLF | 10,622 | 145 | 145 | 5/28/2013 |
| HSBC Bank - Chile | CLP | 21,552 | CLF | 21,259 | 293 | 293 | 4/26/2013 |
| HSBC Bank - Chile | BRL | 6,582 | US\$ | 6,250 | 332 | 332 | 2/19/2013 |
| J.P. Morgan Chase Bank - Chile | CLP | 21,785 | CLF | 21,176 | 609 | 609 | 5/8/2013 |
| J.P. Morgan Chase Bank N.A. - United States | EUR | 5,673 | US\$ | 5,496 | 177 | 177 | 1/11/2013 |
| J.P. Morgan Chase Bank N.A. - United States | EUR | 231 | US\$ | 224 | 7 | 7 | 1/30/2013 |
| J.P. Morgan Chase Bank N.A. - United States | BRL | 6,444 | US\$ | 6,250 | 194 | 194 | 7/10/2013 |
| J.P. Morgan Chase Bank N.A. - United States | BRL | 6,350 | US\$ | 6,250 | 100 | 100 | 10/9/2013 |
| J.P. Morgan Chase Bank N.A. - United States | BRL | 6,398 | US\$ | 6,250 | 148 | 148 | 10/9/2013 |
| J.P. Morgan Chase Bank N.A. - United States | BRL | 6,492 | US\$ | 6,250 | 242 | 242 | 7/10/2013 |
| Banco Scotiabank - Chile | CLP | 21,492 | CLF | 21,158 | 334 | 334 | 5/3/2013 |
| Banco Scotiabank - Chile | US\$ | 17,205 | CLP | 17,069 | 136 | 136 | 6/17/2013 |
| BancoEstado - Chile | US\$ | 20,009 | CLP | 19,971 | 38 | 38 | 1/7/2013 |
| SUBTOTAL | | 278,047 | | 273,438 | 4,609 | 4,455 | |

D) OPTIONS

| ENTITIES | RIGHTS | | OBLIGATIONS | | FAIR VALUE OF NET ASSETS THUS\$ | EFFECT IN PROFIT (LOSS) THUS\$ | MATURITY |
|---|----------|----------------|-------------|---------------|---------------------------------|--------------------------------|-----------|
| | CURRENCY | AMOUNT THUS\$ | CURRENCY | AMOUNT THUS\$ | | | |
| HSBC Bank USA, N.A. - United States | US\$ | 6,250 | BRL | 6,249 | 1 | 1 | 5/9/2013 |
| HSBC Bank USA, N.A. - United States | US\$ | 6,250 | BRL | 6,234 | 16 | 16 | 9/9/2013 |
| HSBC Bank USA, N.A. - United States | US\$ | 6,250 | BRL | 6,208 | 42 | 42 | 12/9/2013 |
| HSBC Bank USA, N.A. - United States | US\$ | 6,250 | BRL | 6,133 | 117 | 117 | 5/9/2014 |
| HSBC Bank USA, N.A. - United States | US\$ | 6,250 | BRL | 6,249 | 1 | 1 | 5/9/2013 |
| HSBC Bank USA, N.A. - United States | US\$ | 6,250 | BRL | 6,234 | 16 | 16 | 9/9/2013 |
| HSBC Bank USA, N.A. - United States | US\$ | 6,250 | BRL | 6,208 | 42 | 42 | 12/9/2013 |
| HSBC Bank USA, N.A. - United States | US\$ | 6,250 | BRL | 6,133 | 117 | 117 | 5/9/2014 |
| J.P. Morgan Chase Bank N.A. - United States | US\$ | 6,250 | BRL | 6,249 | 1 | 1 | 5/9/2013 |
| J.P. Morgan Chase Bank N.A. - United States | US\$ | 6,250 | BRL | 6,234 | 16 | 16 | 9/9/2013 |
| J.P. Morgan Chase Bank N.A. - United States | US\$ | 6,250 | BRL | 6,208 | 42 | 42 | 12/9/2013 |
| J.P. Morgan Chase Bank N.A. - United States | US\$ | 6,250 | BRL | 6,133 | 117 | 117 | 5/9/2014 |
| J.P. Morgan Chase Bank N.A. - United States | US\$ | 6,250 | BRL | 6,249 | 1 | 1 | 5/9/2013 |
| J.P. Morgan Chase Bank N.A. - United States | US\$ | 6,250 | BRL | 6,234 | 16 | 16 | 9/9/2013 |
| J.P. Morgan Chase Bank N.A. - United States | US\$ | 6,250 | BRL | 6,208 | 42 | 42 | 12/9/2013 |
| J.P. Morgan Chase Bank N.A. - United States | US\$ | 6,250 | BRL | 6,133 | 117 | 117 | 5/9/2014 |
| SUBTOTAL | | 100,000 | | 99,296 | 704 | 704 | |

E) 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\$ | 879 | EUR | 879 | - | Quarterly |
| BNP Paribas - France | Flows from sales of cardboard and wood to Europe | US\$ | 13,499 | EUR | 12,684 | 815 | Quarterly |
| J.P. Morgan Chase Bank N.A. - United States | Flows from sales of cardboard and wood to Europe | US\$ | 28,082 | EUR | 25,897 | 2,185 | Quarterly |
| Deutsche Bank AG - England | Oil price | US\$ | 5,207 | US\$ | 5,190 | 17 | Monthly |
| Bank of America Merrill Lynch - England | Oil price | US\$ | 9,623 | US\$ | 9,582 | 41 | Monthly |
| SUBTOTAL | | | 57,290 | | 54,232 | 3,058 | |
| TOTAL OTHERS FINANCIAL ASSETS | | | | | | 433,951 | |

Balance as of December 31, 2011

A) TIME DEPOSITS WITH MATURITIES OF MORE THAN 90 DAYS AND LESS THAN 1 YEAR

| ENTITIES | CURRENCY | THUS\$ |
|-------------------------|----------|----------------|
| Banco BCI - Chile | CLP | 83,420 |
| HSBC Bank - 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 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\$ 138,669).

B) CROSS-CURRENCY SWAP TRANSACTIONS

| ENTITIES | RIGHTS | | | OBLIGATIONS | | | FAIR VALUE OF NET ASSETS THUS\$ | EFFECT IN 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 | 3/01/2015 |
| Banco de Chile | CLF | 2.88 | 66,700 | US\$ | Libor+1.82 | 58,768 | 7,932 | 2,244 | 3/24/2014 |
| Banco de Chile | CLF | 2.88 | 66,700 | US\$ | Libor+1.81 | 60,149 | 6,551 | (786) | 3/24/2014 |
| Banco Santander - Chile | CLF | 2.70 | 44,684 | US\$ | 3.87 | 43,058 | 1,626 | (1,042) | 6/15/2013 |
| Banco Corpbanca - Chile | CLF | 2.68 | 44,670 | US\$ | 3.83 | 42,919 | 1,751 | (1,050) | 3/01/2015 |
| Banco Santander - Chile | US\$ | Libor+0.55 | 37,638 | CLF | 2.19 | 36,535 | 1,103 | 11 | 6/17/2013 |
| Banco Santander - Mexico | US\$ | Libor+0.80 | 50,000 | MXN | TIE+0.55 | 37,139 | 12,861 | 2,237 | 9/10/2013 |
| SUBTOTAL | | | 469,231 | | | 378,927 | 90,304 | 6,729 | |

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C) FORWARD CURRENCY TRANSACTIONS

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

D) HEDGING ASSETS

| ENTITIES | NATURE OF HEDGED RISKS | RIGHTS | | OBLIGATIONS | | FAIR VALUE OF NET ASSETS THUS\$ | MATURITY |
|---|--|----------|---------------|-------------|---------------|---------------------------------|-----------|
| | | CURRENCY | AMOUNT THUS\$ | CURRENCY | AMOUNT THUS\$ | | |
| 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 | |

8.3 OTHER NON-CURRENT FINANCIAL ASSETS

A) HEDGING ASSETS

These assets represent the cumulative result of instruments of the currency forwards and oil price swaps types, used to hedge the potential financial risk associated with the volatility of sales in euros of the wood products and cardboard businesses and the cost of shipping freight for transporting cellulose, respectively.

| 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, 2012 | | | | | | | |
| J.P. Morgan Chase Bank N.A. - United States | Flows from sales of cardboard and wood to Europe | US\$ | 17,436 | EUR | 16,367 | 1,069 | Quarterly |
| BNP Paribas - France | Flows from sales of cardboard and wood to Europe | US\$ | 34,934 | EUR | 32,209 | 2,725 | Quarterly |
| Banco of America Merrill Lynch - England | Oil price | US\$ | 30,399 | US\$ | 29,908 | 491 | Mensual |
| Goldman Sach - England | Oil price | US\$ | 5,585 | US\$ | 5,517 | 68 | Mensual |
| TOTAL | | | 88,354 | | 84,001 | 4,353 | |
| 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\$ | 30,933 | EUR | 28,208 | 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 | | | 97,439 | | 88,040 | 9,399 | |

The Company uses foreign exchange forward contracts (EUR-US\$) to hedge the risk associated with the volatility of these exchange rates and oil prices swaps to hedge the risk of increases in costs due to increased oil prices.

Hedges are documented and tested to measure their effectiveness.

Based on a comparison of critical terms, the hedge is highly effective when the hedged amount coincides with the proportion of sales expected to be hedged. Hedge contracts match the currency in which the sales and the

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shipping freight are denominated and their maturity date matches the expected date on which the sales and the shipping freight proceeds are expected to be received, i.e. between the fourth quarter of 2012 and the third quarter of 2017, in the case of cardboard and wood sales and monthly from April 2013 to December 2017 in the case of oil price swaps.

For cash flow hedges settled during the period ended December 31, 2012, a net gain of ThUS\$ 7,433 was recognized (ThUS\$ 4,200 and ThUS\$ 3,233 recognized in revenues and in exchange differences, respectively), following the settlement of the instruments.

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

During the period ended December 31, 2012 and 2011, no ineffective portion on hedging instruments have been recognized in profit or loss.

B) ASSET FOR ADVANCED PAYMENT AND GUARANTEE FOR LAND ACQUISITION IN BRAZIL

| | 12/31/2012 THUS\$ | 12/31/2011 THUS\$ |
|--|----------------------|----------------------|
| Advances to Fibra Celulose S.A. by land Losango - Brazil | 229,998 | - |
| Losango land security deposit - Brazil | 68,510 | - |
| TOTAL | 298,508 | - |

Subsidiaries CMPC Celulose Riograndense Ltda. and Fibria Celulose S.A., entered into an agreement in which CMPC Riograndense will acquire:

- i. A group of properties located in the Brazilian state of Rio Grande do Sul (the "Losango Premises"), totaling an area of approximately 100,000 hectares, of which approximately 38,000 hectares are currently planted with eucalyptus.
- ii. The forests (flights) currently planted on the Losango Premises, and the right to manage and exploit the Losango Premises with new plantations.
- iii. Certain lease contracts to third parties of forest land and the forests (flights) currently planted in them with a surface of approximately 1,300 hectares.

The transaction is subject to the fulfillment of conditions customary for this type of transaction, including obtaining the permits required under Brazilian law.

8.4. FAIR VALUE HIERARCHIES

Financial assets recognized 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 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Inputs other than the quoted prices included within Level 1 that are observable in markets for assets and liabilities either directly (ie as prices) or indirectly (ie derived from prices).

Level 3: Inputs for assets and liabilities that are not based on observable market data (unobservable inputs).

The following table sets forth the financial and hedging derivatives instruments that are measured at fair value as of December 31, 2012 and 2011:

| FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE | HIERARCHY USED TO DETERMINE THE FAIR VALUE | | |
|--|--|-------------------|-------------------|
| | LEVEL 1 THUS\$ | LEVEL 2 THUS\$ | LEVEL 3 THUS\$ |
| BALANCE AS OF DECEMBER 31, 2012 | | | |
| Investment in mutual funds | 419 | - | - |
| Cross currency swap operations | - | 116,093 | - |
| Forward exchange contract operations | - | 4,609 | - |
| Options | - | 704 | - |
| Hedging assets | - | 7,411 | - |
| TOTAL FINANCIAL ASSETS AT FAIR VALUE | 419 | 128,817 | - |
| 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 | - |

The statement of cash flows also incorporates the adjustment of losses (gains) of fair value both of the financial assets described above and the biological assets (Note 13) and financial liabilities (Note 22), as shown below:

| | 12/31/2012 THUS\$ | 12/31/2011 THUS\$ |
|--|----------------------|----------------------|
| Gain on growth biological assets at fair value (note 13) | (238,384) | (219,891) |
| Loss (gain) on valuation of derivative contracts at fair value (note 33) | 27,538 | 2,249 |
| TOTAL FAIR VALUE PROFITS ADJUSTMENTS | (210,846) | (217,642) |

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9. OTHER NON-FINANCIAL ASSETS

Other current and non-current non-financial assets are as follows:

| CONCEPTS | 12/31/2012 THUS\$ | 12/31/2011 THUS\$ |
|---|----------------------|----------------------|
| CURRENT | | |
| Insurance policies | 17,773 | 18,072 |
| Advanced payment purchase of electricity | 10,000 | 10,000 |
| Deferred expenses | 2,913 | 1,429 |
| Others | 1,981 | 3,231 |
| TOTAL | 32,667 | 32,732 |
| NON-CURRENT | | |
| Guarantees received from Melpaper S.A. (Melhoramentos Papéis Ltda.) | 28,939 | 31,654 |
| Investments in other companies | 710 | 696 |
| Advanced payment purchase of electricity | - | 10,000 |
| Others | 677 | 3,398 |
| TOTAL | 30,326 | 45,748 |

10. TRADE AND OTHER ACCOUNTS RECEIVABLE

10.1.

The composition of trade and other current accounts receivables are as follows:

| ACCOUNTS | 12/31/2012 | | 12/31/2011 | |
|--|----------------|--------------|----------------|--------------|
| | THUS\$ | % | THUS\$ | % |
| Clients domestic market | 241,353 | | 197,495 | |
| Less impairment provision | (5,085) | | (4,250) | |
| CLIENTS DOMESTIC MARKET, NET | 236,268 | 24.4 | 193,245 | 21.8 |
| Export clients | 353,684 | | 347,281 | |
| Less impairment provision | (2,022) | | (531) | |
| EXPORT CLIENTS, NET | 351,662 | 36.3 | 346,750 | 38.9 |
| Clients foreign subsidiaries | 280,763 | | 244,984 | |
| Less impairment provision | (4,951) | | (4,833) | |
| CLIENTS FOREIGN SUBSIDIARIES, NET | 275,812 | 28.4 | 240,151 | 26.9 |
| Notes domestic market | 44,850 | | 25,252 | |
| Less impairment provision | (81) | | (80) | |
| NOTES DOMESTIC MARKET, NET | 44,769 | 4.6 | 25,172 | 2.8 |
| Notes foreign subsidiaries | 13,717 | | 15,671 | |
| Less impairment provision | (2) | | (2) | |
| NOTES FOREIGN SUBSIDIARIES, NET | 13,715 | 1.4 | 15,669 | 1.8 |
| Advances to suppliers | 16,545 | 1.7 | 26,296 | 2.9 |
| Current accounts with third parties | 5,041 | 0.5 | 11,646 | 1.3 |
| Insurance claims | 665 | 0.1 | 5,757 | 0.6 |
| Current accounts with employees | 12,884 | 1.3 | 13,507 | 1.5 |
| Other | 12,580 | 1.3 | 13,803 | 1.5 |
| TOTAL TRADE AND OTHER RECEIVABLES | 969,941 | 100.0 | 891,996 | 100.0 |

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

| AGING | 12/31/2012 THUS\$ | 12/31/2011 THUS\$ |
|---------------------------------------|----------------------|----------------------|
| Non past due | 823,930 | 762,990 |
| Up to 30 days past due | 106,652 | 99,546 |
| 31 to 60 days past due | 21,699 | 12,454 |
| 61 to 90 days past due | 9,447 | 5,284 |
| 91 to 120 days past due | 3,840 | 6,009 |
| 121 to 150 days past due | 2,576 | 2,423 |
| 151 to 180 days past due | 3,694 | 1,794 |
| 181 to 210 days past due | 2,153 | 2,762 |
| 211 to 250 days past due | 653 | 1,068 |
| Over 250 days past due | 7,438 | 7,362 |
| SUBTOTAL GROSS | 982,082 | 901,692 |
| Less: allowance for doubtful accounts | (12,141) | (9,696) |
| TOTAL | 969,941 | 891,996 |

As of December 31, 2012, trade receivables balance include four customers renegotiated for an amount of ThUS\$ 368.

As of December 31, 2011, trade receivables balance includes three customers renegotiated for an amount of ThUS\$ 11,814 and one customer for an amount of ThUS\$ 294 in range 31-60 days past due.

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

| CURRENCIES | | 12/31/2012 THUS\$ | 12/31/2011 THUS\$ |
|---------------------------------|------|----------------------|----------------------|
| Chilean peso | CLP | 254,434 | 214,983 |
| United States dollar | US\$ | 429,301 | 410,325 |
| Euro | EUR | 19,470 | 21,084 |
| Argentinian peso | ARS | 57,007 | 57,741 |
| Uruguayan peso | UYU | 6,386 | 15,571 |
| Peruvian nuevo sol | PEN | 26,058 | 23,818 |
| Colombian peso | COP | 31,208 | 13,944 |
| Mexican peso | MXN | 53,819 | 41,570 |
| Brazilian reais | BRL | 81,350 | 81,873 |
| Pound sterling | GBP | 10,908 | 11,087 |
| TOTAL | | 969,941 | 891,996 |
| Allowance for doubtful accounts | | 12,141 | 9,696 |
| TOTAL | | 982,082 | 901,692 |

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

The movement in the allowance for doubtful accounts of trade and other current receivable is as follows:

| ITEMS | 12/31/2012 THUS\$ | 12/31/2011 THUS\$ |
|----------------------------|----------------------|----------------------|
| Opening balance | 9,696 | 6,586 |
| Impairment losses | 3,210 | 4,532 |
| Impairment losses reserval | (18) | (253) |
| Uses | (830) | (846) |
| Exchange difference | 83 | (323) |
| CLOSING BALANCE | 12,141 | 9,696 |

For the year ended December 31, 2012, an allowance for doubtful accounts of ThUS\$ 3,210 (ThUS\$ 4,532 for the year ended December 31, 2011) was recognized as a deduction of 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 recovery.

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

10.2.

The composition of trade and other non-current receivables is as follows

| ACCOUNT | 12/31/2012 | | 12/31/2011 | |
|---|---------------|--------------|---------------|--------------|
| | THUS\$ | % | THUS\$ | % |
| Payments in advance to suppliers wood | 6,656 | 22.5 | 5,936 | 15.8 |
| Account receivable to Guaiba Municipality | 22,017 | 74.5 | 13,555 | 36.0 |
| Guarantees receivable | - | - | 17,791 | 47.3 |
| Others | 878 | 3.0 | 356 | 0.9 |
| TOTAL | 29,551 | 100.0 | 37,638 | 100.0 |

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11. ACCOUNTS RECEIVABLE FROM RELATED ENTITIES

Accounts receivable from related entities at the end of each period 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 |
|--|-------------------------------------|--|-------------------------|------------------------------------|-------------------------|----------------------|-----------------------------------|---|--|
| | | | | | 12/31/2012 THUS\$ | 12/31/2011 THUS\$ | | | |
| 85,805,200-9 | Forestal Celco S.A. | Key personnel from the management of the entity or controlling party | Chile | Wood selling | 951 | 52 | US\$ | 60 days | Monetary |
| 96,573,780-4 | Sociedad Industrial Pizarreño S.A. | Key personnel from the management of the entity or controlling party | Chile | Product selling | 919 | 639 | CLP | 60 days | Monetary |
| 96,772,810-1 | Iansagro S.A. | Key personnel from the management of the entity or controlling party | Chile | Product selling | 99 | - | CLP | 30 days | Monetary |
| 90,209,000-2 | Cia. Industrial El Volcán S.A. | Key personnel from the management of the entity or controlling party | Chile | Product selling | 89 | - | CLP | 30 days | Monetary |
| 99,513,400-4 | CGE Distribución S.A. | Key personnel from the management of the entity or controlling party | Chile | Product selling | 86 | - | 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 | 81 | 65 | CLP | 60 days | Monetary |
| 97,080,000-k | Banco Bice | Key personnel from the management of the entity or controlling party | Chile | Product selling | 60 | 40 | CLP | 30 days | Monetary |
| 78,023,030-4 | Sofruco Alimentos Ltda. | Key personnel from the management of the entity or controlling party | Chile | Product selling | 45 | 163 | 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 | 42 | 11 | CLP | 45 days | Monetary |
| 93,458,000-1 | Celulosa Arauco y Constitución S.A. | Key personnel from the management of the entity or controlling party | Chile | Materials selling | 4 | - | US\$ | 30 days | Monetary |
| 70,884,700-3 | Universidad Finis Terrae | Key personnel from the management of the entity or controlling party | Chile | Product selling | 4 | 4 | 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 | 2 | - | 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 | 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 | CLP | 30 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 |
| 82,777,100-7 | Puertos y Logística 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 |
| 96,656,410-5 | 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 |
| TOTAL ACCOUNTS RECEIVABLE FROM RELATED ENTITIES - CURRENT | | | | | 2,382 | 1,317 | | | |

12. INVENTORIES

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

| CLASSES OF INVENTORIES | 12/31/2012 THUS\$ | 12/31/2011 THUS\$ |
|---------------------------------|----------------------|----------------------|
| Finished products | 401,870 | 379,053 |
| Work in process | 43,888 | 37,527 |
| Raw materials | 322,290 | 309,902 |
| Materials | 305,237 | 272,948 |
| Agricultural and other products | 25,084 | 21,655 |
| TOTAL | 1,098,369 | 1,021,085 |

The cost of inventories recognized as cost of sales for the year ended December 2012 was ThUS\$ 3,324,833 (ThUS\$ 3,243,247 for the year ended December 31, 2011).

For the years ended December 31, 2012 and 2011 write downs of inventories were recognized.

In the years 2012 and 2011 no inventories have been pledged as security for liabilities.

The carrying amount of inventories does not exceed their net realizable value.

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13. BIOLOGICAL ASSETS

The CMPC's biological assets comprise forestry plantations. The forestry plantations that management estimates 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:

| | 12/31/2012 THUS\$ | 12/31/2011 THUS\$ |
|-------------------------------|----------------------|----------------------|
| Current biological assets | 244,886 | 220,871 |
| Non-current biological assets | 3,280,990 | 3,261,039 |
| TOTAL | 3,525,876 | 3,481,910 |

The movement of the biological assets for the year ended as of December 31, 2012 and 2011 is detailed below:

| ITEMS | 12/31/2012 THUS\$ | 12/31/2011 THUS\$ |
|--|----------------------|----------------------|
| COST | | |
| OPENING BALANCE AS OF JANUARY 1 | 1,375,916 | 1,294,919 |
| Additions through acquisitions from third parties and new plantations | 113,123 | 164,319 |
| Sales of standing forest plantations | (12,259) | (9,690) |
| Transfer of plantations to lumber inventories (logs) | (81,163) | (73,632) |
| Forest loss write-downs | (1,372) | - |
| CLOSING BALANCE | 1,394,245 | 1,375,916 |
| FAIR VALUE | | |
| OPENING BALANCE AS OF JANUARY 1 | 2,105,994 | 2,066,569 |
| Profit from adjustment to fair value, less estimated cost at point of sale | 238,384 | 219,891 |
| Transfer of plantations to lumber inventories (logs) | (209,302) | (180,357) |
| Sales of standing forest plantations | (1,290) | (109) |
| Forest loss write-downs | (2,155) | - |
| CLOSING BALANCE | 2,131,631 | 2,105,994 |
| TOTAL BIOLOGICAL ASSETS | 3,525,876 | 3,481,910 |

CMPC owns over 646 thousand hectares of forestry plantations, basically pine and eucalyptus, of which 484 thousand hectares are located in Chile, 59 thousand hectares in Argentina and 103 thousand hectares in Brazil.

The establishment of new plantations as of December 31, 2012 reached 33,475 hectares (As of December 31, 2011, 35,200 hectares were established; including the reforestation of harvested forests).

At the end of each reporting period, the effect of the natural growth of the forest plantations, expressed in their fair value (sale price less estimated costs to sell at point of sale), is recognized according to technical studies made by qualified professionals. The resulting higher or lower value is recognized in other income in the income statement. This other income in the year ended December 31, 2012 was ThUS\$ 238,384 (ThUS\$ 219,892 as of December 31, 2011). 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\$ 201,598 as of December 31, 2012 (ThUS\$ 180,927 as of December 31, 2011), along with the cost of formation of the harvested plantations which amounted to ThUS\$ 89,314 (ThUS\$ 80,012 as of December 31, 2011).

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 fair 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 did not receive official subsidies relating to biological assets during the year ended as of December 31, 2012 (ThUS\$ 62 in 2011).

The Company has usufruct contracts with third parties amounting to ThUS\$ 114,468 that cover 34 thousand hectares of plantations.

14. TAX ASSETS AND LIABILITIES, CURRENT AND NON - CURRENT

Current tax assets are detailed below:

| ITEMS | 12/31/2012 THUS\$ | 12/31/2011 THUS\$ |
|--|----------------------|----------------------|
| VAT surplus (fiscal credit) | 62,718 | 72,049 |
| Benefit from carryback of tax losses for the year | 3,530 | 651 |
| Companies with balances of monthly advance payments net of income tax for the year | 52,235 | 20,582 |
| Other income taxes in process of recovery | 36,481 | 44,283 |
| TOTAL | 154,964 | 137,565 |

Tax current liabilities are detailed below:

| ITEMS | 12/31/2012 THUS\$ | 12/31/2011 THUS\$ |
|---|----------------------|----------------------|
| Companies with income tax balance payable, net of monthly provisional payments for the year | 22,294 | 27,931 |
| TOTAL | 22,294 | 27,931 |

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The reconciliation of the income tax balance to the charge for the year ended as of December 31, 2012 and 2011:

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

| ITEMS | 12/31/2012 THUS\$ | 12/31/2011 THUS\$ |
|---|----------------------|----------------------|
| Companies with balance of monthly provisional payments net of income tax for the year | 52,235 | 20,582 |
| Less: | | |
| Companies with income tax balance payable, net of monthly provisional payments for the year | (22,294) | (27,931) |
| NET INCOME TAX (LIABILITIES) ASSETS NET OF MONTHLY PROVISIONAL PAYMENTS FOR THE PERIOD-YEAR | 29,941 | (7,349) |
| Income tax expense for the year (See note 35) | (65,911) | (108,535) |
| Less: | | |
| Monthly provisional payments for the year | 95,852 | 101,186 |
| NET INCOME TAX (LIABILITIES) ASSETS, NET OF MONTHLY PROVISIONAL PAYMENTS FOR THE YEAR | 29,941 | (7,349) |

Tax assets current - non current are detailed below:

| ITEMS | 12/31/2012 THUS\$ | 12/31/2011 THUS\$ |
|---|----------------------|----------------------|
| Other taxes in process of recovery related to sales and services (Argentina and Brazil) | 11,004 | 10,892 |
| TOTAL | 11,004 | 10,892 |

Tax liabilities current - non current are detailed below:

| ITEMS | 12/31/2012 THUS\$ | 12/31/2011 THUS\$ |
|--|----------------------|----------------------|
| Tax payable related to sales and services (Brazil) | 22,565 | 113,414 |
| TOTAL | 22,565 | 113,414 |

15. CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of Empresas CMPC S.A. include all subsidiaries 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 | 12/31/2012 | | 12/31/2011 | |
|--|-------------------|--------------------|-------------------|--------------------|
| | ASSETS THUS\$ | LIABILITIES THUS\$ | ASSETS THUS\$ | LIABILITIES THUS\$ |
| Current | 4,243,941 | 2,544,405 | 4,175,988 | 2,009,641 |
| Non-current | 16,837,142 | 6,426,016 | 15,125,546 | 5,947,050 |
| TOTAL SUBSIDIARIES | 21,081,083 | 8,970,421 | 19,301,534 | 7,956,691 |

| REVENUES AND EXPENSES | YEAR | |
|--|----------------|----------------|
| | 2012 THUS\$ | 2011 THUS\$ |
| Sum of revenue from subsidiaries | 3,120,495 | 3,325,213 |
| Sum of other items of the income statement | (2,950,367) | (2,809,152) |
| PROFIT FOR THE PERIOD, SUBSIDIARIES | 170,128 | 516,061 |

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. | |
|-------------------------|-----------------------|------------|--------------------|------------|------------------|------------|
| | 12/31/2012 | 12/31/2011 | 12/31/2012 | 12/31/2011 | 12/31/2012 | 12/31/2011 |
| Country | Chile | Chile | Chile | Chile | Chile | Chile |
| Functional currency | US\$ | US\$ | US\$ | US\$ | CLP | CLP |
| Interest percentage | 100% | 100% | 100% | 100% | 100% | 100% |
| Total assets | 3,804,351 | 3,521,515 | 4,329,266 | 3,813,933 | 1,339,682 | 1,181,236 |
| Current assets | 268,820 | 291,606 | 664,616 | 555,119 | 339,836 | 311,175 |
| Non-current assets | 3,535,531 | 3,229,909 | 3,664,650 | 3,258,814 | 999,846 | 870,061 |
| Total liabilities | 798,368 | 777,613 | 2,739,393 | 2,175,889 | 606,267 | 451,871 |
| Current liabilities | 150,909 | 166,534 | 1,392,185 | 766,472 | 367,938 | 427,004 |
| Non-current liabilities | 647,459 | 611,079 | 1,347,208 | 1,409,417 | 238,329 | 24,867 |
| Ordinary revenue | 462,149 | 469,093 | 1,448,051 | 1,612,263 | 511,990 | 480,768 |
| Profit (loss) | (30,993) | 39,823 | (117,869) | 226,787 | 41,273 | (19,020) |

| | CARTULINAS CMPC S.A. | | INVERSIONES CMPC S.A. | | CMPC CELULOSE RIOGRANDENSE LTDA. | |
|--------------------------|----------------------|------------|-----------------------|------------|----------------------------------|------------|
| | 12/31/2012 | 12/31/2011 | 12/31/2012 | 12/31/2011 | 12/31/2012 | 12/31/2011 |
| Country of incorporation | Chile | Chile | Chile | Chile | Brazil | Brazil |
| Functional currency | US\$ | US\$ | US\$ | US\$ | US\$ | US\$ |
| Interest percentage | 100% | 100% | 100% | 100% | 100% | 100% |
| Total assets | 582,832 | 593,117 | 9,166,352 | 8,680,177 | 1,858,600 | 1,511,556 |
| Current assets | 217,174 | 222,683 | 2,600,553 | 2,615,832 | 152,942 | 179,573 |
| Non-current assets | 365,658 | 370,434 | 6,565,799 | 6,064,345 | 1,705,658 | 1,331,983 |
| Total liabilities | 133,468 | 142,721 | 3,919,893 | 3,668,015 | 773,032 | 740,582 |
| Current liabilities | 72,541 | 77,903 | 500,231 | 363,369 | 60,601 | 208,359 |
| Non-current liabilities | 60,927 | 64,818 | 3,419,662 | 3,304,646 | 712,431 | 532,223 |
| Ordinary revenue | 431,784 | 439,731 | 4,145 | 3,588 | 262,376 | 319,770 |
| Profit (loss) | 65,502 | 65,670 | 222,620 | 230,575 | (10,405) | (27,774) |

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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 | BALANCE OUTSTANDING | | CURRENCY | TERMS OF TRANSACTION WITH RELATED PARTY | EXPLANATION OF THE CONSIDERATION THE NATURE OF OF THE CONSIDERATION ESTABLISHED TO SETTLE THE TRANSACTION |
|-----------------------|-----------------------|-------------------|-------------------|---------------------|-------------------|----------|---|---|
| | | | | 12/31/2012 THUS\$ | 12/31/2011 THUS\$ | | | |
| CURRENT ASSETS | | | | | | | | |
| 96,532,330-9 | CMPC Celulosa S.A. | Chile | Trademark lease | - | 1,104 | CLP | 30 days | Monetary |
| | | | Services | 887 | 394 | CLP | 30 days | Monetary |
| 96,529,310-8 | CMPC Tissue S.A. | Chile | Trademark lease | 44,436 | 29,191 | CLP | 30 days | Monetary |
| | | | Services | 1,155 | 2,941 | CLP | 30 days | Monetary |
| 96,731,890-6 | Cartulinas CMPC S.A. | Chile | Services | 475 | 265 | CLP | 30 days | Monetary |
| 96,596,540-8 | Inversiones CMPC S.A. | Chile | Services | 1,920 | 1,723 | CLP | 30 days | Monetary |

ACCOUNTS PAYABLE

| TAX NO. RELATED PARTY | NAME RELATED PARTY | COUNTRY OF ORIGIN | DETAIL OF ACCOUNT | BALANCE OUTSTANDING | | CURRENCY | TERMS OF TRANSACTION WITH RELATED PARTY | EXPLANATION OF THE CONSIDERATION THE NATURE OF OF THE CONSIDERATION ESTABLISHED TO SETTLE THE TRANSACTION |
|--------------------------------|-----------------------|-------------------|-------------------|---------------------|-------------------|----------|---|---|
| | | | | 12/31/2012 THUS\$ | 12/31/2011 THUS\$ | | | |
| CURRENT LIABILITIES | | | | | | | | |
| 96,596,540-8 | Inversiones CMPC S.A. | Chile | Loans | 383,147 | 232,205 | CLP | 30 / 360 days | Monetary |
| 96,532,330-9 | CMPC Celulosa S.A. | Chile | Loans | 98 | - | US\$ | 30 days | Monetary |
| NON-CURRENT LIABILITIES | | | | | | | | |
| 96,596,540-8 | Inversiones CMPC S.A. | Chile | Loans | 361,677 | 63,668 | CLP | December 2018 | Monetary |
| | | | Loans | 51,652 | 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 OF ORIGIN | DETAIL OF TRANSACTIONS WITH RELATED PARTY | NATURE OF TRANSACTION WITH RELATED PARTY | AMOUNT | | EXPLANATION OF OTHER INFORMATION ON TRANSACTIONS WITH RELATED PARTIES |
|-----------------------|-----------------------|-------------------|---|--|---|---|---|
| | | | | | YEAR ENDED AS OF DECEMBER 31, 2012 THUS\$ | YEAR ENDED AS OF DECEMBER 31, 2011 THUS\$ | |
| 96,596,540-8 | Inversiones CMPC S.A. | Chile | Average balance payable | Financial transaction | 396,951 | 248,139 | Effects on income were: 12/2012 expenditure of ThUS\$ 21,798; 12/2011 expenditure of ThUS\$ 12,398. |
| | | | Sale of services | Commercial transaction | - | 1,228 | |
| 96,529,310-8 | CMPC Tissue S.A. | Chile | Trademark lease and services | Commercial transaction | 37,253 | 24,660 | Effects on income were: 12/12 income of ThUS\$ 37,353; 12/2011 income of ThUS\$ 24,660 |
| | | | Services buying | Commercial transaction | 10 | 251 | |
| 96,532,330-9 | CMPC Celulosa S.A. | Chile | Trademark lease and services | Commercial transaction | 904 | 1,756 | Effects on income were: 12/12 income of ThUS\$ 904 12/2011 revenue of ThUS\$ 1,756 |
| 96,731,890-6 | Cartulinas CMPC S.A. | Chile | Leases | Commercial transaction | 287 | 240 | Effects on income were: 12/12 income of ThUS\$ 287 12/2011 revenue of ThUS\$ 240 |
| 91,440,000-7 | Forestal Mininco S.A. | Chile | Leases | Commercial transaction | 172 | 208 | Effects on income were: 12/12 income of ThUS\$ 172 12/2011 revenue of ThUS\$ 208 |
| | | | Account receivable | Financial transaction | 369 | 357 | |

16. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

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

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

Its objectives are investing and participating in banking and insurance entities, participation in companies whose objectives are the management of third-party funds; carrying 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 objectives and the provision of services of consultancy, planning and advice in the areas of administration, economics 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 equity ownership (38.77%) in its associate Inversiones El Raulí S.A. for US\$ 43.3 million, obtaining a post-tax gain on sale of approximately US\$ 6.1 million. The purchasers were Forestal Bureo S.A. (34.01%) and Forestal, Constructora y Comercial del Pacifico Sur S.A. (4.76%), both belonging to the controlling group of CMPC.

These investments are recognized using the equity method in accordance with IAS 28. The Company recognizes the share of gains and losses of these companies, according to its ownership interest held on those entities.

Transactions entered into with these companies or their related parties are made at current market prices, under arm's length conditions, any unrealized gains/losses on transactions with these entities are eliminated in the consolidated financial statements.

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The share of CMPC in its associates are as follows:

| TAX NO. | NAME | COUNTRY | FUNCTIONAL CURRENCY | OWNERSHIP INTEREST % | EQUITY THUS\$ | PROFIT (LOSS) THUS\$ | SHARE OF PROFIT (LOSS) INCOME THUS\$ | CARRYING AMOUNT THUS\$ |
|-------------------------|--|---------|---------------------|----------------------|------------------|----------------------|--------------------------------------|------------------------|
| AS OF DECEMBER 31, 2012 | | | | | | | | |
| 85,741,000-9 | Bicecorp S.A. | Chile | CLP | 7.738 | 1,205,647 | 166,112 | 12,853 | 93,289 |
| 96,657,900-5 | Controladora de Plagas Forestales S.A. | Chile | CLP | 29.010 | 617 | (7) | (2) | 179 |
| 76,743,130-9 | Genómica Forestal S.A. | Chile | CLP | 25.000 | 259 | (14) | (3) | 65 |
| 76,077,468-5 | Bioenercel S.A. | Chile | CLP | 20.000 | 1,601 | (190) | (38) | 320 |
| TOTAL | | | | | 1,208,124 | 165,901 | 12,810 | 93,853 |
| 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 |

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

The stock market value of the investment in Bicecorp S.A., as of the closing of the financial statements was ThUS\$ 101,508.

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 date of each reporting period, the associates' assets and liabilities are as follows:

| ASSETS AND LIABILITIES OF ASSOCIATES | 12/31/2012 | | 12/31/2011 | |
|--------------------------------------|-------------------|--------------------|-------------------|--------------------|
| | ASSETS THUS\$ | LIABILITIES THUS\$ | ASSETS THUS\$ | LIABILITIES THUS\$ |
| Current | 7,838,673 | 6,406,598 | 6,861,695 | 5,616,173 |
| Non-current | 4,713,143 | 4,937,094 | 3,948,028 | 4,204,177 |
| TOTAL ASSOCIATES | 12,551,816 | 11,343,692 | 10,809,723 | 9,820,350 |

The revenues and expenses and profits (losses) of associates for each of the periods presented are as follows:

| REVENUES AND EXPENSES | YEAR | |
|---|----------------|----------------|
| | 2012 THUS\$ | 2011 THUS\$ |
| Sum of revenue and expenses of associates | 1,302,982 | 1,007,989 |
| Sum of other items of the income statement | (1,137,081) | (897,108) |
| PROFIT (LOSS) OF ASSOCIATES FOR THE PERIOD | 165,901 | 110,881 |

The movements as of December 31, 2012 and 2011 in investments accounted for using the equity method were as follows:

| ITEMS | 12/31/2012 THUS\$ | 12/31/2011 THUS\$ |
|---------------------------------------|----------------------|----------------------|
| Opening balance as of January 1 | 77,027 | 113,628 |
| New investments in associates | - | 432 |
| Sale of investments in associates | - | (35,127) |
| Equity movements in associates | 4,016 | (13,450) |
| Share in profit (loss) for the period | 12,810 | 11,544 |
| CLOSING BALANCE | 93,853 | 77,027 |

The equity variation in associates mainly corresponds to the offset effect between the recognition of the dividend receivable regarding the earnings of each period and the translation adjustment from Chilean pesos to the CMPC's functional currency of the associate Bicecorp S.A.

As of December 31, 2012, the Company holds an investment in its associate entity Bicecorp S.A. of ThUS\$ 93,289 (ThUS\$ 76,422 as of December 31, 2011), equivalent of a 7.738% holding, which has been recognized using the equity 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 Superintendency of Banks and Financial Institutions and the SVS, in that part related to banking business, which do not necessarily agree with IFRS.

The financial statements of Banco Bice are prepared pursuant to the rules established in the Compendium of Accounting Standards issued by the Superintendency of Banks and Financial Institutions and the financial statements of Bice Vida Compañía de Seguros S.A. are prepared in accordance with generally accepted accounting principles in Chile and specific instructions issued by the Superintendency of Securities and Insurance. The latter is in the process of convergence to International Financial Reporting Standards in line with the adoption schedule defined by its regulator.

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

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17. INTANGIBLE ASSETS OTHER THAN GOODWILL

As of December 31, 2012 and 2011 respectively, the balances and movements of the main types of intangible assets are detailed as follows:

| | WATER RIGHTS THUS\$ | EMISSION RIGHTS THUS\$ | ELECTRICAL EASEMENTS LINES THUS\$ | SOFTWARES THUS\$ | TRADEMARKS THUS\$ | TOTAL THUS\$ |
|--|------------------------|---------------------------|---|---------------------|----------------------|-----------------|
| Opening balance as of 01/01/2012 | 3,107 | 1,733 | 835 | 4,288 | 81 | 10,044 |
| Increases | 109 | 801 | - | 705 | - | 1,615 |
| Amortization | - | - | - | (1,248) | - | (1,248) |
| Variation from foreign exchange differences | 3 | 41 | - | 95 | (4) | 135 |
| CLOSING BALANCE AS OF DECEMBER 31, 2012 | 3,219 | 2,575 | 835 | 3,840 | 77 | 10,546 |
| Opening balance as of 01/01/2011 | 3,109 | 1,777 | 835 | 4,350 | 73 | 10,144 |
| Increases | - | - | - | 1,185 | 8 | 1,193 |
| Amortization | - | - | - | (840) | - | (840) |
| Variation from foreign exchange differences | (2) | (44) | - | (407) | - | (453) |
| CLOSING BALANCE AS OF DECEMBER 31, 2011 | 3,107 | 1,733 | 835 | 4,288 | 81 | 10,044 |

Intangible assets corresponding to software are amortized in the period of it is expected to generate benefits from its use. The rest of identified intangible assets have indefinite useful life without restrictions of use or domain.

18. GOODWILL

The balance of goodwill at the of each reporting period was as follows:

| INVESTORS | ISSUER/CGU | CURRENCY OF ORIGIN | 12/31/2012 THUS\$ | 12/31/2011 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 y Roca Plants | ARS | 11,964 | 13,671 |
| 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 |
| Forestal Bosques del Plata S.A. | Forestal Bosque de Plata S.A., Farms of Caabi Pora S.A.* | US\$ | - | 2,149 |
| Forestal Bosques del Plata S.A. | Forestal Bosque de Plata S.A., Farms of Baserri S.A. * | US\$ | - | 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 Internacional S.A. de CV, Mexico Plants | MXN | 721 | 671 |
| Melhoramentos Papéis Ltda. | Melhoramentos Papéis Ltda., Sao Paulo Plants | BRL | 58,378 | 63,525 |
| CMPC Celulose Riograndense Ltda. | Guaiba Unit, Brazil | US\$ | 8,460 | 8,460 |
| | TOTAL | | 142,691 | 155,181 |

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

The movements in goodwill were as follows:

| GOODWILL | 12/31/2012 THUS\$ | 12/31/2011 THUS\$ |
|---|----------------------|----------------------|
| Opening balance | 155,181 | 164,866 |
| Remeasurement adjustment on Forestal Bosques del Plata S.A. | (5,686) | - |
| Variation from foreign exchange differences | (6,804) | (9,685) |
| CLOSING BALANCE | 142,691 | 155,181 |

19. PROPERTY, PLANT AND EQUIPMENT

As of the end of each reporting period, the composition by classes of property, plant and equipment at net and gross values, was as follows:

| | 12/31/2012 THUS\$ | 12/31/2011 THUS\$ |
|---|----------------------|----------------------|
| PROPERTY, PLANT & EQUIPMENT, NET | | |
| Construction work in progress | 464,097 | 854,126 |
| Land | 1,457,723 | 1,446,052 |
| Buildings | 1,577,307 | 1,336,891 |
| Plant and equipment | 2,921,683 | 2,587,787 |
| Information technology equipment | 3,411 | 3,234 |
| Fixtures and appurtenances | 3,191 | 2,994 |
| Motor vehicles | 2,823 | 3,293 |
| Other property, plant & equipment | 139,580 | 125,963 |
| TOTAL PROPERTY, PLANT & EQUIPMENT | 6,569,815 | 6,360,340 |
| PROPERTY, PLANT & EQUIPMENT, GROSS | | |
| Construction work in progress | 464,097 | 854,126 |
| Land | 1,457,723 | 1,446,052 |
| Buildings | 1,903,412 | 1,590,515 |
| Plant and equipment | 4,072,686 | 3,492,808 |
| Information technology equipment | 9,054 | 7,851 |
| Fixtures and appurtenances | 9,038 | 8,081 |
| Motor vehicles | 5,795 | 5,775 |
| Other property, plant & equipment | 177,985 | 150,895 |
| TOTAL PROPERTY, PLANT & EQUIPMENT | 8,099,790 | 7,556,103 |

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Accumulated depreciation by classes of property, plant and equipment as of December 31, 2012 and 2011 is as follows:

| DEPRECIATION | 12/31/2012 THUS\$ | 12/31/2011 THUS\$ |
|-----------------------------------|----------------------|----------------------|
| Buildings | 326,105 | 253,624 |
| Plant and equipment | 1,151,003 | 905,021 |
| Information technology equipment | 5,643 | 4,617 |
| Fixtures and fittings | 5,847 | 5,087 |
| Motor vehicles | 2,972 | 2,482 |
| Other property, plant & equipment | 38,405 | 24,932 |
| TOTAL | 1,529,975 | 1,195,763 |

The movement in Property, plant and equipment (net) were as follows:

| ITEMS | 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\$ | TOTAL THUS\$ |
|---|------------------------------|------------------|----------------------------|--|---|--|------------------------------------|---|------------------|
| 2012 | | | | | | | | | |
| Opening balance as of January 1, 2012 | 854,126 | 1,446,052 | 1,336,891 | 2,587,787 | 3,234 | 2,994 | 3,293 | 125,963 | 6,360,340 |
| Additions | 473,324 | 13,717 | 12,368 | 15,347 | 18 | 496 | 127 | 6,654 | 522,051 |
| Disposals/ asset transfers | (890,570) | 808 | 301,390 | 556,237 | 1,221 | 524 | (130) | 18,685 | (11,835) |
| Depreciation | - | - | (72,481) | (245,982) | (1,026) | (760) | (490) | (13,473) | (334,212) |
| Increase (decrease) in foreign currency | 27,217 | (2,854) | (861) | 8,294 | (36) | (63) | 23 | 1,751 | 33,471 |
| CLOSING BALANCE AS OF DECEMBER 31, 2012 | 464,097 | 1,457,723 | 1,577,307 | 2,921,683 | 3,411 | 3,191 | 2,823 | 139,580 | 6,569,815 |
| 2011 | | | | | | | | | |
| Opening balance as of January 1, 2011 | 466,974 | 1,444,969 | 1,343,177 | 2,775,520 | 4,094 | 2,159 | 2,277 | 129,865 | 6,169,035 |
| Additions | 517,148 | 13,715 | 19,739 | 81,146 | 56 | 744 | 1,099 | 929 | 634,576 |
| Disposals/ asset transfers | (124,764) | (4,337) | 52,947 | 20,815 | 142 | 974 | 399 | 10,565 | (43,259) |
| Depreciation | - | - | (68,005) | (250,396) | (1,042) | (860) | (481) | (10,435) | (331,219) |
| Increase (decrease) in foreign currency translation | (5,232) | (8,295) | (10,967) | (39,298) | (16) | (23) | (1) | (4,961) | (68,793) |
| CLOSING BALANCE AS OF DECEMBER 31, 2011 | 854,126 | 1,446,052 | 1,336,891 | 2,587,787 | 3,234 | 2,994 | 3,293 | 125,963 | 6,360,340 |

New properties, plant and equipment are recognized 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 recognized at the value in their functional currency, being translated to dollars at the closing exchange rate of each period.

As of December 31, 2012, 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.

The costs of daily maintenance and common repairs are recognized in the results for the period. 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 and equipment are calculated by comparing the proceeds of the sale to the carrying amount 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 expected usage periods, 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 fittings | 5 | 20 | 9 |
| Motor vehicles (industrial) | 3 | 20 | 14 |
| Other property, plant & equipment | 3 | 20 | 10 |

The residual value and the useful lives of assets are reviewed and adjusted if necessary, at the end of each reporting period.

IMPAIRMENT:

The Company's results for the period ended as of December 31, 2012 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 period, and such increases do not affect the discount rate used in calculation the value in use of assets, not affecting their recovery value.

During the year 2011, for the same reasons mentioned above, there were no impairment tests for its assets.

PROPERTY, PLANT AND EQUIPMENT PLEDGED AS SECURITY FOR OBLIGATIONS:

For securing compliance with all current and future obligations of Empresas CMPC S.A. and its subsidiaries with Banco Bice, Empresas CMPC S.A. has given 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\$ 13,515, as per public deed dated July 22, 2011 granted by the notary Francisco Javier Leiva Carvajal, repertoire N° 4,917.

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20. FINANCE AND OPERATING LEASES

20.1. FINANCE LEASES

The net carrying amount as of December 31, 2012 and 2011 of the assets under finance lease, classified as buildings, plant and equipment and others in the statement of financial position, is as follows:

| ASSETS UNDER FINANCE LEASE, NET | 12/31/2012 THUS\$ | 12/31/2011 THUS\$ |
|---------------------------------|----------------------|----------------------|
| Building | 15,667 | 16,333 |
| Plant and equipment | 79,812 | 79,612 |
| Motor vehicles | 77 | - |
| TOTAL | 95,556 | 95,945 |

The minimum payments of the finance lease are as follows:

| MINIMUM LEASE PAYMENTS NOT PAID | 12/31/2012 | | | 12/31/2011 | | |
|--|------------------------|--------------------------|-------------------------|------------------------|--------------------------|-------------------------|
| | GROSS AMOUNT THUS\$ | TOTAL INTEREST THUS\$ | PRESENT VALUE THUS\$ | GROSS AMOUNT THUS\$ | TOTAL INTEREST THUS\$ | PRESENT VALUE THUS\$ |
| One year or less | 13,030 | 1,355 | 11,675 | 16,623 | 1,480 | 15,143 |
| Over one year but less than five years | 40,501 | 4,214 | 36,287 | 44,236 | 6,348 | 37,888 |
| Over five years | 34,607 | 2,049 | 32,558 | 38,071 | 2,569 | 35,502 |
| TOTAL | 88,138 | 7,618 | 80,520 | 98,930 | 10,397 | 88,533 |

The minimum payments of the finance lease are as follows:

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 recognized effective from the start date of operation (July 2006). This contract is shown in the asset, Buildings and Plant and Equipment for ThUS\$ 39,167 and in the liabilities Other financial liabilities, current and non-current, for ThUS\$ 39,914 (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 recognized with its effects from the starting date of operation. This contract is shown in the asset Buildings and Plant and Equipment for ThUS\$ 9,278 and in the liabilities in Other financial liabilities, current and non-current, for ThUS\$ 8,519 (See Note 22.1).

FORSAC PERÚ S.A.

On July 18, 2008, the subsidiary Forsac Perú S.A. signed a finance 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\$ 3,592 and in the liabilities, in Other financial liabilities, current and non-current, for ThUS\$ 1,437 (See Note 22.1).

On April 20, 2011 the subsidiary Forsac Perú S.A. signed a finance lease contract with Banco de Crédito del Perú for the acquisition of a production line for multiwall paper sacks Windmoller & Holscher, a flexographic printer fevaflex, and an automated packaging pallets system Eam - mosca for a total of ThUS\$ 5,700, payable in 60 monthly installments at an annual interest rate of 4.30%. 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\$ 5,773 and in the liabilities, in Other financial liabilities, current and non-current, for ThUS\$ 5,550 (See Note 22.1).

PROTISA PERÚ S.A.

On January 21, 2009, the subsidiary Protisa Perú S.A. signed a finance lease contract with Banco de Crédito del Perú for the acquisition of a paper roll production line and packing machines, and two sanitary product machines totaling ThUS\$ 13,731. In January 2010 part of this operation (paper roll production line) of ThUS\$ 5,144 was paid, with the final contract remaining at PEN 24,825,306 payable in 72 monthly installments at an annual interest rate of 7.44%. Upon 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\$ 6,189 and in the liabilities, in Other financial liabilities, current and non-current, for ThUS\$ 4,981 (See Note 22.1).

On December 29, 2011 a finance 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 36,423,575 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\$ 12,255 and in liabilities, in Other financial liabilities, current and non-current, for ThUS\$ 10,910 (see Note 22.1)

On December 29, 2011, a finance 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\$ 3,862 and in the liabilities, in Other financial liabilities, current and non-current, for ThUS\$ 3,350 (See Note 22.1).

On April 30, 2012, a financial lease agreement was signed with Banco Continental (BBVA) for the acquisition

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of a duplicator line (slitter and rewinder) of paper for a total amount in PEN 1,217,485 payable in 43 monthly installments with an annual interest rate of 6.30%, maturing in November 2015. This agreement is reflected in the Plant and Equipment assets for ThUS\$ 441 and in the Other Financial Liabilities - current and non-current for ThUS\$ 396. (See Note 22.1).

At the end 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. - PERU

On February 2, 2010 the subsidiary Papelera del Rimac S.A. signed a finance lease contract with the BBVA Banco Continental for the acquisition of a RECARD paper production machine and a PERINI paper roll conversion line 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\$ 10,169 and in the liabilities, Other financial liabilities, current, for ThUS\$ 433 (see Note 22.1).

20.2. OPERATING LEASES

The main operating 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 future minimum lease payments of operating leases are as follows:

| FUTURE MINIMUM LEASE PAYMENTS | 12/31/2012 THUS\$ | 12/31/2011 THUS\$ |
|---|----------------------|----------------------|
| Not later than one year | 31,329 | 25,260 |
| Later than one year but not later than five years | 125,316 | 97,592 |
| TOTAL | 156,645 | 122,852 |

Certain contracts are for automatically renewable terms, provided the parties do not express their intention to terminate the contract, which might result in payments beyond five years.

The operating lease payments shown in the income statement are the following:

| | YEAR | |
|--|----------------|----------------|
| | 2012 THUS\$ | 2011 THUS\$ |
| Leases and subleases payments recognized in the income statement | 32,112 | 26,621 |

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

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 temporary differences between the tax basis and the carrying 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 temporary differences arising from the restatement of biological assets (forestry plantations) and the restatement of property, plant and equipment at the date of transition to IFRS and by the application of accelerated depreciation for tax purposes.

As a result of the changes introduced to the Chilean Income Tax Law by Law 20.630 of September 27, 2012, which increase the permanent tax rate of First Category Income Tax on Chilean companies going from 17% to 20%, at December 31, 2012 all income taxes have been calculated using the new rate. This resulted in a net charge to profit and loss of ThUS\$ 117,199, which correspond to a charge to profit and loss of ThUS\$ 132,664 for the increase in the balances of liabilities and assets of prior years and a credit of ThUS\$ 15,465 corresponding to the effect on profit and loss in 2012.

It must be mentioned that the financial and tax realization of the prior year balances will occur significantly in future years and come from, as indicated in the previous paragraph, from revaluations of non-current assets.

As of December 31, 2012 and 2011, deferred tax assets relate to the following items:

| ITEM | 12/31/2012 THUS\$ | 12/31/2011 THUS\$ |
|--------------|----------------------|----------------------|
| Tax losses | 120,960 | 89,006 |
| Provisions | 31,708 | 32,223 |
| Others | 53,370 | 30,073 |
| TOTAL | 206,038 | 151,302 |

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

| ITEM | 12/31/2012 | | 12/31/2011 | |
|--------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | LESS THAN ONE YEAR THUS\$ | MORE THAN ONE YEAR THUS\$ | LESS THAN ONE YEAR THUS\$ | MORE THAN ONE YEAR THUS\$ |
| Tax losses | 183 | 120,777 | 1,036 | 87,970 |
| Provisions | 25,089 | 6,619 | 14,244 | 17,979 |
| Others | 53,370 | - | 30,073 | - |
| TOTAL | 78,642 | 127,396 | 45,353 | 105,949 |

As of December 31, 2012 and 2011, the deferred tax liabilities are as follows:

| ITEM | 12/31/2012 THUS\$ | 12/31/2011 THUS\$ |
|-----------------------------|----------------------|----------------------|
| Property, plant & equipment | 616,065 | 560,775 |
| Biological assets | 458,294 | 415,023 |
| Others | 33,076 | 26,565 |
| TOTAL | 1,107,435 | 1,002,363 |

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Deferred taxes for temporary differences between the tax and carrying amounts arising from investments in related companies have not been recognized. No deferred tax has therefore been recognized for the exchange difference on translation and adjustments of associates directly recognized in other comprehensive income and accumulated in equity.

As of December 31, 2012, deferred tax assets for ThUS\$ 120,960 arising from tax losses for which sufficient taxable profits will be available in the future are as follows:

| SUBSIDIARIES | COUNTRY | DEFERRED TAX FROM TAX LOSS | | VARIATION WITH EFFECT IN PROFIT OR (LOSS) | VARIATION RECOGNIZED OUTSIDE PROFIT OR LOSS |
|---------------------------------------|-----------|----------------------------|----------------------|---|---|
| | | 12/31/2012 THUS\$ | 12/31/2011 THUS\$ | 12/31/2012 THUS\$ | 12/31/2012 THUS\$ |
| CMPC Maderas S.A. | Chile | 46,580 | 34,206 | 12,374 | - |
| Melhoramentos Papéis Ltda. | Brazil | 24,152 | 20,798 | 5,062 | (1,708) |
| CMPC Celulose Riograndense Ltda. | Brazil | 16,081 | 5,652 | 11,469 | (1,040) |
| Drypers Andina S.A. | Colombia | 10,973 | 13,344 | (2,375) | 5 |
| Inversiones Protisa S.A. | Chile | 6,364 | - | 6,630 | (266) |
| Envases Impresos S.A. | Chile | 4,537 | 2,485 | 2,052 | - |
| Grupo ABS Internacional S.A. de C.V. | Mexico | 4,280 | 2,616 | 1,759 | (95) |
| Protisa Colombia S.A. | Colombia | 4,121 | 4,522 | 578 | (980) |
| CMPC Productos de Papel S.A. | Chile | 2,006 | 850 | 1,156 | - |
| Productos Tissue del Ecuador S.A. | Ecuador | 648 | 709 | (61) | - |
| Envases Roble Alto S.A. | Chile | 575 | - | 575 | - |
| Forestal Bosques del Plata S.A. | Argentina | 450 | 349 | 101 | - |
| Forsac México S.A. | Mexico | 113 | - | 113 | - |
| Forsac S.A. | Chile | 60 | 366 | (306) | - |
| Naschel S.A. | Argentina | 10 | 64 | (46) | (8) |
| CMPC Inversiones de Argentina S.A. | Argentina | 10 | 3 | 7 | - |
| La Papelera del Plata S.A. | Argentina | - | 971 | (858) | (113) |
| Forestal y Agrícola Monte Águila S.A. | Chile | - | 2,056 | (2,056) | - |
| Inmobiliaria Pinares S.A. | Chile | - | 15 | (15) | - |
| TOTAL | | 120,960 | 89,006 | 36,159 | (4,205) |

Unused tax loss carryforwards that can be utilized and that have been generated in companies operating in Chile, Brazil and Colombia, do not expire, as opposed to what occurs with tax losses of the companies operating in Mexico where they expire in 10 years. In the case of companies operating in Argentina and Ecuador, tax loss carryforwards expire in 5 years.

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

| ITEM | YEAR | |
|------------------------------|----------------|----------------|
| | 2012 THUS\$ | 2011 THUS\$ |
| Cash flow hedge flows, gross | (11,690) | 3,018 |
| Deferred tax | 2,338 | (513) |
| CASH FLOW HEDGES, NET | (9,352) | 2,505 |

The movement in deferred tax liabilities as of December 31, 2012 and 2011 were as follows:

| CHANGE IN DEFERRED TAX LIABILITIES | 12/31/2012 THUS\$ | 12/31/2011 THUS\$ |
|---|----------------------|----------------------|
| Deferred tax, opening balance as of January 1 | 1,002,363 | 905,868 |
| Property, plant & equipment | 55,290 | 30,553 |
| Biological assets | 43,271 | 64,286 |
| Others | 6,511 | 1,656 |
| CLOSING BALANCE | 1,107,435 | 1,002,363 |

The temporary differences that generated deferred tax assets and liabilities as of December 31, 2012 and their effect on profit or loss were as follow:

| TYPE OF TEMPORARY DIFFERENCE | DEFERRED TAXES RECOGNIZED IN PROFIT OR LOSS | | DEFERRED TAXES RECOGNIZED OUTSIDE PROFIT OR LOSS (*) | | DEFERRED TAX PROFIT (LOSS) THUS\$ |
|------------------------------|--|---|---|---|--|
| | INCREASE (DECREASE) ASSETS THUS\$ | (INCREASE) DECREASE LIABILITIES THUS\$ | INCREASE (DECREASE) ASSETS THUS\$ | (INCREASE) DECREASE LIABILITIES THUS\$ | |
| Tax losses | 35,159 | - | (4,205) | - | 35,159 |
| Provisions | 469 | - | (984) | - | 469 |
| Other assets | 24,960 | - | (1,663) | - | 24,960 |
| Property, plant & equipment | - | (51,892) | - | (3,398) | (51,892) |
| Biological assets | - | (67,693) | - | 24,422 | (67,693) |
| Other liabilities | - | (6,526) | - | 15 | (6,526) |
| SUBTOTALS | 61,588 | (126,111) | (6,852) | 21,039 | (64,523) |

(*) The deferred taxes recognized in 2012 outside profit or loss correspond to Argentine and Colombian companies: Argentine companies La Papelera del Plata S.A. and Forestal Bosques del Plata S.A. show a decrease in deferred tax liabilities for biological assets and property, plant and equipment amounting to ThUS\$ 11,526 and Colombian companies Drypers Andina S.A. and Protisa Colombia S.A. recorded a decrease of the deferred tax asset in respect of tax losses of ThUS\$ 2,947, which had expired.

Also included is the positive effect due to fluctuation of exchange differences on foreign currency for ThUS\$ 5,608, which is distributed in the respective items of deferred tax.

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Temporary differences caused by deferred tax assets and liabilities in 2011 and their effect on profit and loss were as follows:

| TYPE OF TEMPORARY DIFFERENCE | DEFERRED TAXES RECOGNIZED IN PROFIT OR LOSS | | DEFERRED TAXES RECOGNIZED OUTSIDE PROFIT OR LOSS (*) | | DEFERRED TAX PROFIT (LOSS) THUS\$ |
|------------------------------|---|--|--|--|-----------------------------------|
| | INCREASE (DECREASE) ASSETS THUS\$ | (INCREASE) DECREASE LIABILITIES THUS\$ | INCREASE (DECREASE) ASSETS THUS\$ | (INCREASE) DECREASE LIABILITIES THUS\$ | |
| Tax losses | (1,503) | - | (12,835) | - | (1,503) |
| Provisions | 8,721 | - | (1,291) | - | 8,721 |
| Other assets | 22,375 | - | 1,477 | - | 22,375 |
| Property, plant & equipment | - | (59,155) | - | 8,208 | (59,155) |
| Biological assets | - | (35,414) | - | 5,613 | (35,414) |
| Other liabilities | - | (2,158) | - | 315 | (2,158) |
| SUBTOTALS | 29,593 | (96,727) | (12,649) | 14,136 | (67,134) |

(*) The deferred taxes recognized in 2011 outside profit or loss 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 according to the 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 in August, 2012, Melhoramentos Papéis Ltda. of Brazil prepaid tax debts of ThUS\$ 68,062, with the respective deduction. Also included positive effect on exchange fluctuation on foreign currency ThUS\$ 9,598, which is distributed in the respective items of deferred tax.

22. OTHER FINANCIAL LIABILITIES

As of December 31, 2012 and 2011, other financial liabilities are as follows:

| ITEM | 12/31/2012 THUS\$ | 12/31/2011 THUS\$ |
|---|----------------------|----------------------|
| Interest-bearing loans - current | 667,664 | 274,122 |
| Interest rate and cross currency swaps | 17,627 | 16,250 |
| Foreign exchange forward contracts | 19,915 | 3,074 |
| Options | 4 | - |
| Hedging liabilities, current | 280 | - |
| SUBTOTAL OTHER FINANCIAL LIABILITIES, CURRENT | 705,490 | 293,446 |
| Interest-bearing loans - non-current | 3,229,417 | 3,137,196 |
| Hedging liabilities, non-current | 1,469 | - |
| SUBTOTAL OTHER FINANCIAL LIABILITIES - NON-CURRENT | 3,230,886 | 3,137,196 |
| TOTAL | 3,936,376 | 3,430,642 |

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, 2012 | | | | INTERESTS - BEARING LOANS | | | | | | | EFFECTIVE RATE % | NOMINAL VALUE OF OBLIGATIONS | NOMINAL RATE % | PRACTICAL EXPLANATION RISK MANAGEMENT | |
|---------------------------------|----------------------------|----------|--|---------------------------|---------------------|-----------------------|--------------------|--------------------|----------------------|---------|------------------|------------------------------|----------------|---------------------------------------|----------------------|
| TAX PAYER ID | RELATED COMPANY | CURRENCY | NAME OF CREDITOR | UP TO ONE MONTH | TWO TO THREE MONTHS | FOUR TO TWELVE MONTHS | ONE TO THREE YEARS | FOUR TO FIVE YEARS | MORE THAN FIVE YEARS | TOTAL | | | | | TYPE OF AMORTIZATION |
| BANK OBLIGATIONS | | | | | | | | | | | | | | | |
| 96.532.330-9 | CMPC Celulosa S.A. | US\$ | BancoEstado - Chile - Tax No. 97,030,000-7 | - | 50,015 | - | - | - | - | 50,015 | Maturity | 0.52% | 50,000 | Libor+0.26% | |
| 96.532.330-9 | CMPC Celulosa S.A. | US\$ | BancoEstado - Chile - Tax No. 97,030,000-7 | 100,004 | - | - | - | - | - | 100,004 | Maturity | 0.47% | 100,000 | Libor+0.26% | |
| 96.532.330-9 | CMPC Celulosa S.A. | US\$ | Banco Scotiabank - Chile - Tax No. 97,018,000-1 | - | 40,015 | - | - | - | - | 40,015 | Maturity | 0.51% | 40,000 | Libor+0.20% | |
| 96.532.330-9 | CMPC Celulosa S.A. | US\$ | Bank of Tokio - Mitsubishi UFJ, Ltd. - United States | - | 100,013 | - | - | - | - | 100,013 | Maturity | 0.48% | 100,000 | Libor+0.17% | |
| 96.596.540-8 | Inversiones CMPC S.A. | US\$ | Bank of Tokio - Mitsubishi UFJ, Ltd. - United States | - | - | 854 | 200,000 | 196,079 | - | 396,933 | Half-yearly | 1.15% | 400,000 | Libor+0.65% | Swap |
| Foreign | La Papelera del Plata S.A. | ARS | Banco BBVA - Argentina | - | 10 | 3,050 | 1,525 | - | - | 4,585 | Half-yearly | 16.75% | 4,575 | 16.75% | |
| Foreign | La Papelera del Plata S.A. | ARS | Banco Santander Rio - Argentina | - | 10 | 678 | - | - | - | 688 | Half-yearly | 16.85% | 678 | 16.85% | |
| Foreign | La Papelera del Plata S.A. | ARS | Banco Santander Rio - Argentina | 3 | - | 42 | 340 | - | - | 385 | Quarterly | 15.01% | 382 | 15.01% | |
| Foreign | La Papelera del Plata S.A. | ARS | Banco Santander Rio - Argentina | - | - | 27 | 206 | - | - | 233 | Quarterly | 15.01% | 232 | 15.01% | |
| Foreign | La Papelera del Plata S.A. | ARS | Banco de la Nación Argentina | 10 | - | - | 2,237 | - | - | 2,247 | Monthly | 15.01% | 2,237 | 15.01% | |
| Foreign | La Papelera del Plata S.A. | ARS | Banco Ciudad - Argentina | 2 | - | 90 | 723 | - | - | 815 | Quarterly | 15.01% | 813 | 15.01% | |
| Foreign | La Papelera del Plata S.A. | ARS | Banco Patagonia - Argentina | 2,033 | - | - | - | - | - | 2,033 | Daily | 18.75% | 2,033 | 18.75% | |
| Foreign | La Papelera del Plata S.A. | ARS | Banco HSBC - Argentina | 3,457 | - | - | - | - | - | 3,457 | Daily | 18.75% | 3,457 | 18.75% | |
| Foreign | La Papelera del Plata S.A. | ARS | Banco Galicia - Argentina | 1,423 | - | - | - | - | - | 1,423 | Daily | 19.25% | 1,423 | 19.25% | |
| Foreign | La Papelera del Plata S.A. | ARS | Banco Galicia - Argentina | 1,627 | - | - | - | - | - | 1,627 | Daily | 18.75% | 1,627 | 18.75% | |
| Foreign | La Papelera del Plata S.A. | ARS | Banco Galicia - Argentina | 1,728 | - | - | - | - | - | 1,728 | Daily | 16.50% | 1,728 | 16.50% | |
| Foreign | La Papelera del Plata S.A. | ARS | Banco Galicia - Argentina | 23 | - | 114 | 902 | - | - | 1,039 | Quarterly | 15.01% | 1,017 | 15.01% | |

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(Continuation)

| BALANCE AS OF DECEMBER 31, 2012 | | | | INTERESTS - BEARING LOANS | | | | | | | EFFECTIVE RATE % | NOMINAL VALUE OF OBLIGATIONS | NOMINAL RATE % | PRACTICAL EXPLANATION RISK MANAGEMENT | |
|---------------------------------|----------------------------------|----------|--|---------------------------|---------------------|-----------------------|--------------------|--------------------|----------------------|------------------|------------------|------------------------------|----------------|---------------------------------------|----------------------|
| TAX PAYER ID | RELATED COMPANY | CURRENCY | NAME OF CREDITOR | UP TO ONE MONTH | TWO TO THREE MONTHS | FOUR TO TWELVE MONTHS | ONE TO THREE YEARS | FOUR TO FIVE YEARS | MORE THAN FIVE YEARS | TOTAL | | | | | TYPE OF AMORTIZATION |
| Foreign | La Papelera del Plata S.A. | ARS | Banco BBVA - Argentina | 2,033 | - | - | - | - | - | 2,033 | Daily | 18.00% | 2,033 | 18.00% | |
| Foreign | La Papelera del Plata S.A. | US\$ | Banco Santander - Chile - Tax No. 97,036,000-K | - | 18 | 6,000 | - | - | - | 6,018 | Maturity | 1.98% | 6,000 | Libor+1.45% | |
| Foreign | La Papelera del Plata S.A. | US\$ | Banco de Chile - Tax No. 97,004,000-5 | - | - | 96 | 10,000 | - | - | 10,096 | Maturity | 2.52% | 10,000 | Libor+1.80% | |
| Foreign | La Papelera del Plata S.A. | US\$ | Banco Corpbanca - Chile Tax No. 97,023,000-9 | - | - | 64 | 14,000 | - | - | 14,064 | Maturity | 2.44% | 14,000 | Libor+1.89% | |
| Foreign | Protisa Perú S.A. | PEN | Banco del Crédito del Perú | 166 | 351 | 1,630 | 4,795 | 1,767 | - | 8,709 | Monthly | 7.44% | 8,709 | 7.44% | |
| Foreign | Protisa Perú S.A. | PEN | BBVA Banco Continental - Peru | 16 | 33 | 129 | 384 | 16 | - | 578 | Monthly | 6.30% | 578 | 6.30% | |
| Foreign | Ipusa S.A. | US\$ | Banco Citibank - Uruguay | - | 1,907 | - | - | - | - | 1,907 | Monthly | 4.06% | 1,900 | 4.06% | |
| Foreign | Ipusa S.A. | US\$ | Banco Citibank - Uruguay | 1,525 | - | - | - | - | - | 1,525 | Half-yearly | 3.43% | 1,500 | 3.43% | |
| Foreign | Ipusa S.A. | UYU | Banco Comercial - Uruguay | - | 2,786 | - | - | - | - | 2,786 | Half-yearly | 9.00% | 2,783 | 9.00% | |
| Foreign | Ipusa S.A. | US\$ | Banco HSBC - Uruguay | - | 1,521 | - | - | - | - | 1,521 | Monthly | 4.44% | 1,500 | 4.44% | |
| Foreign | Ipusa S.A. | UYU | Banco Itaú - Uruguay | 1,151 | - | - | - | - | - | 1,151 | Half-yearly | 9.75% | 1,118 | 9.75% | |
| Foreign | Ipusa S.A. | UYU | Banco Itaú - Uruguay | - | 2,785 | - | - | - | - | 2,785 | Half-yearly | 9.50% | 2,783 | 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 | - | 2,186 | - | - | - | - | 2,186 | Half-yearly | 9.50% | 2,134 | 9.50% | |
| Foreign | Ipusa S.A. | US\$ | Banco Santander - Uruguay | - | 2,633 | - | - | - | - | 2,633 | Half-yearly | 4.55% | 2,600 | 4.55% | |
| Foreign | Ipusa S.A. | US\$ | Banco Santander - Uruguay | - | - | 1,007 | - | - | - | 1,007 | Half-yearly | 4.56% | 1,007 | 4.56% | |
| 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 | - | 2,500 | - | - | - | - | 2,500 | Half-yearly | 9.50% | 2,439 | 9.50% | |
| Foreign | Ipusa S.A. | UYU | Banco Santander - Uruguay | - | 1,039 | - | - | - | - | 1,039 | Half-yearly | 9.40% | 1,016 | 9.40% | |
| Foreign | Ipusa S.A. | UYU | Banco BBVA - Uruguay | 2,603 | - | - | - | - | - | 2,603 | Half-yearly | 9.75% | 2,540 | 9.75% | |
| Foreign | Ipusa S.A. | US\$ | Banco BBVA - Uruguay | - | 4,282 | - | - | - | - | 4,282 | Half-yearly | 4.50% | 4,250 | 4.50% | |
| Foreign | Drypers Andina S.A. | US\$ | BancoEstado - Chile - Tax No. 97,030,000-7 | 273 | - | - | 25,500 | - | - | 25,773 | Maturity | 2.16% | 25,500 | Libor+1.42% | |
| Foreign | Drypers Andina S.A. | COP | Banco BBVA - Colombia | 4,643 | - | - | - | - | - | 4,643 | Maturity | 7.30% | 4,574 | 7.30% | |
| Foreign | Protisa Colombia S.A. | US\$ | Banco BBVA - Chile Tax No. 97,032,000-8 | 463 | - | - | 40,000 | - | - | 40,463 | Maturity | 2.36% | 40,000 | Libor+1.62% | |
| Foreign | Protisa Colombia S.A. | US\$ | Banco Santander - Chile - Tax No. 97,036,000-K | 11 | - | - | 44,000 | - | - | 44,011 | Maturity | 2.36% | 44,000 | Libor+1.62% | |
| Foreign | Protisa Colombia S.A. | US\$ | Banco Estado Chile - Tax No. 97,030,000-7 | 113 | - | - | 10,500 | - | - | 10,613 | Maturity | 2.16% | 10,500 | Libor+1.42% | |
| Foreign | Melhoramentos Papéis Ltda. | BRL | Banco Itaú / BBA - Brazil | 40 | 3,131 | - | - | - | 20,374 | 23,545 | Monthly | 4.50% | 23,545 | 4.50% | |
| Foreign | Melhoramentos Papéis Ltda. | BRL | Banco Itaú / BBA - Brazil | 3 | 232 | - | - | - | 1,574 | 1,809 | Monthly | 5.50% | 1,809 | 5.50% | |
| Foreign | Melhoramentos Papéis Ltda. | BRL | Banco BNDES - Brazil | 134 | 1,701 | - | - | 7,576 | - | 9,411 | Monthly | 7.82% | 9,277 | TJLP+2.32% | |
| Foreign | Melhoramentos Papéis Ltda. | BRL | Banco BNDES - Brazil | 150 | 1,701 | - | - | 7,576 | - | 9,427 | Monthly | 8.82% | 9,277 | TJLP+3.32% | |
| Foreign | Melhoramentos Papéis Ltda. | BRL | Banco BNDES - Brazil | 265 | 2,780 | - | - | 12,383 | - | 15,428 | Monthly | 10.02% | 15,163 | TJLP+4.32% | |
| Foreign | Melhoramentos Papéis Ltda. | BRL | Banco BNDES - Brazil | 92 | 1,088 | - | - | 4,846 | - | 6,026 | Monthly | 7.42% | 5,972 | TJLP+1.92% | |
| Foreign | CMPC Celulose Riograndense Ltda. | BRL | Banco BNDES - Brazil | 35 | - | - | - | - | 3,136 | 3,171 | Monthly | 5.88% | 3,136 | ECM+2.32% | |
| Foreign | CMPC Celulose Riograndense Ltda. | BRL | Banco BNDES - Brazil | - | 20 | - | - | - | 6,656 | 6,676 | Monthly | 7.82% | 6,656 | TJLP+2.32% | |
| Foreign | Absormex CMPC Tissue S.A. de CV. | US\$ | Bank of Tokio - Mitsubishi UFJ, Ltd. - United States | - | - | - | - | 40,000 | - | 40,000 | Maturity | 1.33% | 40,000 | Libor+1.075% | |
| Foreign | Absormex CMPC Tissue S.A. de CV. | US\$ | HSBC Bank USA, N.A. - United States | - | - | - | - | 40,000 | - | 40,000 | Maturity | 1.33% | 40,000 | Libor+1.075% | |
| TOTAL BANK OBLIGATIONS | | | | 124,026 | 222,757 | 15,891 | 355,112 | 310,243 | 31,740 | 1,059,769 | | | | | |

| BALANCE AS OF DECEMBER 31, 2012 | | | | INTERESTS - BEARING LOANS | | | | | | | TYPE OF AMORTIZATION | EFFECTIVE RATE % | NOMINAL VALUE OF OBLIGATIONS | NOMINAL RATE % | PRACTICAL EXPLANATION RISK MANAGEMENT | |
|--|----------------------------|----------|---|---------------------------|---------------------|-----------------------|--------------------|--------------------|--------------------|-----------|----------------------|------------------|------------------------------|----------------|---------------------------------------|--|
| TAXPAYER ID | RELATED COMPANY | CURRENCY | NAME OF CREDITOR | UP TO ONE MONTH | TWO TO THREE MONTHS | FOUR TO TWELVE MONTHS | ONE TO THREE YEARS | FOUR TO FIVE YEARS | FIVE YEARS OR MORE | TOTAL | | | | | | |
| BOND PAYABLES | | | | | | | | | | | | | | | | |
| 96,596,540-8 | Inversiones CMPC S.A. | US\$ | Bonds payable - abroad, Rule 144 A | - | - | 263,420 | - | - | - | 263,420 | Maturity | 4.89% | 264,501 | 4.88% | | |
| 96,596,540-8 | Inversiones CMPC S.A. | US\$ | Bonds payable - abroad, Rule 144 A | - | - | 4,679 | - | - | 494,944 | 499,623 | Maturity | 6.25% | 500,000 | 6.13% | | |
| 96,596,540-8 | Inversiones CMPC S.A. | US\$ | Bonds payable - abroad, Rule 144 A | 10,622 | - | - | - | - | 495,998 | 506,620 | Maturity | 4.83% | 500,000 | 4.75% | | |
| 96,596,540-8 | Inversiones CMPC S.A. | US\$ | Bonds payable - abroad, Rule 144 A | - | - | 4,063 | - | - | 491,700 | 495,763 | Maturity | 4.64% | 500,000 | 4.50% | | |
| 96,596,540-8 | Inversiones CMPC S.A. | CLF | Bond payable, serie A, Reg. 41 3 SVS | - | 2,978 | - | 329,496 | - | - | 332,474 | Maturity | 3.22% | 333,122 | 2.70% | Swap/Cross Currency Swap | |
| 96,596,540-8 | Inversiones CMPC S.A. | CLF | Bond payable, serie B, Reg. 456 SVS | - | 2,615 | - | - | - | 185,759 | 188,374 | Maturity | 4.43% | 190,355 | 4.20% | | |
| 96,596,540-8 | Inversiones CMPC S.A. | CLF | Bond payable, serie D, Reg. 56 9 SVS | - | 1,108 | - | 141,642 | - | - | 142,750 | Maturity | 3.25% | 142,767 | 2.90% | Cross Currency Swap | |
| 96,596,540-8 | Inversiones CMPC S.A. | CLF | Bond payable, serie F, Reg. 570 SVS | - | 3,819 | - | - | - | 323,949 | 327,768 | Maturity | 4.55% | 333,785 | 4.30% | | |
| TOTAL BOND PAYABLES | | | | 10,622 | 10,520 | 272,162 | 471,138 | - | 1,992,350 | 2,756,792 | | | | | | |
| FINANCE LEASE OBLIGATIONS | | | | | | | | | | | | | | | | |
| Foreign | Ipusa S.A. | US\$ | Banco Santander - Uruguay | - | - | 8 | - | - | - | 8 | Monthly | 6.50% | 8 | 6.50% | | |
| Foreign | La Papelera del Plata S.A. | ARS | Banco Comafi - Argentina | - | 1 | 7 | 19 | - | - | 27 | Monthly | 25.78% | 27 | 25.78% | | |
| Foreign | La Papelera del Plata S.A. | ARS | Banco Comafi - Argentina | - | 1 | 4 | 12 | - | - | 17 | Monthly | 25.78% | 17 | 25.78% | | |
| Foreign | La Papelera del Plata S.A. | ARS | Banco Comafi - Argentina | - | 1 | 5 | 16 | - | - | 22 | Monthly | 25.78% | 22 | 25.78% | | |
| Foreign | Forsac Perú S.A. | US\$ | BBVA Banco Continental - Peru | 82 | 164 | 757 | 434 | - | - | 1,437 | Monthly | 5.40% | 1,437 | 5.40% | | |
| Foreign | Forsac Perú S.A. | US\$ | Banco de Crédito del Perú | 90 | 181 | 828 | 2,343 | 2,108 | - | 5,550 | Monthly | 4.30% | 5,550 | 4.30% | | |
| Foreign | Protisa Perú S.A. | PEN | Banco de Crédito del Perú | 315 | 636 | 2,938 | 7,021 | - | - | 10,910 | Monthly | 6.15% | 10,910 | 6.15% | | |
| Foreign | Protisa Perú S.A. | PEN | Banco de Crédito del Perú | 122 | 243 | 1,131 | 3,335 | 150 | - | 4,981 | Monthly | 7.44% | 4,981 | 7.44% | | |
| Foreign | Protisa Perú S.A. | PEN | Banco de Crédito del Perú | - | - | - | - | 2,626 | - | 2,626 | Monthly | 6.73% | 2,626 | 6.73% | | |
| Foreign | Protisa Perú S.A. | PEN | Banco de Crédito del Perú | - | - | - | - | 1,463 | - | 1,463 | Monthly | 6.83% | 1,463 | 6.83% | | |
| Foreign | Protisa Perú S.A. | PEN | Banco de Crédito del Perú | - | - | - | - | 858 | - | 858 | Monthly | 5.45% | 858 | 5.45% | | |
| Foreign | Protisa Perú S.A. | PEN | BBVA Banco Continental - Peru | - | 2 | 7 | - | - | - | 9 | Monthly | 6.30% | 9 | 6.30% | | |
| Foreign | Protisa Perú S.A. | PEN | BBVA Banco Continental - Peru | 87 | 180 | 823 | 1,869 | - | - | 2,959 | Monthly | 6.30% | 2,959 | 6.30% | | |
| Foreign | Protisa Perú S.A. | PEN | BBVA Banco Continental - Peru | 12 | 24 | 108 | 247 | - | - | 391 | Monthly | 6.30% | 39 | 6.30% | | |
| Foreign | Protisa Perú S.A. | PEN | BBVA Banco Continental - Peru | 10 | 21 | 97 | 268 | - | - | 396 | Monthly | 6.30% | 396 | 6.30% | | |
| Foreign | Papelera del Rimac S.A. | PEN | BBVA Banco Continental - Peru | 433 | - | - | - | - | - | 433 | Monthly | 3.98% | 433 | 3.98% | | |
| TOTAL FINANCE LEASE OBLIGATIONS | | | | 1,151 | 1,454 | 6,713 | 15,564 | 7,205 | - | 32,087 | | | | | | |
| OTHER OBLIGATIONS | | | | | | | | | | | | | | | | |
| 96,532,330-9 | CMPC Celulosa S.A. | US\$ | Comercial e Indust rial ERCO (Chile) Ltda. - Tax No. 76,163,730-4 | 131 | 264 | 1,194 | 3,211 | 3,253 | 31,861 | 39,914 | Mensual | 7.80% | 39,914 | 7.80% | | |
| 96,532,330-9 | CMPC Celulosa S.A. | US\$ | Comercial e Indust rial ERCO (Chile) Ltda. - Tax No.76,163,730-4 | 62 | 126 | 591 | 1,810 | 2,209 | 3,721 | 8,519 | Mensual | 9.96% | 8,519 | 9.96% | | |
| TOTAL OTHER OBLIGATIONS | | | | 193 | 390 | 1,785 | 5,021 | 5,462 | 35,582 | 48,433 | | | | | | |
| TOTAL INTEREST-BEARING LOANS | | | | 135,992 | 235,121 | 296,551 | 846,835 | 322,910 | 2,059,672 | 3,897,081 | | | | | | |
| TOTAL INTEREST-BEARING LOANS AT FAIR VALUE | | | | 135,992 | 235,121 | 296,551 | 846,835 | 322,910 | 2,059,672 | 3,897,081 | | | | | | |

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| BALANCE AS OF DECEMBER 31, 2011 | | | | AMOUNT OF CLASS OF LOANS EXPOSED TO LIQUIDITY RISK (THUS\$) | | | | | | | TYPE OF AMORTIZATION | EFFECTIVE RATE % | VALUE OF OBLIGATIONS | NOMINAL RATE % | PRACTICAL EXPLANATION RISK MANAGEMENT |
|---------------------------------|----------------------------|----------|---|---|---------------------|-----------------------|--------------------|--------------------|-------------------|---------|----------------------|------------------|----------------------|----------------|---------------------------------------|
| TAXPAYER ID | NAME OF DEBTOR | CURRENCY | NAME OF CREDITOR | NOMINAL UP TO ONE MONTH | TWO TO THREE MONTHS | FOUR TO TWELVE MONTHS | ONE TO THREE YEARS | FOUR TO FIVE YEARS | SIX YEARS OR MORE | TOTAL | | | | | |
| BANK OBLIGATIONS | | | | | | | | | | | | | | | |
| 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\$ | Banco of Tokio Mitsubishi UFJ Ltda. - United States | - | 20 | - | 39,646 | - | - | 39,666 | Half-yearly | 1.1% | 40,000 | Libor+0.55% | Swap/Cross Currency Swap |
| 96,596,540-8 | Inversiones CMPC S.A. | US\$ | Banco of Tokio Mitsubishi UFJ Ltda. - United States | - | 881 | - | - | 395,050 | - | 395,931 | Quarterly | 1.09% | 400,000 | Libor+0.65% | Swap |
| 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% | |
| Foreign | La Papelera del Plata S.A. | ARS | Banco Citibank - Argentina | 1,662 | - | - | - | - | - | 1,662 | Maturity | 25.00% | 1,628 | 25.00% | |
| 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 - Peru | - | - | 2,869 | - | - | - | 2,869 | Maturity | 5.99% | 2,784 | 5.99% | |
| Foreign | Protisa Perú S.A. | PEN | BBVA Banco Continental - Peru | - | - | 6,656 | - | - | - | 6,656 | Maturity | 5.44% | 6,433 | 5.44% | |
| Foreign | Protisa Perú S.A. | PEN | BBVA Banco Continental - Peru | - | - | - | - | 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% | |

(Continuation)

| BALANCE AS OF DECEMBER 31, 2011 | | | | AMOUNT OF CLASS OF LOANS EXPOSED TO LIQUIDITY RISK (THUS\$) | | | | | | | EFFECTIVE RATE % | VALUE OF OBLIGATIONS | NOMINAL RATE % | PRACTICAL EXPLANATION RISK MANAGEMENT | |
|---------------------------------|----------------------------|----------|--|---|---------------------|-----------------------|--------------------|--------------------|-------------------|------------------|------------------|----------------------|----------------|---------------------------------------|----------------------|
| TAXPAYER ID | NAME OF DEBTOR | CURRENCY | NAME OF CREDITOR | NOMINAL UP TO ONE MONTH | TWO TO THREE MONTHS | FOUR TO TWELVE MONTHS | ONE TO THREE YEARS | FOUR TO FIVE YEARS | SIX YEARS OR MORE | TOTAL | | | | | TYPE OF AMORTIZATION |
| 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% | |
| 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. | COP | Bancolombia | - | 1,170 | - | - | - | - | 1,170 | Maturity | 7.88% | 1,169 | 7.88% | |
| Foreign | Drypers Andina S.A. | COP | Bancolombia | - | 713 | - | - | - | - | 713 | Maturity | 7.88% | 713 | 7.88% | |
| Foreign | Drypers Andina S.A. | COP | Bancolombia | 1,704 | - | - | - | - | - | 1,704 | Maturity | 7.50% | 1,704 | 7.50% | |
| Foreign | Drypers Andina S.A. | COP | Bancolombia | 367 | - | - | - | - | - | 367 | Maturity | 7.59% | 360 | 7.59% | |
| Foreign | Drypers Andina S.A. | COP | Bancolombia | 681 | - | - | - | - | - | 681 | Maturity | 7.54% | 669 | 7.54% | |
| Foreign | Drypers Andina S.A. | COP | Bancolombia | - | 2,530 | - | - | - | - | 2,530 | Maturity | 8.65% | 2,522 | 8.65% | |
| Foreign | Drypers Andina S.A. | COP | Bancolombia | - | 863 | - | - | - | - | 863 | Maturity | 7.40% | 862 | 7.40% | |
| Foreign | Drypers Andina S.A. | COP | Banco BBVA - Colombia | 1,365 | - | - | - | - | - | 1,365 | Maturity | 6.65% | 1,362 | 6.65% | |
| Foreign | Drypers Andina S.A. | COP | 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. | COP | Banco BBVA - Colombia | 730 | - | - | - | - | - | 730 | Maturity | 6.65% | 730 | 6.65% | |
| Foreign | Melhoramentos Papéis Ltda. | BRL | Banco Itaú/ BBVA - Brazil | 23 | 47 | - | - | - | 27,268 | 27,338 | Monthly | 4.50% | 27,268 | 4.50% | |
| Foreign | Melhoramentos Papéis Ltda. | BRL | Banco Itaú/ BBVA - 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 | | | | 81,252 | 63,821 | 88,626 | 375,467 | 524,247 | 29,292 | 1,162,705 | | | | | |

consolidated financial statements

EMPRESAS CMPC



| BALANCE AS OF DECEMBER 31, 2011 | | | | AMOUNT OF CLASS OF LOANS EXPOSED TO LIQUIDITY RISK (THUS\$) | | | | | | | TYPE OF AMORTIZATION | EFFECTIVE RATE % | VALUE OF OBLIGATIONS | NOMINAL RATE % | PRACTICAL EXPLANATION RISK MANAGEMENT |
|---|-------------------------|----------|--|---|---------------------|-----------------------|--------------------|--------------------|-------------------|-----------|----------------------|------------------|----------------------|----------------|---------------------------------------|
| TAXPAYER ID | NAME OF DEBTOR | CURRENCY | NAME OF CREDITOR | NOMINAL UP TO ONE MONTH | TWO TO THREE MONTHS | FOUR TO TWELVE MONTHS | ONE TO THREE YEARS | FOUR TO FIVE YEARS | SIX YEARS OR MORE | TOTAL | | | | | |
| BOND PAYABLES | | | | | | | | | | | | | | | |
| 96,596,540-8 | Inversiones CMPC S.A. | US\$ | Bond payable - abroad, Rule 144 - A - US\$ | - | - | 487 | 262,942 | - | - | 263,429 | Maturity | 4.89% | 264,901 | 4.88% | |
| 96,596,540-8 | Inversiones CMPC S.A. | US\$ | Bond payable - 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\$ | Bond payable - 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 | Bond payable, 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 | Bond payable, 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 | Bond payable, 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 | Bond payable, series F, Reg. 570 SVS | - | - | 3,446 | - | - | 291,332 | 294,778 | Maturity | 4.55% | 300,574 | 4.30% | |
| TOTAL BOND PAYABLES | | | | - | - | 25,280 | 390,727 | 295,924 | 1,448,149 | 2,160,080 | | | | | |
| 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 | 3,345 | 1,486 | - | 5,700 | Monthly | 4.62% | 5,700 | 4.62% | |
| Foreign | Protisa Perú S.A. | PEN | Banco de Crédito del Perú | 118 | 238 | 1,105 | 3,387 | 1,835 | - | 6,683 | Monthly | 7.44% | 6,683 | 7.44% | |
| Foreign | Protisa Perú S.A. | PEN | Banco de Crédito del Perú | 282 | 569 | 2,632 | 7,517 | 2,505 | - | 13,505 | Monthly | 6.15% | 13,505 | 6.15% | |
| Foreign | Protisa Perú S.A. | PEN | BBVA Banco Continental - Peru | 88 | 180 | 827 | 2,451 | 715 | - | 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 FINANCE LEASE OBLIGATIONS | | | | 1,076 | 2,565 | 9,223 | 18,378 | 6,549 | - | 37,791 | | | | | |
| OTHER OBLIGATIONS | | | | | | | | | | | | | | | |
| 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 | 3,179 | 3,222 | 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 | 1,638 | 1,999 | 4,881 | 9,223 | Monthly | 9.96% | 9,223 | 9.96% | |
| TOTAL OTHER OBLIGATIONS | | | | 187 | 376 | 1,716 | 4,817 | 5,221 | 38,425 | 50,742 | | | | | |
| TOTAL INTEREST-BEARING LOANS | | | | 82,515 | 66,762 | 124,845 | 789,389 | 831,941 | 1,515,866 | 3,411,318 | | | | | |
| TOTAL INTEREST-BEARING LOANS AT FAIR VALUE | | | | 82,515 | 66,762 | 124,845 | 789,389 | 831,941 | 1,515,866 | 3,411,318 | | | | | |

B) INTEREST RATE SWAPS, 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, 2012 | | | | | | | | | |
| HSBC Bank USA N.A. - United States | US\$ | Libor | 80,000 | US\$ | 1.16 | 81,506 | 1,506 | (1,417) | 10/18/2016 |
| HSBC Bank USA N.A. - United States | US\$ | Libor | 80,000 | US\$ | 1.18 | 81,520 | 1,520 | (1,555) | 10/18/2016 |
| J. Aron & Company - United States | US\$ | Libor | 50,000 | US\$ | 4.57 | 55,344 | 5,344 | (729) | 3/1/2015 |
| J. Aron & Company - United States | US\$ | Libor | 50,000 | US\$ | 4.72 | 55,159 | 5,159 | (875) | 3/1/2015 |
| J.P. Morgan Chase Bank N.A. - United States | US\$ | Libor | 80,000 | US\$ | 1.19 | 81,612 | 1,612 | (1,663) | 10/18/2016 |
| J.P. Morgan Chase Bank N.A. - United States | US\$ | Libor | 12,500 | US\$ | 1.52 | 12,587 | 87 | (91) | 6/15/2013 |
| J.P. Morgan Chase Bank N.A. - United States | US\$ | Libor | 80,000 | US\$ | 1.15 | 81,596 | 1,596 | (1,744) | 10/18/2016 |
| Banco Santander - Chile | US\$ | Libor+0.55 | 12,506 | CLF | 2.19 | 13,309 | 803 | (140) | 6/17/2013 |
| TOTAL | | | 445,006 | | | 462,633 | 17,627 | (8,214) | |
| BALANCE AS OF DECEMBER 31, 2011 | | | | | | | | | |
| Banco Santander - Spain | US\$ | Libor | 20,000 | US\$ | 4.53 | 20,380 | 380 | 515 | 6/4/2012 |
| Banco Santander - Spain | US\$ | Libor | 14,000 | US\$ | 4.43 | 14,259 | 259 | (684) | 6/4/2012 |
| HSBC Bank USA N.A. - United States | US\$ | Libor | 80,000 | US\$ | 1.16 | 80,640 | 640 | (640) | 10/18/2016 |
| HSBC Bank USA N.A. - United States | US\$ | Libor | 80,000 | US\$ | 1.18 | 80,542 | 542 | (542) | 10/18/2016 |
| J. Aron & Company - United States | US\$ | Libor | 50,000 | US\$ | 4.57 | 56,640 | 6,640 | (2,164) | 3/1/2015 |
| J. Aron & Company - United States | US\$ | Libor | 50,000 | US\$ | 4.72 | 56,385 | 6,385 | (2,306) | 3/1/2015 |
| J.P. Morgan Chase Bank N.A. - United States | US\$ | Libor | 80,000 | US\$ | 1.19 | 80,529 | 529 | (529) | 10/18/2016 |
| J.P. Morgan Chase Bank N.A. - United States | US\$ | Libor | 37,500 | US\$ | 1.99 | 37,976 | 476 | (282) | 6/15/2013 |
| J.P. Morgan Chase Bank N.A. - United States | US\$ | Libor | 80,000 | US\$ | 1.15 | 80,399 | 399 | (399) | 10/18/2016 |
| TOTAL | | | 491,500 | | | 507,750 | 16,250 | (7,031) | |

consolidated financial statements

EMPRESAS CMPC



C) FORWARD CURRENCY TRANSACTIONS

| ENTITIES | RIGHTS | | OBLIGATIONS | | FAIR VALUE OF NET LIABILITIES THUS\$ | EFFECT IN PROFIT (LOSS) THUS\$ | MATURITY |
|---|----------|------------------|-------------|------------------|---|---|------------|
| | CURRENCY | AMOUNT THUS\$ | CURRENCY | AMOUNT THUS\$ | | | |
| AS OF DECEMBER 31, 2012 | | | | | | | |
| J.P. Morgan Chase Bank N.A. - United States | US\$ | 1,737 | EUR | 1,759 | 22 | (46) | 3/15/2013 |
| J.P. Morgan Chase Bank N.A. - United States | US\$ | 1,723 | EUR | 1,747 | 24 | (50) | 6/17/2013 |
| J.P. Morgan Chase Bank N.A. - United States | BRL | 5,836 | US\$ | 6,250 | 414 | (414) | 5/9/2013 |
| J.P. Morgan Chase Bank N.A. - United States | BRL | 5,742 | US\$ | 6,250 | 508 | (508) | 9/9/2013 |
| J.P. Morgan Chase Bank N.A. - United States | BRL | 5,570 | US\$ | 6,250 | 680 | (680) | 12/9/2013 |
| J.P. Morgan Chase Bank N.A. - United States | BRL | 5,957 | US\$ | 6,250 | 293 | (293) | 5/9/2014 |
| J.P. Morgan Chase Bank N.A. - United States | BRL | 6,044 | US\$ | 6,250 | 206 | (206) | 5/9/2013 |
| J.P. Morgan Chase Bank N.A. - United States | BRL | 5,921 | US\$ | 6,250 | 329 | (329) | 9/9/2013 |
| J.P. Morgan Chase Bank N.A. - United States | BRL | 5,826 | US\$ | 6,250 | 424 | (424) | 12/9/2013 |
| J.P. Morgan Chase Bank N.A. - United States | BRL | 5,651 | US\$ | 6,250 | 599 | (599) | 5/9/2014 |
| J.P. Morgan Chase Bank N.A. - United States | BRL | 6,195 | US\$ | 6,250 | 55 | (55) | 2/10/2014 |
| J.P. Morgan Chase Bank N.A. - United States | BRL | 6,012 | US\$ | 6,250 | 238 | (238) | 7/10/2014 |
| J.P. Morgan Chase Bank N.A. - United States | BRL | 6,242 | US\$ | 6,250 | 8 | (8) | 2/10/2014 |
| J.P. Morgan Chase Bank N.A. - United States | BRL | 6,057 | US\$ | 6,250 | 193 | (193) | 7/10/2014 |
| J.P. Morgan Chase Bank N.A. - United States | US\$ | 1,517 | EUR | 1,583 | 66 | (66) | 3/17/2014 |
| J.P. Morgan Chase Bank N.A. - United States | US\$ | 1,517 | EUR | 1,583 | 66 | (66) | 6/16/2014 |
| J.P. Morgan Chase Bank N.A. - United States | US\$ | 1,517 | EUR | 1,583 | 66 | (66) | 9/15/2014 |
| J.P. Morgan Chase Bank N.A. - United States | US\$ | 1,517 | EUR | 1,583 | 66 | (66) | 12/15/2014 |
| J.P. Morgan Chase Bank N.A. - United States | US\$ | 1,517 | EUR | 1,583 | 66 | (67) | 3/16/2015 |
| J.P. Morgan Chase Bank N.A. - United States | US\$ | 1,517 | EUR | 1,583 | 66 | (67) | 6/15/2015 |
| J.P. Morgan Chase Bank N.A. - United States | US\$ | 1,517 | EUR | 1,583 | 66 | (67) | 9/15/2015 |
| J.P. Morgan Chase Bank N.A. - United States | US\$ | 1,517 | EUR | 1,584 | 67 | (67) | 12/15/2015 |
| J.P. Morgan Chase Bank N.A. - United States | US\$ | 1,517 | EUR | 1,583 | 66 | (66) | 3/17/2014 |
| J.P. Morgan Chase Bank N.A. - United States | US\$ | 1,517 | EUR | 1,583 | 66 | (66) | 6/16/2014 |
| J.P. Morgan Chase Bank N.A. - United States | US\$ | 1,517 | EUR | 1,583 | 66 | (66) | 15/9/2014 |
| J.P. Morgan Chase Bank N.A. - United States | US\$ | 1,517 | EUR | 1,583 | 66 | (66) | 12/15/2014 |
| J.P. Morgan Chase Bank N.A. - United States | US\$ | 1,517 | EUR | 1,583 | 66 | (66) | 3/16/2015 |
| J.P. Morgan Chase Bank N.A. - United States | US\$ | 1,517 | EUR | 1,583 | 66 | (66) | 6/15/2015 |
| J.P. Morgan Chase Bank N.A. - United States | US\$ | 1,517 | EUR | 1,583 | 66 | (67) | 9/15/2015 |
| J.P. Morgan Chase Bank N.A. - United States | US\$ | 1,517 | EUR | 1,584 | 67 | (67) | 12/15/2015 |
| J.P. Morgan Chase Bank N.A. - United States | US\$ | 3,050 | EUR | 3,166 | 116 | (117) | 3/16/2015 |
| J.P. Morgan Chase Bank N.A. - United States | US\$ | 3,050 | EUR | 3,167 | 117 | (117) | 6/15/2015 |
| J.P. Morgan Chase Bank N.A. - United States | US\$ | 3,050 | EUR | 3,167 | 117 | (117) | 9/15/2015 |
| J.P. Morgan Chase Bank N.A. - United States | US\$ | 3,050 | EUR | 3,167 | 117 | (118) | 12/15/2015 |
| J.P. Morgan Chase Bank N.A. - Chile | US\$ | 20,476 | CLP | 21,341 | 865 | (865) | 5/3/2013 |
| J.P. Morgan Chase Bank N.A. - Chile | CLP | 15,737 | CLF | 15,793 | 56 | (55) | 6/19/2013 |
| HSBC Bank USA, N.A. - United States | BRL | 5,969 | US\$ | 6,250 | 281 | (281) | 5/9/2013 |
| HSBC Bank USA, N.A. - United States | BRL | 5,847 | US\$ | 6,250 | 403 | (403) | 9/9/2013 |
| HSBC Bank USA, N.A. - United States | BRL | 5,753 | US\$ | 6,250 | 497 | (497) | 12/9/2013 |
| HSBC Bank USA, N.A. - United States | BRL | 5,580 | US\$ | 6,250 | 670 | (670) | 5/9/2014 |
| HSBC Bank USA, N.A. - United States | BRL | 5,997 | US\$ | 6,250 | 253 | (253) | 5/9/2013 |
| HSBC Bank USA, N.A. - United States | BRL | 5,876 | US\$ | 6,250 | 374 | (374) | 9/9/2013 |
| HSBC Bank USA, N.A. - United States | BRL | 5,781 | US\$ | 6,250 | 469 | (469) | 12/9/2013 |
| HSBC Bank USA, N.A. - United States | BRL | 5,607 | US\$ | 6,250 | 643 | (643) | 5/9/2014 |
| HSBC Bank USA, N.A. - United States | BRL | 6,129 | US\$ | 6,250 | 121 | (121) | 3/18/2014 |
| HSBC Bank USA, N.A. - United States | BRL | 5,914 | US\$ | 6,250 | 336 | (336) | 9/10/2014 |
| HSBC Bank USA, N.A. - United States | BRL | 5,836 | US\$ | 6,250 | 414 | (414) | 11/12/2014 |
| HSBC Bank- Chile | US\$ | 20,499 | CLP | 21,349 | 850 | (849) | 5/8/2013 |
| Banco de Chile | US\$ | 20,441 | CLP | 21,422 | 981 | (981) | 4/26/2013 |
| Banco Santander - Chile | BRL | 170 | US\$ | 182 | 12 | - | 1/15/2013 |
| Banco Santander - Chile | BRL | 266 | US\$ | 286 | 20 | - | 2/15/2013 |

(Continuation)

| ENTITIES | RIGHTS | | OBLIGATIONS | | FAIR VALUE OF NET LIABILITIES THUS\$ | EFFECT IN PROFIT (LOSS) THUS\$ | MATURITY |
|--------------------------|----------|----------------|-------------|----------------|--------------------------------------|--------------------------------|-----------|
| | CURRENCY | AMOUNT THUS\$ | CURRENCY | AMOUNT THUS\$ | | | |
| Banco Scotiabank - Chile | BRL | 170 | US\$ | 183 | 13 | | 1/15/2013 |
| Banco Scotiabank - Chile | BRL | 266 | US\$ | 287 | 21 | | 2/15/2013 |
| Banco Scotiabank - Chile | CLP | 10,627 | CLF | 10,652 | 25 | (25) | 7/3/2013 |
| Banco Scotiabank - Chile | US\$ | 10,073 | CLP | 10,352 | 279 | (278) | 3/27/2013 |
| Banco BCI - Chile | US\$ | 20,476 | CLP | 21,356 | 880 | (880) | 5/8/2013 |
| Banco BCI - Chile | US\$ | 20,476 | CLP | 21,356 | 880 | (880) | 5/8/2013 |
| Banco BCI - Chile | US\$ | 20,479 | CLP | 21,357 | 878 | (878) | 5/10/2013 |
| Banco BCI - Chile | US\$ | 20,479 | CLP | 21,357 | 878 | (878) | 5/10/2013 |
| Banco BCI - Chile | US\$ | 10,320 | CLP | 11,190 | 870 | (870) | 5/28/2013 |
| Banco BCI - Chile | US\$ | 20,399 | CLP | 21,005 | 606 | (606) | 7/11/2013 |
| Banco BCI - Chile | CLP | 21,172 | CLF | 21,310 | 138 | (139) | 7/11/2013 |
| Banco BCI - Chile | CLP | 14,689 | CLF | 14,768 | 79 | (79) | 1/15/2013 |
| Banco BCI - Chile | US\$ | 15,273 | CLP | 15,733 | 460 | (459) | 6/19/2013 |
| BancoEstado - Chile | US\$ | 10,233 | CLP | 10,746 | 513 | (513) | 7/3/2013 |
| BancoEstado - Chile | US\$ | 14,380 | CLP | 14,914 | 534 | (533) | 1/15/2013 |
| BancoEstado - Chile | US\$ | 20,047 | CLP | 20,063 | 16 | (17) | 1/3/2013 |
| BancoEstado - Chile | CLP | 17,780 | CLF | 17,788 | 8 | (8) | 6/17/2013 |
| BancoEstado - Chile | US\$ | 20,016 | CLP | 20,021 | 5 | (5) | 1/23/2013 |
| BancoEstado - Chile | US\$ | 20,026 | CLP | 20,059 | 33 | (33) | 1/28/2013 |
| BancoEstado - Chile | US\$ | 20,014 | CLP | 20,050 | 36 | (34) | 1/3/2013 |
| TOTAL | | 560,258 | | 580,173 | 19,915 | (19,902) | |

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| ENTITIES | RIGHTS | | OBLIGATIONS | | FAIR VALUE OF NET LIABILITIES THUS\$ | EFFECT IN PROFIT (LOSS) THUS\$ | MATURITY |
|---|----------|----------------|-------------|----------------|--------------------------------------|--------------------------------|------------|
| | CURRENCY | AMOUNT THUS\$ | CURRENCY | AMOUNT THUS\$ | | | |
| AS OF DECEMBER 31, 2011 | | | | | | | |
| J.P. Morgan Chase Bank N.A. - United States | EUR | 6,694 | US\$ | 7,183 | 489 | (489) | 6/15/2012 |
| J.P. Morgan Chase Bank N.A. - United States | EUR | 6,685 | US\$ | 7,183 | 498 | (498) | 8/15/2012 |
| J.P. Morgan Chase Bank N.A. - United States | EUR | 3,293 | US\$ | 3,541 | 248 | (248) | 9/17/2012 |
| J.P. Morgan Chase Bank N.A. - United States | EUR | 1,144 | US\$ | 1,232 | 88 | (88) | 11/15/2012 |
| 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) | 6/12/2013 |
| Banco Santander - Chile | BRL | 1,914 | US\$ | 1,921 | 7 | (7) | 5/15/2012 |
| Banco Santander - Chile | BRL | 1,258 | US\$ | 1,272 | 14 | (14) | 6/15/2012 |
| Banco Santander - Chile | BRL | 1,836 | US\$ | 1,869 | 33 | (33) | 7/17/2012 |
| Banco Santander - Chile | BRL | 1,976 | US\$ | 2,025 | 49 | (49) | 8/15/2012 |
| Banco Santander - Chile | BRL | 1,811 | US\$ | 1,869 | 58 | (58) | 9/17/2012 |
| Banco Santander - Chile | BRL | 1,326 | US\$ | 1,376 | 50 | (50) | 10/15/2012 |
| Banco Santander - Chile | BRL | 844 | US\$ | 883 | 39 | (39) | 11/16/2012 |
| Banco Santander - Chile | BRL | 246 | US\$ | 260 | 14 | (14) | 12/17/2012 |
| Banco Santander - Chile | BRL | 171 | US\$ | 182 | 11 | (11) | 1/15/2013 |
| Banco Santander - Chile | BRL | 267 | US\$ | 286 | 19 | (19) | 2/15/2013 |
| Banco Santander - Chile | CLP | 3,991 | US\$ | 4,000 | 9 | (9) | 6/14/2012 |
| Banco Santander - Chile | CLP | 5,936 | US\$ | 6,000 | 64 | (64) | 9/12/2012 |
| 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) | 6/12/2013 |
| Banco Scotiabank - Chile | BRL | 1,510 | US\$ | 1,512 | 2 | (2) | 4/17/2012 |
| Banco Scotiabank - Chile | BRL | 1,914 | US\$ | 1,930 | 16 | (16) | 5/15/2012 |
| Banco Scotiabank - Chile | BRL | 1,836 | US\$ | 1,878 | 42 | (42) | 7/17/2012 |
| Banco Scotiabank - Chile | BRL | 1,976 | US\$ | 2,034 | 58 | (58) | 8/15/2012 |
| Banco Scotiabank - Chile | BRL | 1,811 | US\$ | 1,878 | 67 | (67) | 9/17/2012 |
| Banco Scotiabank - Chile | BRL | 1,326 | US\$ | 1,382 | 56 | (56) | 10/15/2012 |
| Banco Scotiabank - Chile | BRL | 844 | US\$ | 887 | 43 | (43) | 11/16/2012 |
| Banco Scotiabank - Chile | BRL | 246 | US\$ | 261 | 15 | (15) | 12/17/2012 |
| Banco Scotiabank - Chile | BRL | 171 | US\$ | 183 | 12 | (12) | 1/15/2013 |
| Banco Scotiabank - Chile | BRL | 267 | US\$ | 287 | 20 | (20) | 2/15/2013 |
| Banco Scotiabank - Chile | CLP | 3,431 | US\$ | 3,500 | 69 | (69) | 8/16/2012 |
| Banco Scotiabank - Chile | CLP | 7,398 | US\$ | 7,500 | 102 | (102) | 6/14/2012 |
| Banco Scotiabank - Chile | CLP | 11,964 | US\$ | 12,000 | 36 | (36) | 3/15/2012 |
| Banco Scotiabank - Chile | CLP | 12,573 | CLF | 12,641 | 68 | (68) | 1/18/2012 |
| HSBC Bank - Chile | CLP | 11,997 | US\$ | 12,000 | 3 | (3) | 3/15/2012 |
| HSBC Bank - Chile | CLP | 7,418 | US\$ | 7,500 | 82 | (82) | 6/14/2012 |
| HSBC Bank - Chile | CLP | 3,441 | US\$ | 3,500 | 59 | (59) | 8/16/2012 |
| HSBC Bank - Chile | US\$ | 6,049 | CLP | 6,054 | 5 | (5) | 3/21/2012 |
| Banco BBVA - Chile | US\$ | 18,318 | CLP | 18,381 | 63 | (63) | 8/13/2012 |
| Banco BBVA - Chile | US\$ | 12,215 | CLP | 12,257 | 42 | (42) | 8/13/2012 |
| Banco BBVA - Chile | US\$ | 10,177 | CLP | 10,212 | 35 | (35) | 8/13/2012 |
| Banco BBVA - Chile | US\$ | 12,900 | CLP | 13,016 | 116 | (116) | 1/4/2012 |
| Banco Corpbanca - Chile | CLP | 19,257 | CLF | 19,296 | 39 | (39) | 8/13/2012 |
| Banco Corpbanca - Chile | CLP | 10,699 | CLF | 10,720 | 21 | (21) | 8/13/2012 |
| Banco Corpbanca - Chile | CLP | 12,842 | CLF | 12,864 | 22 | (22) | 8/13/2012 |
| Banco Corpbanca - Chile | CLP | 21,263 | CLF | 21,301 | 38 | (38) | 8/13/2012 |
| Banco BCI - Chile | CLP | 15,702 | CLF | 15,728 | 26 | (26) | 8/13/2012 |
| TOTAL | | 259,910 | | 262,984 | 3,074 | (3,074) | |

D) OPTIONS

| ENTITIES | RIGHTS | | OBLIGATIONS | | FAIR VALUE OF NET LIABILITIES THUS\$ | EFFECT IN PROFIT (LOSS) THUS\$ | MATURITY |
|---|----------|------------------|-------------|------------------|---|-----------------------------------|-----------|
| | CURRENCY | AMOUNT THUS\$ | CURRENCY | AMOUNT THUS\$ | | | |
| AS OF DECEMBER 31, 2012 | | | | | | | |
| HSBC Bank USA N.A. - United States | BRL | 6,250 | US\$ | 6,250 | - | - | 5/9/2013 |
| HSBC Bank USA N.A. - United States | BRL | 6,250 | US\$ | 6,250 | - | - | 9/9/2013 |
| HSBC Bank USA N.A. - United States | BRL | 6,250 | US\$ | 6,250 | - | - | 12/9/2013 |
| HSBC Bank USA N.A. - United States | BRL | 6,249 | US\$ | 6,250 | 1 | (1) | 5/9/2014 |
| HSBC Bank USA N.A. - United States | BRL | 6,250 | US\$ | 6,250 | - | - | 5/9/2013 |
| HSBC Bank USA N.A. - United States | BRL | 6,250 | US\$ | 6,250 | - | - | 9/9/2013 |
| HSBC Bank USA N.A. - United States | BRL | 6,250 | US\$ | 6,250 | - | - | 12/9/2013 |
| HSBC Bank USA N.A. - United States | BRL | 6,249 | US\$ | 6,250 | 1 | (1) | 5/9/2014 |
| J.P. Morgan Chase Bank N.A. - United States | BRL | 6,249 | US\$ | 6,250 | 1 | (1) | 5/9/2014 |
| J.P. Morgan Chase Bank N.A. - United States | BRL | 6,250 | US\$ | 6,250 | - | - | 5/9/2013 |
| J.P. Morgan Chase Bank N.A. - United States | BRL | 6,250 | US\$ | 6,250 | - | - | 9/9/2013 |
| J.P. Morgan Chase Bank N.A. - United States | BRL | 6,250 | US\$ | 6,250 | - | - | 12/9/2013 |
| J.P. Morgan Chase Bank N.A. - United States | BRL | 6,250 | US\$ | 6,250 | - | - | 5/9/2013 |
| J.P. Morgan Chase Bank N.A. - United States | BRL | 6,250 | US\$ | 6,250 | - | - | 9/9/2013 |
| J.P. Morgan Chase Bank N.A. - United States | BRL | 6,250 | US\$ | 6,250 | - | - | 12/9/2013 |
| J.P. Morgan Chase Bank N.A. - United States | BRL | 6,249 | US\$ | 6,250 | 1 | (1) | 5/9/2013 |
| TOTAL | | 99,996 | | 100,000 | 4 | (4) | |

E) HEDGE LIABILITIES

| ENTITIES | NATURE OF HEDGED RISKS | RIGHTS | | OBLIGATIONS | | FAIR VALUE OF NET LIABILITIES THUS\$ | MATURITY |
|--|--|----------|------------------|-------------|------------------|---|-----------|
| | | CURRENCY | AMOUNT THUS\$ | CURRENCY | AMOUNT THUS\$ | | |
| CURRENT | | | | | | | |
| AS OF DECEMBER 31, 2012 | | | | | | | |
| Banco Santander - Chile | Flows from sales of cardboard and wood to Europe | US\$ | 6,052 | EUR | 6,104 | 52 | Quarterly |
| HSBC Bank PLC - England | Oil price | US\$ | 5,089 | US\$ | 5,180 | 91 | Monthly |
| Morgan Stanley & Co. International PLC - England | Oil price | US\$ | 9,443 | US\$ | 9,580 | 137 | Monthly |
| | TOTAL | | 20,584 | | 20,864 | 280 | |
| NON-CURRENT | | | | | | | |
| AS OF DECEMBER 31, 2012 | | | | | | | |
| Deutsche Bank AG - England | Oil price | US\$ | 6,761 | US\$ | 6,776 | 15 | Monthly |
| HSBC Bank PLC - England | Oil price | US\$ | 74,849 | US\$ | 75,634 | 785 | Monthly |
| Morgan Stanley & Co. International PLC - England | Oil price | US\$ | 45,280 | US\$ | 45,949 | 669 | Monthly |
| | TOTAL | | 126,890 | | 128,359 | 1,469 | |

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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 took a loan amounting to US\$ 150 million with a five year term in one installment, with interest of Libor 180 days plus 3.00% throughout the duration, which will be paid semiannually as from February 11, 2010. In August 2012 this loan was prepaid.
- 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, payable semi-annually. On August 20, 2012, the loan was renegotiated, setting the deadline for repaying the principal and interest at December 28, 2012, with a rate of 4 month Libor plus 0.18% (0.72%). On December 28, 2012 it was renegotiated, setting the payment deadline of principal plus interest for January 28, 2013, with an interest rate of Libor 30 days plus 0.26% (0.4697%).
- 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 April 2015, with payments continuing to October 2016.

As a result of the debt agreements signed by its subsidiaries, CMPC Papeles S.A., CMPC Celulosa S.A. and Inversiones CMPC S.A., for which it is co-surety, Empresas CMPC S.A. must comply with some covenants calculated on the consolidated Financial Statements, with regard to maintaining a minimum equity, a maximum level of indebtedness and a minimum level of financial expense hedges. At December 31, 2012, these covenants have been complied with.

- iv) La Papelera del Plata S.A. with Banco BBVA de Argentina: the company signed a loan for ARS 50 million (US\$ 10,17 million) in December 2009 at a fixed interest rate of 16.75%, with semi-annual repayments of principal starting June 2011 and ending in June 2014, whose balance outstanding is ARS 22.50 million (US\$ 4.58 million).
- v) La Papelera del Plata S.A. with Banco Santander Río de Argentina: In June 2010 a loan was signed for ARS 20 million (US\$ 4.07 million) with a fixed interest rate of 16.85% and semi-annual repayments starting in June 2011 and ending in March 2013, whose balance outstanding amounts to ARS 3.33 million (US\$ 0.68 million); in October 2012 it took a loan of ARS 1.88 million (US\$ 0.38 million) at a fixed interest rate of 15.01%, with quarterly principal amortization as from October 2013 until October 2015; in October 2012 it took a loan of ARS 1.14 million (US\$ 0.23 million) at a fixed interest rate of 15.01%, with quarterly principal amortization as from October 2013 until October 2015.

These loans of the subsidiary La Papelera del Plata S.A. consider complying with some covenants on its annual financial statements with regard to maintaining a minimum equity, maximum indebtedness and debt coverage. At 2011 year-end, some of these covenants had not been complied with and the parent Empresas

CMPC S.A. promised to provide the financial support necessary to meet the debt repayments should the banks make demand. At December 31, 2012, these covenants were complied with.

- vi) La Papelera del Plata S.A. with Banco Nación of Argentina: in December 2012 it took a loan for ARS 11.00 million (US\$ 2.24 million) at a fixed interest rate of 15.01%, with monthly principal amortization beginning July 2014 until December 2015.
- vii) La Papelera del Plata S.A. with Banco Ciudad of Argentina: in November 2012 it took a loan for ARS 4.00 million (US\$ 0.81 million) at a fixed interest rate of 15.01%, with quarterly principal amortization beginning December 2013 until December 2015.
- viii) La Papelera del Plata S.A. with Banco Galicia of Argentina: in November 2012 it took a loan for ARS 5.00 million (US\$ 1.02 million) at a fixed interest rate of 15.01%, with quarterly principal amortization beginning November 2013 until November 2015.
- ix) 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.
- x) 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.
- xi) 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.
- xii) Protisa Perú S.A. with the Banco de Crédito del Perú: In June 2011, the company signed a loan of PEN 29.75 million (US\$ 11.66 million) at a fixed interest rate of 7.44% with monthly repayments due until August 2016. The balance of principal outstanding amounts to PEN 22.22 million (US\$ 8.71 million).
- xiii) Protisa Perú S.A. with BBVA Banco Continental of Perú: In December 2010 it took a loan for PEN 1.76 million (US\$ 0.69 million) at a fixed interest rate of 6.30%, payable in 48 monthly installments until December 2015, of which the balance owed of the principal amounts to PEN 1.47 million (US\$ 0.58 million).

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 period, the company was in compliance with these covenants.

- xiv) 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.
- xv) 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.

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xvi) 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.

xvii) 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, 2012.

xviii) 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 (brazilian reales) to pay suppliers (Voith and Perini). Of the total loan agreement signed, the following amounts have been drawn as of December 31, 2012: BRL 48.11 million (US\$ 23.54 million) at an annual fixed rate of 4.5% and maturity 2020, and BRL 3.70 million (US\$ 1.81 million) at an annual fixed rate of 5.5%, with maturity 2020.

xix) In August, 2011, Melhoramentos Papéis Ltda. signed 8 long-term loans in local currency (Brazilian reales) with Banco Nacional de Desarrollo Económico y Social - BNDES to finance investments in equipment and machinery for a total of BRL 98.6 million (US\$ 48.27 million), at an average annual interest rate of 8.8%, with monthly installments from February 15, 2013 to January 15, 2018, and 7 loans totaling BRL 97.6 million (US\$ 47.78 million) at an average annual rate of 5.5 %, with monthly installments from August 15, 2013 to January 15, 2018, and a loan of BRL 1.0 million (US\$ 0.49 million). At December 31, 2012, BRL 81.00 million (US\$ 39.69 million) have been received of the total loans entered into.

xx) 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.

xxi) CMPC Celulose Riograndense Ltda. with Banco Nacional de Desarrollo Económico y Social - BNDES: In October 2012 it signed two long-term loans in local currency (Brazilian real) for carrying out forestry projects for a total amount of BRL 20 million (US\$ 9.80 million) at an average annual interest rate of 5.88% with monthly maturities beginning August 15, 2018 until July 15, 2020 for a loan amounting to BRL 6.40 billion (US\$ 3.14 million) and an average annual interest rate of 7.82 % with monthly maturities beginning July 15, 2018 until June 15, 2020 for a loan amounting to BRL 13.60 million (US\$ 6.66 million).

xxii) 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. This loan was prepaid in October 2012.

- xxiii) Absormex CMPC Tissue S.A. de C.V: In October 2012 it entered into a syndicated loan for ThUS\$ 80,000 with The Bank of Tokyo Mitsubishi UFJ, Ltd., for ThUS\$ 40,000 and HSBC USA, National Association, for ThUS\$ 40,000, for a term of 3.5 years payable in one installment upon maturity on April 4, 2016 at an approximate interest rate of Libor +1.075 % with monthly payments.

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\$ 13,515 (ThUS\$ 13,752 as of December 31, 2011).

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. 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. At the date of these financial statements the Company has repurchased ThUS\$ 35,499 of these bonds.

- 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. 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 Guaiba 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. 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 April 18, 2012, the subsidiary Inversiones CMPC S.A., through its agency in the Cayman Islands, issued and placed a US Bond of US\$ 500 million, under Rule 144 A. The bonds mature in 10 years. The stated interest rate is 4.50%, while the effective rate is 4.64%, with a spread of 2.65% on the 10 year Treasury bond. The capital

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is payable on the date on which the bonds mature, while their interest is payable on a six-monthly basis. The bonds were placed by the banks Bank of America Merrill Lynch, HSBC, Mitsubishi UFJ and J.P. Morgan.

The proceeds of the issue were for general corporate purposes.

- v) 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\$ 333 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 cross currency 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.
- vi) 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\$ 190 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.
- vii) On March 24, 2009, the subsidiary Inversiones CMPC S.A. placed two bond issues in Chile amounting to 10 million CLF, equivalent to US\$ 476 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\$ 143 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\$ 333 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 period, 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 1.17%, whose fair value is shown in Other financial liabilities. As of December 31, 2012 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, 2012 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, 2012 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, 2012 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, 2012 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 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 2.19%. As of December 31, 2012 this cross currency swap contract was reduced to a right if ThUS\$ 12,500 and a liability of CLF 282,237.27, with the same interest rate, whose fair value is shown in Other financial liabilities.
- vii) 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 1.518 %. As of December 31, 2012 the balance of the underlying loan amounts to ThUS\$ 12,500 and its fair value is shown in Other financial liabilities.
- viii) 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, 2012 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 swap contracts with Banco Santander, Mexico, to cover a loan of US\$ 50 million. These contracts fixed the interest rate from TIIE

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to Libor and redenominated the debt to Mexican pesos (5.86%). As of December 31, 2012 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, 2012 all the ratios are been 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, 2012 and 2011) are detailed below:

1. DEBT TO EQUITY RATIO LESS THAN OR EQUAL TO 0.8 TIMES.

The following accounts are considered for the calculation of this covenant:

| DEBT TO EQUITY RATIO LESS THAN OR EQUAL TO 0.8 TIMES | 12/31/2012 THUS\$ | 12/31/2011 THUS\$ |
|--|----------------------|----------------------|
| I) FINANCIAL DEBT WITH THIRD PARTIES: | | |
| Interest-bearing loans - current (Note 22) | 667,664 | 274,122 |
| Interest-bearing loans - non-current (Note 22) | 3,229,417 | 3,137,196 |
| Hedging liabilities, current (Note 22) | 280 | - |
| Hedging liabilities, non-current (Note 22) | 1,469 | - |
| Less : Other obligations (Note 22) | (48,433) | (50,742) |
| Market value, swap and cross and cross currency swap operations (Note 8 and 22) | (98,466) | (74,054) |
| Hedging assets, current (Note 8) | (3,058) | (4,115) |
| Hedging assets, not current (Note 8) | (4,353) | (9,399) |
| TOTAL TO EQUITY RATIO DEBT WITH THIRD PARTIES | 3,744,520 | 3,273,008 |
| II) EQUITY: | | |
| Equity attributable to owners of the parent (Classified Statement of Financial Position) | 7,980,312 | 7,853,857 |
| Less Intangible assets other than goodwill (Classified Statement of Financial Position) | (10,546) | (10,044) |
| Goodwill (Classified Statement of Financial Position) | (142,691) | (155,181) |
| TOTAL EQUITY | 7,827,075 | 7,688,632 |
| DEBT TO EQUITY RATIO EQUITY | 0.48 | 0.43 |

The minimum limit of this covenant is 0.80 and is, therefore, the Company is compliance with it.

2. INTEREST EXPENSE COVERAGE OVER LAST 12 MOVING MONTHS GREATER THAN OR EQUAL TO 3.25 TIMES.

| INTEREST EXPENSE COVERAGE OVER LAST 12 MOVING MONTHS GREATER THAN OR EQUAL TO 3.25 | 12/31/2012 THUS\$ | 12/31/2011 THUS\$ |
|---|----------------------|----------------------|
| I) EBITDA (LAST 12 MOVING MONTHS): | | |
| Revenue (Income Statement by function) | 4,759,320 | 4,786,415 |
| Cost of sales (Income Statement by function) | (3,789,800) | (3,715,337) |
| Plus: Depreciation and amortization expense (Statement of Cash Flows Indirect) | 335,460 | 332,059 |
| Cost of formation of harvested plantations (Note 13) | 89,314 | 80,012 |
| Higher cost of the harvested and sold part of plantations derived from revaluation for natural growth (Note 13) | 201,598 | 180,927 |
| Less: Distribution costs (Income Statement by function) | (264,425) | (228,080) |
| Administrative expenses (Income Statement by function) | (220,196) | (203,744) |
| Other expenses, by function (Income Statement by function) | (197,187) | (166,642) |
| TOTAL EBITDA LAST TWELVE MOVING MONTHS | 914,084 | 1,065,610 |
| II) DIVIDENDS ASSOCIATES: DIVIDENDS RECEIVED CLASSIFIED AS INVESTMENT (STATEMENT OF CASH FLOWS, INDIRECT) | 3,379 | 5,466 |
| III) FINANCIAL INCOME (INCOME STATEMENT BY FUNCTION OF EXPENSE) | 37,275 | 36,673 |
| IV) FINANCIAL COSTS (INCOME STATEMENT BY FUNCTION OF EXPENSE) | 175,231 | 162,918 |
| INTEREST EXPENSE HEDGE LAST 12 MOVING MONTHS ((I+II+III) IV) | 5.45 | 6.80 |

The minimum limit of this covenant is 3.25 and is, therefore, the Company is in compliance with it.

3. EQUITY GREATER THAN OR EQUAL TO UF 71,580,000

| EQUITY > OR EQUAL TO UF 71,580,000 | 12/31/2012 THUS\$ | 12/31/2011 THUS\$ |
|--|----------------------|----------------------|
| I) EQUITY REQUIRED, DENOMINATED IN THOUSANDS OF DOLLARS: | | |
| Value of Unidad de Fomento (CLF) in thousands of dollars, as of December 31 | 0.0476 | 0.0429 |
| EQUITY REQUIRED, EXPRESSED IN THOUSANDS OF DOLLARS | 3,406,411 | 3,073,588 |
| II) EQUITY: | | |
| Equity attributable to owners of the parent (Classified Statement of Financial Position) | 7,980,312 | 7,853,857 |
| Less: Intangible assets other than goodwill (Classified Statement of Financial Position) | (10,546) | (10,044) |
| Goodwill (Classified Statement of Financial Position) | (142,691) | (155,181) |
| TOTAL EQUITY AS OF DECEMBER 31, 2012, GREATER THAN REQUIRED | 7,827,075 | 7,688,632 |

4. PROPERTY, PLANT AND EQUIPMENT AND BIOLOGICAL ASSETS

Empresas CMPC is required to maintain at least 70% of its property, plant and equipment and biological assets within the forestry, pulp, papers and paper product sectors. As of December 31, 2012 and as of December 31, 2011, all the Company's property, plant and equipment 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 5.8 years and that the average rate accruing on those loans today at 4.1% 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 ($\pm 1\%$) or equivalent to its amortized cost.

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G) MATURITY OF CONTRACTUAL CASH FLOWS

The following is a liquidity analysis of Other financial liabilities, current and non-current, recognized as of as of December 31, 2012 and 2011, shown in final amounts on the respective payment dates:

| | CARRYING AMOUNT THUS\$ | MATURITY OF CONTRACTED CASH 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, 2012 | | | | | | | |
| Financial liabilities | | | | | | | |
| Bank loans | 1,059,769 | 350,708 | 18,135 | 378,222 | 287,130 | 90,984 | 1,125,179 |
| Obligations with the public | 2,756,792 | 29,441 | 383,256 | 690,648 | 199,303 | 2,437,987 | 3,740,635 |
| Finance leases | 80,520 | 2,285 | 11,873 | 15,348 | 25,493 | 74,083 | 129,082 |
| Swaps and Cross currency swaps | 17,626 | 3,259 | 5,615 | 14,456 | 3,744 | - | 27,074 |
| Forward exchange contracts | 19,915 | 1,065 | 13,749 | 5,101 | - | - | 19,915 |
| Hedge liabilities | 1,749 | 12 | 268 | 580 | 889 | - | 1,749 |
| Options | 4 | - | 2 | 2 | - | - | 4 |
| TOTAL | 3,936,375 | 386,770 | 432,898 | 1,104,357 | 516,559 | 2,603,054 | 5,043,638 |

| | CARRYING AMOUNT THUS\$ | MATURITY OF CONTRACTED CASH 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 |

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 recognized 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 1: Quoted prices in active markets for identical assets and liabilities.

Level 2: Inputs other than the quoted prices within Level 1 that are observable in markets for assets and liabilities either directly (ie as prices) or indirectly (ie as derived from prices).

Level 3: Inputs for assets and liabilities that are not based on observable market data (unobservable inputs).

The following table shows the financial liabilities and hedging liabilities measured at fair value as of December 31, 2012 and 2011:

| FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE | HIERARCHY USED TO DETERMINE THE FAIR VALUE | | |
|--|--|-------------------|-------------------|
| | LEVEL 1 THUS\$ | LEVEL 2 THUS\$ | LEVEL 3 THUS\$ |
| BALANCE AS OF DECEMBER 31, 2012 | | | |
| Swap and Cross Currency Swap operations | - | 17,627 | - |
| Forward exchange contract operations | - | 19,915 | - |
| Options | - | 4 | - |
| Hedge liabilities | - | 1,749 | - |
| TOTAL FINANCIAL LIABILITIES AT FAIR VALUE | - | 39,295 | - |
| 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 | - |

23. TRADE CREDITORS AND OTHER ACCOUNTS PAYABLES

Trade creditors and other accounts payable are detailed below:

| BALANCE AS OF DECEMBER 31, 2012 | | 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 | 279,189 | 5,839 | 1,535 | 286,563 | Monthly |
| Suppliers | CLF | 2,347 | - | - | 2,347 | Monthly |
| Suppliers | US\$ | 146,824 | 13,478 | 984 | 161,286 | Monthly |
| Suppliers | EUR | 25,536 | 88 | - | 25,624 | Monthly |
| Suppliers | ARS | 32,477 | 1,234 | 166 | 33,877 | Monthly |
| Suppliers | MXN | 11,181 | 12,396 | 2,227 | 25,804 | Monthly |
| Suppliers | SEK | 47 | 216 | - | 263 | Monthly |
| Suppliers | COP | 40,373 | 379 | 2,119 | 42,871 | Monthly |
| Suppliers | BRL | 14,228 | 16,294 | 15,710 | 46,232 | Monthly |
| Suppliers | PEN | 13,686 | 2,861 | 525 | 17,072 | Monthly |
| Suppliers | UYU | 2,071 | 3,107 | - | 5,178 | Monthly |
| Suppliers | GBP | 50 | - | - | 50 | Monthly |
| Notes payable | CLP | 5 | - | 452 | 457 | Monthly |
| Notes payable | MXN | 10,009 | - | - | 10,009 | Monthly |
| Other payables | CLP | 21,447 | 1,373 | 924 | 23,744 | Monthly |
| Other payables | US\$ | 1,040 | - | 14 | 1,054 | Monthly |
| Other payables | EUR | 122 | - | - | 122 | Monthly |
| Other payables | ARS | 6,670 | - | - | 6,670 | Monthly |
| Other payables | MXN | 6,922 | - | - | 6,922 | Monthly |
| Other payables | COP | 3,480 | - | - | 3,480 | Monthly |
| Other payables | BRL | 1,940 | - | 14,764 | 16,704 | Monthly |
| Other payables | PEN | 2,590 | 2,517 | - | 5,107 | Monthly |
| Other payables | UYU | - | - | 304 | 304 | Monthly |
| | | 622,234 | 59,782 | 39,724 | 721,740 | |

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| 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 | 9,286 | 2,490 | 969 | 12,745 | 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 | 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 | - | 19,365 | 20,811 | Monthly |
| Other payables | PEN | 180 | 2,978 | - | 3,158 | Monthly |
| Other payables | UYU | 837 | - | - | 837 | Monthly |
| | | 522,777 | 44,141 | 30,746 | 597,664 | |

The amortized cost of trade creditors and other accounts receivable and other accounts payable approximates its fair value.

24. ACCOUNTS PAYABLE TO RELATED ENTITIES

The accounts payable to related entities as of December 31, 2012 and 2011 are detailed below:

| TAX NO. RELATED PARTY | NAME OF RELATED PARTY | NATURE OF RELATIONSHIP WITH RELATED PARTY | COUNTRY OF ORIGIN | DETAIL OF ACCOUNT PAYABLE | OUTSTANDING BALANCE | | CURRENCY | MATURITY DATE OF TRANSACTION WITH RELATED PARTY | EXPLANATION OF THE NATURE OF THE CONSIDERATION ESTABLISHED TO SETTLE A TRANSACTION |
|--|--|--|-------------------|---------------------------|---------------------|-------------------|----------|---|--|
| | | | | | 12/31/2012 THUS\$ | 12/31/2011 THUS\$ | | | |
| 96,505,760-9 | Colbún S.A. | Common Director from management of the entity or controlling party | Chile | Energy and power buying | 12,837 | 14,213 | US\$ | 30 days | Monetary |
| 96,722,460-k | Metrogas S.A. | Common Director from management of the entity or controlling party | Chile | Gas buying | 2,668 | 2,796 | CLP | 30 days | Monetary |
| 96,565,750-9 | Aserraderos Arauco S.A. | Common Director from management of the entity or controlling party | Chile | Wood buying | 1,478 | 2,649 | US\$ | 60 days | Monetary |
| 99,520,000-7 | Cia. de Petróleos de Chile S.A. | Common Director from management of the entity or controlling party | Chile | Fuel buying | 1,280 | 1,166 | CLP | 60 days | Monetary |
| 96,959,030-1 | Puerto Lirquén S.A. | Common Director from management of the entity or controlling party | Chile | Services buying | 1,186 | - | CLP | 30 days | Monetary |
| Foreign | Alto Paraná S.A. | Common Director from management of the entity or controlling party | Argentina | Cellulose buying | 342 | - | US\$ | 60 days | Monetary |
| 93,628,000-5 | Molibdenos y Metales S.A. | Common Director from management of the entity or controlling party | Chile | Product buying | 251 | 101 | CLP | 60 days | Monetary |
| 96,806,980-2 | Entel PCS Telecomunicaciones S.A. | Common Director from management of the entity or controlling party | Chile | Services buying | 219 | 72 | CLP | 60 days | Monetary |
| 91,806,000-6 | Abastecedora de Combustibles S.A. | Common Director from management of the entity or controlling party | Chile | Gas buying | 166 | 181 | CLP | 30 days | Monetary |
| 99,301,000-6 | Seguros Vida Security Previsión S.A. | Common Director from management of the entity or controlling party | Chile | Insurance buying | 131 | 131 | CLP | 30 days | Monetary |
| 96,697,410-9 | Entel Telefonía Local S.A. | Common Director from management of the entity or controlling party | Chile | Services buying | 64 | 46 | CLP | 60 days | Monetary |
| 92,580,000-7 | Entel S.A. | Common Director from management of the entity or controlling party | Chile | Services buying | 55 | 338 | CLP | 60 days | Monetary |
| 96,657,900-5 | Controladora de Plagas Forestales S.A. | Associate | Chile | Services buying | 48 | 44 | US\$ | 30 days | Monetary |
| 78,512,190-2 | Energy Sur S.A. | Common Director from management of the entity or controlling party | Chile | Services buying | 14 | 14 | CLP | 30 days | Monetary |
| 96,719,210-4 | Transnet S.A. | Common Director from management of the entity or controlling party | Chile | Services buying | 10 | - | CLP | 30 days | Monetary |
| 93,603,000-9 | Sociedad de Computación Binaria S.A. | Common Director from management of the entity or controlling party | Chile | Services buying | 8 | 17 | CLP | 60 days | Monetary |
| 96,560,720-k | Portuaria Lirquén S.A. | Common Director from management of the entity or controlling party | Chile | Services buying | 8 | 8 | US\$ | 30 days | Monetary |
| 82,152,700-7 | Bosques Arauco S.A. | Common Director from management of the entity or controlling party | Chile | Wood buying | 5 | 104 | CLP | 30 days | Monetary |
| 96,871,870-3 | Depósitos Portuarios Lirquén S.A. | Common Director from management of the entity or controlling party | Chile | Services buying | 1 | 7 | US\$ | 30 days | Monetary |
| 85,633,900-9 | Travel Security S.A. | Common Director from management of the entity or controlling party | Chile | Services buying | 1 | - | CLP | 30 days | Monetary |
| 93,458,000-1 | Celulosa Arauco y Constitución S.A. | Common Director from management of the entity or controlling party | Chile | Wood buying | - | 585 | US\$ | 30 days | Monetary |
| 99,513,400-4 | CGE Distribución S.A. | Common Director from management of the entity or controlling party | Chile | Electricity buying | - | 23 | US\$ | 30 days | Monetary |
| 96,563,570-k | Entel Call Center S.A. | Common Director from management of the entity or controlling party | Chile | Services buying | - | 2 | CLP | 60 days | Monetary |
| 96,541,920-9 | Empresa Eléctrica de Antofagasta S.A. | Common Director from management of the entity or controlling party | Chile | Services buying | - | 1 | CLP | 30 days | Monetary |
| TOTAL ACCOUNT PAYABLES TO RELATED PARTIES - CURRENT | | | | | 20,772 | 22,498 | | | |
| 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 ACCOUNT PAYABLES TO RELATED PARTIES NON-CURRENT | | | | | - | 10,000 | | | |

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25. PROVISIONS AND CONTINGENT LIABILITIES

25.1.

The following is a detail of the amounts provisioned:

| PROVISIONS | 12/31/2012 THUS\$ | 12/31/2011 THUS\$ |
|---|----------------------|----------------------|
| CURRENT | | |
| Provision for actions under labor, civil and tax laws | 24,516 | 1,868 |
| TOTAL | 24,516 | 1,868 |
| NON-CURRENT | | |
| Provision for actions under labor, civil and tax laws | 26,437 | 78,464 |
| TOTAL | 26,437 | 78,464 |

Current and non-current provisions for lawsuits 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 requirements of IAS37, paragraph 92, even though the amounts provisioned related to these lawsuits are presented in the table above, no further detail about them is disclosed at the end of each reporting period of these financial statements.

The movement in provisions was as follows:

| | 12/31/2012 THUS\$ | 12/31/2011 THUS\$ |
|--|----------------------|----------------------|
| CURRENT | | |
| Opening balance | 1,868 | 3,504 |
| Increases for the period | 3,567 | 2,088 |
| Provision used | (10,689) | (3,656) |
| Transfer from other long term provision | 30,000 | - |
| Decrease on foreign exchange differences | (230) | (68) |
| CLOSING BALANCE | 24,516 | 1,868 |
| NON-CURRENT | | |
| Opening balance | 78,464 | 56,858 |
| Increased for the period | 6,771 | 28,520 |
| Transfer to tax liabilities | (26,378) | (3,351) |
| Transfer from other short term provision | (30,000) | - |
| Decrease on foreign exchange differences | (2,420) | (3,563) |
| CLOSING BALANCE | 26,437 | 78,464 |

For the year ended December 31, 2012 a net increase in provisions for legal claims of ThUS\$ 10,338 (ThUS\$ 30,608 in 2011) was recognized as expense for the period in Other gains (losses) for ThUS\$ 9,567 (ThUS\$ 26,088 in 2011) and as an asset in trade non-current receivables for ThUS\$ 771 (ThUS\$ 4,520 in 2011).

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\$ 13,515, as per public deed dated July 22, 2011 signed before the public notary Francisco Javier Leiva Carvajal, repertoire N°4,917.

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, syndicated loan with The Bank of Tokyo Mitsubishi UFJ, Ltd. and HSBC Bank USA, National Association.
- (4) Compliance by Drypers Andina S.A. (subsidiary in Colombia) under loans of this company from Banco Estado, 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, Banco BBVA, Chile and Banco Estado, Chile.
- (7) Compliance by La Papelera del Plata SA (subsidiary in Argentina), of the loans that this company subscribed with Banco Corpbanca - Chile, Banco de Chile and Banco Santander - 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

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maintaining a minimum equity, a maximum debt level and a minimum level of financial-expense coverage. As of December 31, 2012, 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 annuals financial statements, referring to the maintenance of a minimum equity, a maximum debt level and a minimum debt coverage. As of 2011 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. As of December 31, 2012, the Company is in compliance with these covenants.

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) Forestal Mininco S.A. is involved in arbitration proceedings for damages of around ThUS\$ 3,350. The proceeding is currently on probation period.
- (2) Forestal Mininco S.A. was sued severally in a labor case for damages, before the Third Labor Court of Temuco for an amount of around ThUS\$ 400. The proceeding is currently in probation period.
- (3) Forestal Mininco S.A. has been part of various lawsuits, mainly with sharecroppers and farmers about borders and other related concepts. According to the opinion of our lawyers, the Company will have a favorable result.
- (4) There is a lawsuit against CMPC Maderas S.A. for contractual liability damages for an amount of about ThUS\$ 630 which is on probation stage. Our lawyers believe the Company will have a favorable result.
- (5) CMPC Maderas S.A. is sued for damages of approximately ThUS\$ 120, at the discussion stage at the Civil Court of Coronel. The proceeding is currently on probation period.
- (6) Forestal Mininco S.A. is party to a legal action for compensation for damages in the First Civil Court of Concepcion for an amount of ThUS\$ 730. The proceeding is in the provision of evidence stage.
- (7) CMPC Celulosa S.A. is facing a lawsuit for a claim over a tax assessment of ThUS\$ 6,803 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°1,767-3) 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 is expected to be revoked or annulled.

- (8) In the Lawsuit that CMPC Celulosa SA maintained against the Central Bank (the first lawsuit was filed in May 1995), 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. On May 31, 2012, after the order to execute had been decreed and the enforcement of the judgment certified, CMPC Celulosa S.A. petitioned the court of the first instance to order repayment of the loan by law, which petition was notified to the other party. The decision is pending.
- (9) CMPC Celulosa S.A. is part of a legal action for damages for an amount of around ThUS\$ 4,300, brought before the Collipulli Civil Court. The case is in the discussion stage.
- (10) On March 24, 2010 the court of first instance of Angol declared the bankruptcy of the companies Sociedad Bosques Santa Elena S.A. and Sociedad Forestal, Transporte y Constructora Santa Elena Ltda. In 2007, the subsidiary CMPC Celulosa S.A. 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.
- (11) CMPC Celulosa S.A. is party to a legal action for compensation for damages in the Court of the First Instance of Nacimiento, for about ThS\$ 345. The proceeding is in the discussion stage.
- (12) CMPC Celulosa S.A. is party to a labor proceeding in the Court of the First Instance of Nacimiento, for about US\$ 212. It is in its provision of evidence stage.
- (13) Papeles Cordillera S.A. is party to a civil suit filed with the Civil Court of Puente Alto, for about US\$ 119. It is in the discussion stage.
- (14) In May 2006, the subsidiary Inversiones Protisa S.A. received a tax assessment amounting to ThUS\$ 43,468 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.

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- (15) As of December 31, 2012, the subsidiary Forestal Bosques del Plata S.A., Argentina, has labor and civil lawsuits before various Argentine courts, whose amount is ThUS\$ 121.
- (16) The subsidiary La Papelera del Plata S.A., Argentina, has labor and civil lawsuits before various Argentine courts, whose amount is ThUS\$ 4,298.
- (17) As of December 31, 2012, the subsidiary Fabi Bolsas Industriales S.A., Argentina, faces labor lawsuits amounting to ThUS\$ 72. In our lawyers' opinion, the result should be favorable to the company.
- (18) The subsidiary CMPC Riograndense Ltda. faces labor and civil lawsuits which are being dealt with administratively and judicially. The company maintains payments into the courts amounting to ThUS\$ 64.

Considering the opinion of Company's counsel, CMPC has made provisions in the period 2012 for an amount of ThUS\$ 9,657 to cover any disbursements that could cause these contingencies.

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\$ 41,053, of which ThUS\$ 14,616 has been already paid into a judicial account, whose net balance of ThUS\$ 26,437 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 recognized in Other non-financial assets, non-current, amounting to ThUS\$ 28,939 as of December 31, 2012 (ThUS\$ 31,654 as of December 31, 2011), 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\$ 127,767 as of December 31, 2012 (ThUS\$ 116,243 as of December 31, 2011). 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\$ 788,556.

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. Parent Company CMPC will continue to support the development and operation of all its business abroad, committing the resources necessary to carry out the activities of its subsidiaries.

26. PROVISIONS FOR EMPLOYEE BENEFIT

The provisions for employee benefit are as follows:

| ITEM | 12/31/2012 | | 12/31/2011 | |
|-----------------------------|----------------|--------------------|----------------|--------------------|
| | CURRENT THUS\$ | NON-CURRENT THUS\$ | CURRENT THUS\$ | NON-CURRENT THUS\$ |
| Severance indemnities | 3,184 | 77,212 | 2,100 | 67,321 |
| Medical assistance benefits | 1,299 | 8,847 | 1,505 | 16,093 |
| Staff vacation | 31,152 | - | 28,620 | - |
| Other benefits | 11,839 | - | 13,178 | - |
| TOTAL | 47,474 | 86,059 | 45,403 | 83,414 |

26.1 DATA AND MOVEMENTS

A) SEVERANCE PAYMENTS

The amounts charged to profit or loss relating to severance payments during period 2012 and 2011, as described in Note 2.19, are the following:

| ITEM | YEAR | |
|---------------------------------------|---------------|---------------|
| | 2012 THUS\$ | 2011 THUS\$ |
| Cost of services for the current year | 1.998 | 1.400 |
| Cost of opening balance | 12.880 | 9.911 |
| Effect of any settlement | 1.975 | 5.051 |
| CLOSING BALANCE | 16.853 | 16.362 |

The balance of severance indemnities is recognized in provisions for employee benefits in current and non-current liabilities according to the probability of payment before or after 12 months from the date of the Company's statement of financial position.

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The movement in this liability in each period was as follows:

| ITEM | 12/31/2012 THUS\$ | 12/31/2011 THUS\$ |
|--|----------------------|----------------------|
| Opening balance | 69,421 | 72,146 |
| Cost of services for the current period | 1,998 | 1,400 |
| Cost of opening balance | 12,880 | 9,911 |
| Severance indemnities paid during the period | (8,147) | (7,284) |
| Exchange difference adjustment | 4,244 | (6,752) |
| CLOSING BALANCE | 80,396 | 69,421 |
| CURRENT LIABILITIES BALANCE | 3,184 | 2,100 |
| NON-CURRENT LIABILITIES BALANCE | 77,212 | 67,321 |

The main assumptions 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 31, 2012 were 3%, the same as of December 31, 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 recognized in profit or loss.

A wage growth rate and demographic assumptions for all employees 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) EMPLOYEES 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:

| ITEM | FOR THE TWELVE-MONTH PERIOD ENDED DECEMBER 31, | |
|---|---|----------------|
| | 2012 THUS\$ | 2011 THUS\$ |
| Wages & salaries | 348,503 | 333,294 |
| Social security contribution | 43,740 | 42,630 |
| Short-term employee benefits (annual and similar bonuses) | 77,766 | 73,499 |
| Post-employment benefits, defined benefit plans | 2,596 | 1,591 |
| Termination benefits (severance indemnities) | 16,853 | 16,362 |
| Other employee expenses | 34,312 | 31,844 |
| TOTAL AMOUNT RECORDED AS AN EXPENSE | 523,770 | 499,220 |

27. OTHER NON-FINANCIAL LIABILITIES

| | 12/31/2012 THUS\$ | 12/31/2011 THUS\$ |
|---|----------------------|----------------------|
| CURRENT | | |
| Dividends provisioned according to policy and pending payment | 25,661 | 57,856 |
| Customer payments in advance | 3,633 | 2,898 |
| Deferred income | 11,219 | 7,396 |
| Other | 1,145 | 1,044 |
| TOTAL | 41,658 | 69,194 |
| NON-CURRENT | | |
| Other | 3,717 | 2,459 |
| TOTAL | 3,717 | 2,459 |

28. ISSUED CAPITAL

The issued capital of Empresas CMPC S.A. is ThUS\$ 746,027 divided into 2,219,397,052 registered, no par value shares of equal value, all fully subscribed and paid in.

In accordance with the agreements reached at the Extraordinary Shareholders' Meeting of April 29, 2011 with regard to the takeover of Inforsa by CMPC, the capital of Empresas CMPC S.A. experienced the following movements:

- Increase in the number of shares of Empresas CMPC S.A. from its previous 220 million shares to 2,200 million shares by exchanging one old share for every 10 new shares.
- Capitalization of the premiums of ThUS\$ 13,620 and increase in capital of ThUS\$ 55,446.97 equivalent to 26,773,533 new cash shares, increasing from ThUS\$ 692,358 to ThUS\$ 761,425.

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- c) Purchase of 7,376,481 of its own shares (44,730 shares of Empresas CMPC S.A. and 109,976,258 shares of Inforsa equivalent to 7,331,751 new shares of Empresas CMPC S.A.) pursuant to the takeover of Inforsa by CMPC.
- d) Decrease in capital as a matter of course valued at ThUS\$ 15,398 represented by 7,376,481 shares, originated through the repurchased shares and reported to the Superintendency of Securities and Insurance on July 23, 2012.

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 was approved a stock split 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.) pursuant to the Inforsa - CMPC merger process, and that on July 23, 2012, the Superintendency of Securities and Insurance was informed of the decrease in capital as a matter of course resulting from these repurchased shares, the capital was valued at ThUS\$ 746,027 represented by 2,219,397,052 subscribed and paid in 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.

29. RETAINED EARNINGS

Retained earnings as of December 31, 2012 as compared to December 31, 2011, increased by the profit (loss) for the year 2012 and was reduced by the dividends provisioned as part of the dividend policy and dividends paid to complement the final dividend, as follows:

| | 12/31/2012 THUS\$ | 12/31/2011 THUS\$ |
|--|----------------------|----------------------|
| Retained earnings (cumulative losses) as of January 1 | 6,929,432 | 6,685,585 |
| (Decrease) increase for corrections of error of functional currency (Note 5) | - | 25,756 |
| Profit for the period | 201,746 | 390,925 |
| Mandatory dividend provision | (92,913) | (164,690) |
| Complement paid dividend | - | (8,144) |
| Other changes | 283 | - |
| RETAINED EARNINGS (CUMULATIVE LOSSES) | 7,038,548 | 6,929,432 |

As required by Circular No. 1,945 of September 29, 2009 issued by the SVS, the IFRS first-adoption adjustments recognized as a credit to retained earnings (losses) are considered unrealized for dividend distribution purposes are shown below:

| ITEMS | | 2010 | | 2011 | | 2012 | |
|-----------------------------|-----|---|--------------------------------------|---|--------------------------------------|---|--|
| | | UNREALIZED BALANCE AS OF DECEMBER 31, 2010 THUS\$ | AMOUNT REALIZED 2011 THUS\$ | UNREALIZED BALANCE AS OF DECEMBER 31, 2011 THUS\$ | AMOUNT REALIZED 2012 THUS\$ | UNREALIZED BALANCE AS OF DECEMBER 31, 2012 THUS\$ | |
| Property, plant & equipment | (1) | 950,089 | (39,233) | 910,856 | (39,233) | 871,623 | |
| Severance indemnities | (2) | 6,935 | (803) | 6,132 | (803) | 5,329 | |
| Deferred taxes | (3) | (251,023) | 10,366 | (240,657) | 10,366 | (230,291) | |
| Investments in associates | (4) | (1,524) | 1,524 | - | - | - | |
| TOTAL | | 704,477 | (28,146) | 676,331 | (29,670) | 646,661 | |

- (1) Property, plant and 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 recognized 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 recognition of the equity differences of associates when applying the equity 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.

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The retained earnings available for distribution as dividends, subject to the established dividend policy, are the following:

| | 12/31/2012 THUS\$ | 12/31/2011 THUS\$ |
|--|----------------------|----------------------|
| Retained earnings at the period-end | 7,038,548 | 6,929,432 |
| Adjustment for first-time application of IFRS pending realization | (646,661) | (676,331) |
| Revaluation of biological assets, net of deferred taxes, pending realization | (1,673,337) | (1,690,971) |
| RETAINED EARNINGS AVAILABLE FOR DISTRIBUTION AS DIVIDENDS | 4,718,550 | 4,562,130 |

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, it also includes exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur.

The purpose of this reserve is to prevent the effects on profit and loss of the changes in the exchange rate affecting the equity of the subsidiaries with a functional currency other than the US dollar.

The equity movements were as follows:

| | 12/31/2012 THUS\$ |
|--|----------------------|
| Balance of foreign exchange difference reserve at January 1, 2011 | 66,067 |
| Decrease due to corrections of error of functional currency (Note 5) | (58,186) |
| less: Net adjustments for changes in 2011 | (104,776) |
| Balance as of december 31, 2011 | (96,895) |
| less: Net movements adjustments for changes in 2012 | 16,836 |
| BALANCE AS OF DECEMBER 31, 2012 | (80,059) |

The following shows the composition of the change in equity by company originating them:

| ENTITIES | COUNTRY | FUNCTIONAL CURRENCY | FOR THE YEAR ENDED AS OF DECEMBER 31, 2012 | | | FOR THE YEAR ENDED AS OF DECEMBER 31, 2011 | | |
|------------------------------------|-----------|---------------------|--|--|---|--|--|---|
| | | | ADJUSTMENT TO EQUITY THUS\$ | EXCHANGE DIFFERENCES LONG-TERM ACCOUNTS THUS\$ | TOTAL FOREIGN EXCHANGE DIFFERENCE RESERVES THUS\$ | ADJUSTMENT TO EQUITY THUS\$ | EXCHANGE DIFFERENCES LONG-TERM ACCOUNTS THUS\$ | TOTAL FOREIGN EXCHANGE DIFFERENCE RESERVES THUS\$ |
| CMPC Tissue S.A. | Chile | CLP | 37,871 | 28,399 | 66,270 | (78,961) | (25,427) | (104,388) |
| Melhoramentos Papéis Ltda. | Brazil | BRL | (11,778) | (14,287) | (26,065) | (1,406) | (21,152) | (22,558) |
| Ipusa S.A. | Uruguay | UYU | (156) | 130 | (26) | 2,126 | (227) | 1,899 |
| CMPC Inversiones de Argentina S.A. | Argentina | ARS | (21,886) | - | (21,886) | 20,508 | - | 20,508 |
| Bicecorp S.A. | Chile | CLP | (2,234) | - | (2,234) | (3,122) | - | (3,122) |
| Others | | | 609 | 168 | 777 | 2,885 | - | 2,885 |
| TOTAL | | | 2,426 | 14,410 | 16,836 | (57,970) | (46,806) | (104,776) |

Reserve of cash flow hedges: (reserve of ThUS\$ 2,398 as of December 31, 2012, and ThUS\$ 11,750 as of December 31, 2011). The reserve of cash flow hedges arises from the application of the hedge accounting with certain financial assets.

This reserve is recycled to profit or loss on the expiry of the contracts or when the operation ceases to qualify for hedge accounting, whichever occurs first.

The purpose of this reserve is to affect profit and loss only when the hedges are settled.

The variation with respect to the balance as of December 31, 2011 corresponds to the changes observed in the fair value of the financial instruments used.

Other miscellaneous reserves: (reserve of ThUS\$ 273,398 as of December 31, 2012, and ThUS\$ 278,382 as of December 31, 2011). 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 recognized 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 balance of these reserves is allocated to future capitalizations.

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31. EARNINGS PER SHARE AND NET PROFIT DISTRIBUTABLE

31.1 EARNINGS PER SHARE

| | US\$/SHARE |
|---------------------------------|------------|
| Earnings per share in 2012 (*) | 0.0909 |
| Earnings per share in 2011 (**) | 0.1774 |

(*) Determined considering the 2,219,397,052 shares in circulation.

(**) Determined taking into account the 2,200,000,000 shares issued less the weighted average of the shares repurchased in the year, equivalent to 14,910 shares, plus the weighted average of the shares of the capital increase mentioned in Notes 1 and 28.

31.2 DISTRIBUTABLE EARNINGS

The dividend policy consists of the distribution of a dividend of 40% of distributable earnings for the period, 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% of the distributable earnings.

As stated in SVS Circular No.1,945 dated September 29, 2009, the board at its meeting held on November 26, 2009 and meeting held on November 8, 2012, 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 18,046. 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 period 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 period:

- 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 stemming from unrealized profit or loss arising from the application of fair value to the forestry plantations. These effects arise mainly from changes in the fair value, change in the income tax rate and other concepts.

DISTRIBUTABLE EARNINGS:

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 ownership of the controller:

| | FOR THE YEAR ENDED AS OF DECEMBER 31, 2012 THUS\$ | FOR THE YEAR ENDED AS OF DECEMBER 31, 2011 THUS\$ |
|---|---|---|
| Earnings attributable to majority interest (*) | 201,746 | 492,126 |
| Variation in the fair value of forest plantations | (36,786) | (110,355) |
| Deferred taxes associated to the fair value of forest plantations | 10,779 | 29,955 |
| Increased tax loss by increasing of the deferred income tax liability from the increase from 17% to 20% the rate of income tax in Chile, published at the current tax reform from 2012, by the revaluation of biological assets at fair value | 56,543 | - |
| NET PROFIT DISTRIBUTABLE | 232,282 | 411,726 |
| APPLICATION OF DIVIDEND POLICY (40%) | 92,913 | 164,690 |
| EARNING PER SHARE (US\$/ CURRENT SHARES) | 0.0419 | 0.0742 |

(*) Earning as os December 31, 2011 does not include functional currency adjustments performed in Brazilian Subsidiaries (See note 5).

The following is the determination of the distributable earnings as of December 31, 2011 incorporating the corrections of error as discussed in note 5:

| | 12/31/2011 THUS\$ |
|---|----------------------|
| Earnings attributable to majority interest | 390,925 |
| Variation in the fair value of forest plantations | (38,964) |
| Deferred taxes associated to the fair value of forest plantations | 5,682 |
| NET PROFIT DISTRIBUTABLE | 357,643 |
| APPLICATION OF DIVIDEND POLICY (40%) | 143,057 |
| EARNING PER SHARE (US\$/ CURRENT SHARES) | 0.0645 |

According to IFRS, dividends agreed to in the respective policy (40% of net profits in 2012 and 2011) are recorded according to the accrued amount of the profit.

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During the year ended as of December 31, 2012 and 2011 the dividends paid were the following:

| N° DIVIDEND | US\$ PER SHARE (1) | CLP PER SHARE | PAYMENT DATE |
|-------------------|--------------------|---------------|--------------------|
| Final N°251 | 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 |
| Final N°254 | 0.0247 | 12 | May 10, 2012 |
| Interim N°255 | 0.0168 | 8 | September 13, 2012 |
| Interim N°256 | 0.0148 | 7 | December 27, 2012 |

(1) For the translation of final dividends into Chilean pesos (CLP) the exchange rate used is the date of shareholders meeting and for interim dividends it is used for the translation to Chilean pesos (CLP) the closing date of the corresponding shareholders register .

(2) From dividend No. 253, the number of issued shares is 2,219,397,052 (see Note 28).

The following were therefore the total amounts agreed payable at the end of each period:

| ITEMS | 12/31/2012 THUS\$ | 12/31/2011 THUS\$ |
|--|----------------------|----------------------|
| Dividends paid to holders of ordinary shares, gross | 124,952 | 205,067 |
| Tax on ordinary share dividends | - | - |
| DIVIDENDS PAID TO HOLDERS OF ORDINARY SHARES, NET | 124,952 | 205,067 |

32. REVENUE

Revenue for the years ended December 31, 2012 is detailed as follows:

| ITEMS | FOR THE YEAR ENDED DECEMBER 31, | |
|---|---------------------------------|------------------|
| | 2012 THUS\$ | 2011 THUS\$ |
| Internal market revenue | 1,205,475 | 1,165,954 |
| Export revenue | 1,849,257 | 1,997,519 |
| Export revenue, foreign subsidiaries | 236,801 | 282,969 |
| Internal market revenue, foreign subsidiaries | 1,460,353 | 1,331,839 |
| Other ordinary revenue | 7,434 | 8,134 |
| TOTAL | 4,759,320 | 4,786,415 |

33. OTHER GAINS (LOSSES)

Other gain (losses) are the following:

| ITEMS | FOR THE YEAR ENDED DECEMBER 31, | |
|--|---------------------------------|-----------------|
| | 2012 THUS\$ | 2011 THUS\$ |
| Effect (net) from physical damages due to earthquake | - | 3,332 |
| Profit for sales of Non current Assets | 8,259 | (1,191) |
| Effect (net) from forest and other losses | (3,541) | 2,203 |
| Profit (loss) on operations with financial derivatives | (27,538) | (2,249) |
| Provision for lawsuits and contingencies | (9,567) | (26,088) |
| Discount advance payment of tax agreement in Brazil | 11,902 | - |
| Valuation adjustment diaper machine in Colombia | - | (2,361) |
| Incomes by saving electrical energy | 9,204 | - |
| Other | (3,820) | (6,343) |
| TOTAL | (15,101) | (32,697) |

34. FINANCE COSTS

Financial costs for the period ended as of December 31, 2012 and 2011 were as follows:

| ITEMS | FOR THE YEAR ENDED DECEMBER 31, | |
|------------------------|---------------------------------|----------------|
| | 2012 THUS\$ | 2011 THUS\$ |
| Bank loan interest | 171,865 | 159,614 |
| Finance lease interest | 3,366 | 3,304 |
| TOTAL | 175,231 | 162,918 |

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35. FOREIGN EXCHANGE DIFFERENCES

A) EXCHANGE DIFFERENCES RECOGNIZED TO RESULTS

Exchange differences generated for the period ended as of December 31, 2012 and 2011 originating from asset and liability balances in foreign currencies other than the functional currency, were credited (charged) to results for the period, as follows:

| ITEMS | FOR THE YEAR ENDED DECEMBER 31, | |
|---------------------------------|---------------------------------|----------------|
| | 2012 THUS\$ | 2011 THUS\$ |
| Assets in foreign currency | 68,855 | (68,493) |
| Liabilities in foreign currency | (106,341) | 113,079 |
| TOTAL | (37,486) | 44,586 |

The effects relating to changes in the fair values of the financial instruments, including forward contracts, options, 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 recognized 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:

| ITEMS | 12/31/2012 THUS\$ | 12/31/2011 THUS\$ |
|--|----------------------|----------------------|
| Foreign exchange differences | 37,486 | (44,586) |
| Indexation unit result | 18,129 | 20,505 |
| UNREALIZED FOREIGN EXCHANGE (PROFIT) LOSS | 55,615 | (24,081) |

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 | 12/31/2012 THUS\$ | 12/31/2011 THUS\$ |
|--|----------|----------------------|----------------------|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | CLP | 232,928 | 326,099 |
| Cash and cash equivalents | EUR | 4,329 | 17,245 |
| Cash and cash equivalents | ARS | 7,871 | 2,111 |
| Cash and cash equivalents | UYU | 116 | 32 |
| Cash and cash equivalents | PEN | 8,081 | 7,553 |
| Cash and cash equivalents | COP | 1,996 | 1,902 |
| Cash and cash equivalents | MXN | 9,837 | 1,530 |
| Cash and cash equivalents | BRL | 42,499 | 6,597 |
| Cash and cash equivalents | GBP | 2,237 | 694 |
| SUBTOTAL CASH AND CASH EQUIVALENTS | | 309,894 | 363,763 |
| Other financial assets, current | CLP | 33,611 | 149,367 |
| Other financial assets, current | CLF | 343,757 | 269,431 |
| Other financial assets, current | BRL | 822 | 237 |
| Other financial assets, current | EUR | 378 | - |
| SUBTOTAL OTHER FINANCIAL ASSETS, CURRENT | | 378,568 | 419,035 |
| Other non-financial assets, current | CLP | 25,611 | 27,050 |
| Other non-financial assets, current | ARS | 1,384 | 602 |
| Other non-financial assets, current | UYU | 610 | 342 |
| Other non-financial assets, current | PEN | 771 | 1,368 |
| Other non-financial assets, current | COP | 291 | 224 |
| Other non-financial assets, current | BRL | 2,828 | 2,256 |
| Other non-financial assets, current | MXN | 781 | 774 |
| Other non-financial assets, current | GBP | 1 | 4 |
| SUBTOTAL OTHER NON-FINANCIAL ASSETS, CURRENT | | 32,277 | 32,620 |
| Trade and other receivables, current | CLP | 254,434 | 214,955 |
| Trade and other receivables, current | EUR | 19,470 | 21,084 |
| Trade and other receivables, current | ARS | 57,007 | 57,741 |
| Trade and other receivables, current | UYU | 6,386 | 15,571 |
| Trade and other receivables, current | PEN | 26,058 | 23,818 |
| Trade and other receivables, current | COP | 31,208 | 13,944 |
| Trade and other receivables, current | MXN | 53,819 | 41,570 |
| Trade and other receivables, current | BRL | 81,350 | 81,873 |
| Trade and other receivables, current | GBP | 10,908 | 11,087 |
| SUBTOTAL TRADE AND OTHER RECEIVABLES, CURRENT | | 540,640 | 481,643 |
| Accounts receivable from related entities, current | CLP | 1,427 | 1,235 |
| SUBTOTAL ACCOUNTS RECEIVABLE FROM RELATED ENTITIES, CURRENT | | 1,427 | 1,235 |
| Inventories | CLP | 99,732 | 114,958 |
| Inventories | ARS | 80,974 | 77,428 |
| Inventories | UYU | 27,445 | 26,180 |
| Inventories | PEN | 37,215 | 34,888 |
| Inventories | COP | 25,292 | 24,576 |
| Inventories | MXN | 33,849 | 36,569 |
| Inventories | BRL | 31,378 | 31,516 |
| SUBTOTAL INVENTORIES | | 335,885 | 346,115 |
| Tax assets, current | CLP | 100,108 | 71,023 |
| Tax assets, current | ARS | 13,017 | 12,955 |
| Tax assets, current | UYU | 2,260 | 2,663 |
| Tax assets, current | PEN | 7,509 | 5,845 |
| Tax assets, current | COP | 7,049 | 4,662 |
| Tax assets, current | MXN | 15,454 | 13,850 |
| Tax assets, current | BRL | 7,635 | 24,631 |
| SUBTOTAL TAX ASSETS, CURRENT | | 153,032 | 135,629 |
| TOTAL ASSETS, CURRENT | | 1,751,723 | 1,780,040 |

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| TYPE OF ASSETS | CURRENCY | 12/31/2012 THUS\$ | 12/31/2011 THUS\$ |
|---|----------|----------------------|----------------------|
| NON-CURRENT ASSETS | | | |
| Other financial assets, non-current | BRL | 298,508 | - |
| SUBTOTAL OTHER FINANCIAL ASSETS, NON-CURRENT | | 298,508 | - |
| Other non-financial assets, non-current | CLP | 1,333 | 14,155 |
| Other non-financial assets, non-current | BRL | 28,938 | 31,564 |
| Other non-financial assets, non-current | PEN | 38 | - |
| Other non-financial assets, non-current | MXN | 1 | - |
| SUBTOTAL OTHER NON-FINANCIAL ASSETS, NON-CURRENT | | 30,310 | 45,719 |
| Rights receivable, non-current | BRL | 28,892 | 37,306 |
| Rights receivable, non-current | CLP | 101 | 332 |
| Rights receivable, non-current | ARS | 485 | - |
| SUBTOTAL RIGHTS RECEIVABLE, NON-CURRENT | | 29,478 | 37,638 |
| Investments accounted for using equity method | CLP | 93,853 | 77,027 |
| SUBTOTAL INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD | | 93,853 | 77,027 |
| Intangible assets | CLP | 1,992 | 1,323 |
| Intangible assets | BRL | 1,133 | 953 |
| Intangible assets | MXN | 1,261 | 958 |
| Intangible assets | ARS | 46 | - |
| Intangible assets | UYU | 641 | 917 |
| SUBTOTAL INTANGIBLE ASSETS | | 5,073 | 4,151 |
| Goodwill | ARS | 11,964 | 13,671 |
| Goodwill | MXN | 721 | 671 |
| Goodwill | BRL | 58,378 | 63,602 |
| SUBTOTAL GOODWILL | | 71,063 | 77,944 |
| Property, plant & equipment | CLP | 234,114 | 175,198 |
| Property, plant & equipment | ARS | 110,625 | 127,955 |
| Property, plant & equipment | UYU | 50,692 | 49,329 |
| Property, plant & equipment | PEN | 110,039 | 104,895 |
| Property, plant & equipment | COP | 103,500 | 93,556 |
| Property, plant & equipment | MXN | 150,591 | 143,045 |
| Property, plant & equipment | BRL | 269,447 | 277,494 |
| SUBTOTAL PROPERTY, PLANT & EQUIPMENT | | 1,029,008 | 971,472 |
| Current tax assets, non-current | ARS | 6,366 | 4,417 |
| Current tax assets, non-current | BRL | 4,638 | 6,475 |
| SUBTOTAL CURRENT TAX ASSETS, NON-CURRENT | | 11,004 | 10,892 |
| Deferred tax assets | CLP | 87,658 | 64,521 |
| Deferred tax assets | ARS | 3,940 | 3,498 |
| Deferred tax assets | UYU | 698 | 56 |
| Deferred tax assets | PEN | 153 | 194 |
| Deferred tax assets | COP | 16,753 | 17,680 |
| Deferred tax assets | MXN | 10,913 | 6,067 |
| Deferred tax assets | BRL | 85,274 | 58,578 |
| SUBTOTAL DEFERRED TAX ASSETS | | 205,389 | 150,594 |
| TOTAL ASSETS, NON-CURRENT | | 1,773,686 | 1,375,437 |

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, 2012 | | | DECEMBER 31, 2011 | | |
|---|----------|----------------------|-----------------------------|----------------|----------------------|-----------------------------|----------------|
| | | 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 | 900 | 8,659 | 9,559 | 121 | - | 121 |
| Other financial liabilities, current | CLF | 17,644 | 18,086 | 35,730 | 15,917 | 15,849 | 31,766 |
| Other financial liabilities, current | EUR | 34 | 1,595 | 1,629 | - | - | - |
| Other financial liabilities, current | ARS | 12,434 | 4,531 | 16,965 | 22,799 | 5,719 | 28,518 |
| Other financial liabilities, current | COP | 4,658 | - | 4,658 | 11,477 | - | 11,477 |
| Other financial liabilities, current | UYU | 15,238 | - | 15,238 | 14,684 | - | 14,684 |
| Other financial liabilities, current | PEN | 3,185 | 7,462 | 10,647 | 1,557 | 14,410 | 15,967 |
| Other financial liabilities, current | BRL | 11,468 | - | 11,468 | 91 | - | 91 |
| SUBTOTAL OTHER FINANCIAL LIABILITIES, CURRENT | | 65,561 | 40,333 | 105,894 | 66,646 | 35,978 | 102,624 |
| Trade and other payables | CLP | 307,853 | 2,911 | 310,764 | 222,569 | 2,825 | 225,394 |
| Trade and other payables | CLF | 2,347 | - | 2,347 | 1,715 | - | 1,715 |
| Trade and other payables | EUR | 25,746 | - | 25,746 | 5,868 | 1,011 | 6,879 |
| Trade and other payables | ARS | 40,381 | 166 | 40,547 | 42,648 | 252 | 42,900 |
| Trade and other payables | COP | 45,952 | 399 | 46,351 | 11,776 | 969 | 12,745 |
| Trade and other payables | UYU | 5,178 | 304 | 5,482 | 12,245 | 715 | 12,960 |
| Trade and other payables | PEN | 21,654 | 525 | 22,179 | 15,013 | 1,289 | 16,302 |
| Trade and other payables | MXN | 40,508 | 2,227 | 42,735 | 34,323 | 446 | 34,769 |
| Trade and other payables | BRL | 32,462 | 30,474 | 62,936 | 43,357 | 22,161 | 65,518 |
| Trade and other payables | GBP | 50 | - | 50 | 19 | - | 19 |
| Trade and other payables | SEK | 263 | - | 263 | 19 | - | 19 |
| SUBTOTAL TRADE AND OTHER PAYABLES | | 522,394 | 37,006 | 559,400 | 389,552 | 29,668 | 419,220 |
| Accounts payable to related entities, current | CLP | 6,058 | - | 6,058 | 4,969 | - | 4,969 |
| SUBTOTAL ACCOUNTS PAYABLE TO RELATED ENTITIES, CURRENT | | 6,058 | - | 6,058 | 4,969 | - | 4,969 |
| Provisions | CLP | - | 116 | 116 | - | 20 | 20 |
| Provisions | ARS | - | 4,510 | 4,510 | - | 1,848 | 1,848 |
| Provisions | BRL | - | 28 | 28 | - | - | - |
| SUBTOTAL PROVISIONS | | - | 4,654 | 4,654 | - | 1,868 | 1,868 |
| Tax liabilities, current | CLP | - | 10,172 | 10,172 | - | 21,009 | 21,009 |
| Tax liabilities, current | ARS | - | 7,666 | 7,666 | - | 2,540 | 2,540 |
| Tax liabilities, current | UYU | - | 39 | 39 | - | - | - |
| Tax liabilities, current | PEN | - | 3,487 | 3,487 | - | 1,868 | 1,868 |
| Tax liabilities, current | COP | - | 988 | 988 | - | - | - |
| Tax liabilities, current | MXN | - | 64 | 64 | - | 2,514 | 2,514 |
| SUBTOTAL TAX LIABILITIES, CURRENT | | - | 22,416 | 22,416 | - | 27,931 | 27,931 |
| Employee benefit provision, current | CLP | - | 31,717 | 31,717 | - | 29,732 | 29,732 |
| Employee benefit provision, current | ARS | - | 3,123 | 3,123 | - | 1,484 | 1,484 |
| Employee benefit provision, current | PEN | - | 380 | 380 | - | 554 | 554 |
| Employee benefit provision, current | BRL | - | 11,021 | 11,021 | - | 13,431 | 13,431 |
| Employee benefit provision, current | MXN | - | 58 | 58 | - | 72 | 72 |
| Employee benefit provision, current | UYU | - | 1,703 | 1,703 | - | 664 | 664 |
| Employee benefit provision, current | COP | - | 77 | 77 | - | 34 | 34 |
| SUBTOTAL EMPLOYEE BENEFIT PROVISIONS, CURRENT | | - | 48,079 | 48,079 | - | 45,971 | 45,971 |
| Other financial liabilities, current | CLP | - | 2,681 | 2,681 | - | 2,599 | 2,599 |
| Other financial liabilities, current | PEN | - | 70 | 70 | - | - | - |
| Other financial liabilities, current | ARS | - | 493 | 493 | - | - | - |
| Other financial liabilities, current | BRL | - | 30 | 30 | - | - | - |
| SUBTOTAL OTHER NON FINANCIAL LIABILITIES, CURRENT | | - | 3,274 | 3,274 | - | 2,599 | 2,599 |
| TOTAL LIABILITIES, CURRENT | | 594,013 | 155,762 | 749,775 | 461,167 | 144,015 | 605,182 |

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| TYPE OF LIABILITIES | CURRENCY | DECEMBER 31, 2012 | | | | DECEMBER 31, 2011 | | | |
|--|----------|---------------------------------------|--|--------------------------|------------------|---------------------------------------|--|--------------------------|------------------|
| | | 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 | 535,518 | 44,172 | 775,819 | 1,355,509 | 190,361 | 344,462 | 719,946 | 1,254,769 |
| Other financial liabilities, non-current | ARS | 8,331 | - | - | 8,331 | 8,392 | - | - | 8,392 |
| Other financial liabilities, non-current | PEN | 9,831 | 18,286 | - | 28,117 | 3,985 | 47,220 | - | 51,205 |
| Other financial liabilities, non-current | BRL | - | - | 90,984 | 90,984 | - | - | 40,817 | 40,817 |
| SUBTOTAL OTHER FINANCIAL LIABILITIES, NON-CURRENT | | 553,680 | 62,458 | 866,803 | 1,482,941 | 202,738 | 391,682 | 760,763 | 1,355,183 |
| Provisions | BRL | 26,437 | - | - | 26,437 | 29,464 | - | - | 29,464 |
| SUBTOTAL PROVISIONS | | 26,437 | - | - | 26,437 | 29,464 | - | - | 29,464 |
| Deferred tax liabilities | CLP | 20,470 | - | 866,456 | 886,926 | 24,319 | - | 789,874 | 814,193 |
| Deferred tax liabilities | ARS | 68 | - | 59,384 | 59,452 | 2,295 | - | 75,587 | 77,882 |
| Deferred tax liabilities | UYU | 45 | - | - | 45 | - | - | 212 | 212 |
| Deferred tax liabilities | COP | - | - | 2,083 | 2,083 | - | - | 326 | 326 |
| Deferred tax liabilities | PEN | 1 | - | 9,118 | 9,119 | - | - | 8,252 | 8,252 |
| Deferred tax liabilities | MXN | 1,830 | - | 2,159 | 3,989 | 84 | - | 2,165 | 2,249 |
| Deferred tax liabilities | BRL | 7,179 | - | 138,605 | 145,784 | - | - | 99,139 | 99,139 |
| SUBTOTAL DEFERRED TAX LIABILITIES | | 29,593 | - | 1,077,805 | 1,107,398 | 26,698 | - | 975,555 | 1,002,253 |
| Current tax liabilities, non-current | ARS | - | - | 902 | 902 | - | - | - | - |
| Current tax liabilities, non-current | BRL | - | - | 21,663 | 21,663 | - | - | 113,414 | 113,414 |
| SUBTOTAL CURRENT TAX LIABILITIES, NON-CURRENT | | - | - | 22,565 | 22,565 | - | - | 113,414 | 113,414 |
| Employee benefit provisions, non-current | CLP | 9,379 | 9,379 | 75,033 | 93,791 | 8,221 | 8,221 | 65,764 | 82,206 |
| Employee benefit provisions, non-current | UYU | 261 | - | - | 261 | 337 | - | - | 337 |
| Employee benefit provisions, non-current | MXN | 291 | - | - | 291 | 105 | - | - | 105 |
| Employee benefit provisions, non-current | BRL | 1,921 | 1,921 | 15,364 | 19,206 | 3,526 | 3,526 | 28,209 | 35,261 |
| Employee benefit provisions, non-current | ARS | - | - | - | - | 32 | - | - | 32 |
| SUBTOTAL EMPLOYEE BENEFIT PROVISIONS, NON-CURRENT | | 11,852 | 11,300 | 90,397 | 113,549 | 12,221 | 11,747 | 93,973 | 117,941 |
| Other non-financial liabilities, non-current | PEN | - | - | - | - | - | 72 | - | 72 |
| Other non-financial liabilities, non-current | CLP | - | - | - | - | - | 2,285 | - | 2,285 |
| Other non-financial liabilities, non-current | BRL | 445 | - | - | 445 | - | 102 | - | 102 |
| SUBTOTAL OTHER NON-FINANCIAL LIABILITIES, NON-CURRENT | | 445 | - | - | 445 | - | 2,459 | - | 2,459 |
| TOTAL LIABILITIES, NON-CURRENT | | 622,007 | 73,758 | 2,057,570 | 2,753,335 | 271,121 | 405,888 | 1,943,705 | 2,620,714 |

36. INCOME TAX EXPENSE

As of December 31, 2012 and 2011, the Taxed Earnings Fund of Empresas CMPC S.A. shows the following balances, classified according to the respective tax credits:

| | 12/31/2012 THUS\$ | 12/31/2011 THUS\$ |
|---|----------------------|----------------------|
| Profits subject to taxes (Accumulated taxable profits book): | | |
| Profits with 20% credit | 26,967 | 25,217 |
| Profits with 17% credit | 129,723 | 148,734 |
| Profits with 16.5% credit | 2,285 | 23,200 |
| Profits with 16% credit | - | 15,592 |
| Profits with 15% credit | 64 | 26,528 |
| Profits with other credit | 14 | 338 |
| Profits without credit | 57,489 | 73,508 |
| TOTAL ACCUMULATED TAXABLE PROFITS BOOK | 216,542 | 313,117 |
| Profits exempted from taxes (Accumulated non-taxable profits book): | | |
| Profits from income not subject to income tax | 340,187 | 298,430 |
| TOTAL ACCUMULATED NON-TAXABLE PROFITS BOOK | 340,187 | 298,430 |

As of December 31, 2012 and 2011 the (charge) credit for income tax and deferred taxes is as follows:

| | FOR THE YEAR ENDED DECEMBER 31, | |
|---|---------------------------------|------------------|
| | 2012 THUS\$ | 2011 THUS\$ |
| (Charge) credit on income tax, current | | |
| Current tax | (65,911) | (108,535) |
| Tax refund due to accumulated tax losses | 3,534 | 651 |
| Adjustment prior year and other taxes | (924) | (896) |
| TOTAL CURRENT TAX | (63,301) | (108,780) |
| (CHARGE) CREDIT ON DEFERRED TAXES | | |
| (Charge) credit on deferred tax for creation and review of temporary differences (includes effect on foreign exchange difference) | 52,676 | (67,134) |
| Deferred taxes effect due to Tax Reform (See Note 21) | (117,199) | - |
| TOTAL DEFERRED TAX | (64,523) | (67,134) |
| (CHARGE) CREDIT ON INCOME TAX | (127,824) | (175,914) |

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As of December 31, 2012 and 2011 the (charge) credit for income and deferred taxes from foreign and domestic jurisdictions, is as follows:

| DOMESTIC AND FOREIGN (CHARGE) CREDIT | FOR THE YEAR ENDED DECEMBER 31, | |
|--------------------------------------|---------------------------------|------------------|
| | 2012 THUS\$ | 2011 THUS\$ |
| Foreign current tax | (18,925) | (8,048) |
| Domestic current tax | (44,376) | (100,732) |
| TOTAL CURRENT TAX | (63,301) | (108,780) |
| Foreign deferred tax | (16,219) | (2,370) |
| Domestic deferred tax | (48,304) | (64,764) |
| TOTAL DEFERRED TAX | (64,523) | (67,134) |
| INCOME TAX (CHARGE) CREDIT | (127,824) | (175,914) |

The reconciliation of the tax charge using the legal rate and tax charge using the effective rate as of December 31, is as follows:

| | FOR THE YEAR ENDED DECEMBER 31, | |
|---|---------------------------------|------------------|
| | 2012 THUS\$ | 2011 THUS\$ |
| Tax result using legal rate | (66,047) | (116,869) |
| Tax effect of rates in other jurisdictions | (29,308) | (33,278) |
| Fluctuation of changes in the translation of tax assets and liabilities | 47,941 | (49,180) |
| Previous years effects in Deferred taxes for Tax Reform | (132,664) | - |
| Legal tax increase (decrease) | 52,254 | 23,413 |
| TAX (CHARGE) CREDIT USING THE EFFECTIVE RATE | (127,824) | (175,914) |

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 recognized to results in the account (Charge) credit for income taxes (charge of ThUS\$ 47,941 credited in income as of December 31, 2012 and a charge of ThUS\$ 49,180 as of December 31, 2011), basically deriving from exchange fluctuations on the translation to dollars of the tax value of fixed assets, biological assets and tax losses.

37. EXPENSES BY FUNCTION

The following is a detail of the main operation and administrative costs and expenses of the Company for the period 2012 and 2011:

| ITEMS | FOR THE YEAR ENDED DECEMBER 31, | |
|--|---------------------------------|------------------|
| | 2012 THUS\$ | 2011 THUS\$ |
| WOOD, CHEMICALS AND ENERGY | 2,502,983 | 2,461,211 |
| Wages and salaries | 348,503 | 333,294 |
| Social security contributions | 43,740 | 42,630 |
| Other employees benefits short-term | 77,766 | 73,499 |
| Expenses for post-employment benefits, defined benefit plans | 2,596 | 1,591 |
| Expenses for severance indemnities (IAS) | 16,853 | 16,362 |
| Other employee expenses | 34,312 | 31,844 |
| SALARIES AND OTHER STAFF EXPENSES | 523,770 | 499,220 |
| Depreciation | 334,212 | 331,219 |
| Amortization | 1,248 | 840 |
| DEPRECIATION AND AMORTIZATION | 335,460 | 332,059 |
| Administratives and marketing expenses | 308,522 | 278,072 |
| Research and development | 6,186 | 4,154 |
| ADMINISTRATIVE AND MARKETING EXPENSES | 314,708 | 282,226 |
| Sales variable expenses | 556,283 | 520,943 |
| Maintenance expenses | 223,452 | 206,137 |
| Other operating variable expenses | 14,952 | 12,007 |
| OTHER EXPENSES BY NATURE | 794,687 | 739,087 |
| TOTA EXPENSES BY NATURE | 4,471,608 | 4,313,803 |

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\$ 3,400 million, of which future disbursements are estimated of US\$ 2,220 million to complete them. As of December 31, 2012 the principal flows investment committed are the following:

| APPROVED PROJECTS | MILLIONS OF US\$ |
|---|------------------|
| Guaíba Linea II Celulosa - Brazil | 2.100 |
| Enlargement of capacity, Plywood plant | 22 |
| New paper and conversion machine of Tissue in Chile | 22 |
| Building Caeiras - Brazil | 22 |
| Reform M. Papelera Caeiras - Brazil | 20 |
| Energy savings project, Maule plant | 7 |
| Road structure project, Guaíba plant | 6 |
| Increase conversion capability of Tissue roll | 6 |

The amounts are expressed at the current value of the disbursements projected for 2013 and 2015.

Committed investment flows relate to projects intended to increase the productive capacity of the industrial plants, and to maintain and improve environmental performance.

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In general, the important commitments as of the close of the period have been recognized, particularly the fixed asset investment commitments.

39. SHAREHOLDERS AND TRANSACTIONS WITH RELATED PARTIES

39.1. IDENTIFICATION OF THE PRINCIPAL SHAREHOLDERS

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, 2012.

| SHAREHOLDERS | NUMBER OF SHARES |
|--|----------------------|
| Forestal Cominco S.A. | 431,798,840 |
| Forestal Constructora y Com. del Pacifico 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 |
| Puertos y Logística 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% |
| Banco de Chile, on the account of third parties | 104,723,332 | 4.72% |
| Forestal Bureo S.A. | 88,754,760 | 4.00% |
| A.F.P. Provida S.A., on the account of pensions funds | 88,254,306 | 3.98% |
| Banco Itaú Chile S.A., on the account of foreign investors | 72,827,700 | 3.28% |
| A.F.P. Habitat S.A., on the account of pensions funds | 59,928,794 | 2.70% |
| A.F.P. Capital S.A., on the account of pensions funds | 47,350,780 | 2.13% |
| Inmobiliaria Ñague S.A. | 46,698,796 | 2.10% |
| A.F.P. Cuprum S.A., on the account of pensions funds | 44,133,110 | 1.99% |
| Coindustria Ltda. | 40,239,559 | 1.81% |
| TOTAL | 1,604,134,257 | 72.28% |

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 | 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, 2012 THUS\$ | YEAR ENDED DECEMBER 31, 2011 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 | Effects on income were: 12/2011 loss of ThUS\$ 20 |
| | | | | Investment in time deposits | Financial transaction | 3,836 | 78,240 | Effects on income were: 12/2012 profit of ThUS\$ 17; 12/2011 profit of ThUS\$ 70 |
| 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 | 730,778 | 689,968 | Effects on income were: 12/2012 profit of ThUS\$ 3,416; 12/2011 profit of ThUS\$ 2,757 |
| 96,657,900-5 | Controladora de Plagas Forestales S.A. | Associate | Chile | Services buying | Commercial transaction | 487 | 396 | Effects on income were: 12/2012 loss of ThUS\$ 487; 12/2011 loss of ThUS\$ 396 |
| 76,077,468-5 | Bioenercel S.A. | Associate | Chile | Capital contribution | Capital contribution | - | 432 | No effects on income |

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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 | 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, 2012 THUS\$ | YEAR ENDED DECEMBER 31, 2011 THUS\$ | |
| 97,053,000-2 | Banco Security | Key personnel from management of the entity or controlling party | Chile | Average balance invested in time deposits | Financial transaction | 37,507 | 5,062 | Effects on income were: 12/2012 profit of ThUS\$ 113; 12/2011 profit of ThUS\$ 14 No effects on income |
| | | | | Foreign currency buying | Financial transaction | 10,000 | 507 | |
| | | | | Foreign currency selling | Financial transaction | 25,902 | 105,488 | |
| 91,806,000-6 | Abastecedora de Combustibles S.A. | Key personnel from management of the entity or controlling party | Chile | Fuel buying | Commercial transaction | 1,794 | 1,654 | Effects on income were: 12/2012 loss of ThUS\$ 3; 12/2011 loss of ThUS\$ 66 Inventory product |
| 77,215,640-5 | Administradora de Ventas al Detalle Ltda. | Key personnel from management of the entity or controlling party | Chile | Product selling | Commercial transaction | 642 | 604 | Effects on income were: 12/2012 profit of ThUS\$ 448; 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 | 977 | 737 | Effects on income were: 12/2012 profit of ThUS\$ 405; 12/2011 profit of ThUS\$ 305 |
| Foreign | Alto Paraná S.A. | Key personnel from management of the entity or controlling party | Argentina | Product selling | Commercial transaction | 1,062 | 989 | Effects on income were: 12/2012 profit of ThUS\$ 202; 12/2011 profit of ThUS\$ 81 |
| 96,565,750-9 | Aserraderos Arauco S.A. | Key personnel from management of the entity or controlling party | Chile | Fuel buying | Commercial transaction | 15,337 | 12,859 | Inventory product No effects on income |
| | | | | Exports recovery operations | Financial transaction | 7,671 | 12,568 | |
| | | | | Payment transactions exports | Financial transaction | 22,982 | 18,902 | |
| 82,152,700-7 | Bosques Arauco S.A. | Key personnel from management of the entity or controlling party | Chile | Wood selling | Commercial transaction | - | 958 | Inventory product Effects on income were: 12/2012 profit of ThUS\$ 384; 12/2011 profit of ThUS\$ 465 |
| | | | | Wood buying | Commercial transaction | 596 | - | |
| 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 | 3,585 | 26,321 | Inventory product Inventory product |
| | | | | | Commercial transaction | | | |
| 99,513,400-4 | CGE Distribución S.A. | Key personnel from management of the entity or controlling party | Chile | Electricity buying | Commercial transaction | 14,496 | 15,468 | Effects on income were: 12/2012 loss of ThUS\$ 14,496; 12/2011 loss of ThUS\$ 15,468 Effects on income were: 12/2012 loss of ThUS\$ 337 |
| | | | | Electricity selling | Commercial transaction | 692 | - | |
| 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 | 2,790 | 2,102 | Effects on income were: 12/2012 profit of ThUS\$ 776; 12/2011 profit of ThUS\$ 782 |
| 96,505,760-9 | Colbún S.A. | Key personnel from management of the entity or controlling party | Chile | Electricity buying | Commercial transaction | 47,296 | 89,094 | Effects on income were: 12/2012 loss of ThUS\$ 47,296; 12/2011 loss of ThUS\$ 69,094 Effects on income were: 12/2012 profit of ThUS\$ 2,893 |
| | | | | Easements services | Commercial transaction | 2,893 | - | |
| 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 | 12,556 | 11,896 | Inventory product |
| 93,740,000-4 | Empresa Constructora Precon S.A. | Key personnel from management of the entity or controlling party | Chile | Warehouse construction | Commercial transaction | 2,411 | 354 | No effects on income |

(Continuation)

| TAX NO. RELATED PARTY | NAME | NATURE OF RELATIONSHIP | COUNTRY | 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, 2012 THUS\$ | YEAR ENDED DECEMBER 31, 2011 THUS\$ | |
| 92,580,000-7 | Entel S.A. | Key personnel from management of the entity or controlling party | Chile | Services buying | Commercial transaction | 2.213 | 2.276 | Effects on income were: 12/2012 loss of ThUS\$ 2,213; 12/2011 loss of ThUS\$ 2,276 |
| 96,806,980-2 | Entel PCS Telecomunicaciones S.A. | Key personnel from management of the entity or controlling party | Chile | Services buying | Commercial transaction | 1.853 | 1.670 | Effects on income were: 12/2012 loss of ThUS\$ 1,853; 12/2011 loss of ThUS\$ 1,670 |
| 96,697,410-9 | Entel Telefonía Local S.A. | Key personnel from management of the entity or controlling party | Chile | Services buying | Commercial transaction | 716 | 739 | Effects on income were: 12/2012 loss of ThUS\$ 716; 12/2011 loss of ThUS\$ 739 |
| 85,805,200-9 | Forestal Celco S.A. | Key personnel from management of the entity or controlling party | Chile | Wood selling | Commercial transaction | 2.292 | 292 | Effects on income were: 12/2012 profit of ThUS\$ 450; 12/2011 profit of ThUS\$ 41 |
| 96,772,810-1 | Iansagro S.A. | Key personnel from management of the entity or controlling party | Chile | Wood Buying | Commercial transaction | 289 | - | Inventory product |
| | | | | Product selling | Commercial transaction | 697 | 587 | Effects on income were: 12/2012 profit of ThUS\$ 390; 12/2011 profit of ThUS\$ 315 |
| 93,390,000-2 | Melón S.A. | Key personnel from management of the entity or controlling party | Chile | Product selling | Commercial transaction | - | 886 | Effects on income were: 12/2011 profit of ThUS\$ 273 |
| 96,722,460-K | Metrogas S.A. | Key personnel from management of the entity or controlling party | Chile | Gas buying | Commercial transaction | 44.558 | 45.118 | Effects on income were: 12/2012 loss of ThUS\$ 44,558; 12/2011 loss of ThUS\$ 45,118 |
| 93,628,000-5 | Molibdenos y Metales S.A. | Key personnel from management of the entity or controlling party | Chile | Product buying | Commercial transaction | 1.179 | 1.158 | Inventory product |
| 96,929,960-7 | Orizon S.A. | Key personnel from management of the entity or controlling party | Chile | Product selling | Commercial transaction | 367 | 388 | Effects on income were: 12/2012 profit of ThUS\$ 147; 12/2011 profit of ThUS\$ 154 |
| 82,777,100-7 | Puertos y Logística S.A. | Key personnel from management of the entity or controlling party | Chile | Services buying | Commercial transaction | 69 | 7.283 | Effects on income were: 12/2012 loss of ThUS\$ 69; 12/2011 loss of ThUS\$ 7,283 |
| 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 | 2.530 | 2.375 | Effects on income were: 12/2012 loss of ThUS\$ 2,530; 12/2011 loss of ThUS\$ 2,375 |
| 96,569,760-8 | Sociedad Industrial Pizarreño S.A. | Key personnel from management of the entity or controlling party | Chile | Product selling | Commercial transaction | 2.907 | 2.119 | Effects on income were: 12/2012 profit of ThUS\$ 682; 12/2011 profit of ThUS\$ 1,095 |
| 78,023,030-4 | Sofruco Alimentos Ltda. | Key personnel from management of the entity or controlling party | Chile | Product selling | Commercial transaction | 253 | 524 | Effects on income were: 12/2012 profit of ThUS\$ 90; 12/2011 profit of ThUS\$ 146 |
| 78,600,780-1 | Viña La Rosa S.A. | Key personnel from management of the entity or controlling party | Chile | Product selling | Commercial transaction | 127 | 327 | Effects on income were: 12/2012 profit of ThUS\$ 60; 12/2011 profit of ThUS\$ 327 |
| 96,959,030-1 | Puerto Lirquén S.A. | Key personnel from management of the entity or controlling party | Chile | Services buying | Commercial transaction | 9.671 | 305 | Effects on income were: 12/2012 loss of ThUS\$ 9,671; 12/2011 loss of ThUS\$ 305 |
| 96,656,110-6 | Compañía Portuaria Andalién S.A. | Key personnel from management of the entity or controlling party | Chile | Services buying | Commercial transaction | 332 | - | Effects on income were: 12/2012 loss of ThUS\$ 332 |

For disclosure purposes, all those transactions whose annual totals exceed ThUS\$ 300 have been considered as significant.

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Financial transactions with related entities, such as that with the associate Bicecorp S.A. and with the Banco Security, 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 period-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. relate to the purchase of services made under market conditions. The amounts invoiced have maturities within 30 days. The transactions 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., Bosques Arauco S.A. and Forestal Celco 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 Puerto Lirquén S.A. (formerly Portuaria Sur de Chile S.A.) and Puertos y Logística S.A. (formerly Puerto de Lirquén S.A.) and Compañía Portuaria Andalien S.A. correspond to the purchase of port

services, which are based on contracts that consider fixed prices and variable rates keyed to volumes (tons and cubic meters) denominated in US dollars. The amounts invoiced fall due within 30 days.

The transactions with Empresa Constructora Precon S.A. correspond to the construction of warehouses.

The transactions with Entel S.A. 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 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 Molibdenos 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., Sociedad Industrial Pizarreño S.A., Sofruco Alimentos Ltda., Aislantes 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 27, 2012 established that, as in the previous year, that the remuneration of the board will be 1% over the ordinary dividends paid during 2012, 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 2012. i.e. a third of that paid to board members.

As of December 31, 2012, the Directors' remuneration amounted to ThUS\$ 1,243 (ThUS\$ 2,008 as of December 31, 2011 and that of the directors' committee ThUS\$ 155 ThUS\$ 251 as of December 31, 2011).

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\$ 3,278 as of December 31, 2012 (ThUS\$ 3,746 as of December 31, 2011).

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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 the period 2012 for an amount of ThUS\$ 81,254 (ThUS\$ 126,484 in 2011).

The main disbursements during the year by subsidiary and project were as follows:

| | |
|--|---|
| a) Company: | CMPC Celulosa S.A. |
| Project: | Environmental Improvements in Santa Fe |
| Accounting: | Non-current assets, Property, plant & equipment |
| Amount disbursed in the period: | ThUS\$ 31,454 (ThUS\$ 192,335 cumulative as of December 2011) |
| Committed amount, future periods: | Nil |
| Estimated final date for disbursements: | Project completed in 2012 |

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.

| | |
|---|---|
| b) Company: | CMPC Celulosa S.A. |
| Project: | Transformation Environmental improvement of boiler No.5 of Laja plant to operate with biomass |
| Accounting: | Non-current assets, Property, plant and q equipment |
| Amount spent during the year: | ThUS\$ 25,886 (ThUS\$ 60,985 cumulative as of December 31, 2011) |
| Amount committed for future years: | Nil |
| Estimated date of final payment: | Project completed in 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 reduce the consumption of fossil fuels.

| | |
|--|--|
| c) Company: | Cartulinas CMPC S.A., Papeles Cordillera S.A. and CMPC Tissue S.A. |
| Project: | Treatment of effluents and energy savings |
| Accounting recognitions: | Non-current assets, Property, plant & equipment |
| Amount disbursed in the year: | ThUS\$ 23,914 (ThUS\$ 9,943 cumulative as of December 31, 2011) |
| Committed amount for future years: | ThUS\$ 12,386 |
| Estimated final date for disbursements: | June 2013 |

Project concept:

Cartulinas CMPC S.A. plans to reduce electricity consumption by optimizing the pulping process BTMP. 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 and dissolved 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.

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.

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41. PRO FORMA STATEMENT OF CASH FLOWS UNDER DIRECT METHOD

As required by Circular 2,058 of the Superintendency of Securities and Insurance, the pro forma Statement of Cash Flows prepared under the direct method as of December 31, 2012 is presented below. Beginning in the financial statements for the three-month period ended March 31, 2013, the Company must present its Statement of Cash Flows using the direct method.

| | NOTE N° | FOR THE YEAR ENDED DECEMBER 31, 2012 THUS\$ |
|--|------------|---|
| STATEMENT OF CASH FLOWS | | |
| CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES | | |
| CLASSES OF CASH RECEIPTS FROM OPERATING ACTIVITIES | | |
| Receipts from sales of goods and rendering of services | | 5,312,962 |
| Other cash receipts from operating activities | | 303,654 |
| Classes of cash payments from operating activities | | |
| Payments to suppliers for goods and services | | (4,239,931) |
| Payments to and on behalf of employees | | (330,593) |
| Payments for premiums and claims, annuities and other policy benefits | | (24,206) |
| Other cash payments used in operating activities | | (160,344) |
| NET CASH FLOWS FROM OPERATIONS | | 861,542 |
| Income taxes paid | | (103,764) |
| NET CASH FLOWS FROM OPERATING ACTIVITIES | | 757,778 |
| CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES | | |
| Cash flows used in obtaining control of subsidiaries or other businesses | | (792) |
| Proceeds from sales of property, plant and equipment | | 9,943 |
| Purchase of property, plant and equipment | | (568,462) |
| Proceeds from sales of intangible assets | | 5,480 |
| Purchase of other long-term assets | | (76,005) |
| Cash payments for future contracts, forward contracts, option contracts and swap contracts | | (37,502) |
| Cash receipts from future contracts, forward contracts, option and swap contracts | | 6,465 |
| Dividends received | | 3,379 |
| Interest received | | 34,338 |
| Other outflows of cash | 8 | (164,577) |
| NET CASH FLOWS USED IN INVESTING ACTIVITIES | | (787,733) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from borrowings | | 491,747 |
| Proceeds from Long-term borrowings | | 527,465 |
| PROCEEDS FROM SHORT-TERM BORROWINGS | | 1,019,212 |
| Repayments of borrowings | | (691,669) |
| Dividends paid | | (123,959) |
| Interest paid | | (163,423) |
| NET CASH FLOWS FROM FINANCING ACTIVITIES | | 40,161 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES | | 10,206 |
| EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS | | |
| Effect of exchange rate changes on cash and cash equivalents | | 16,679 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | | 26,885 |
| Cash and cash equivalents at beginning of year | 8 | 404,357 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | 8 | 431,242 |

42. EVENTS AFTER THE REPORTING PERIOD

1. On March 1, 2013, it was informed through an Essential Matter the following:

At the Extraordinary Board of Directors' meeting of our subsidiary CMPC Tissue S.A., held on March 1, 2013, it was informed that certain accounting misstatements were identified through an internal investigation and audit procedures performed in the subsidiaries operating the tissue business in Colombia ("Tissue Colombia").

Such accounting misstatements consist of an overstatement of revenues and certain specific trade account receivables, as well as the understatement of trade account payables. These misstatements occurred during the years 2008 to 2012, the correction of these misstatements resulted in adjustments to certain assets and liabilities as disclosed in Note 5, with a total charge to CMPC's net equity for the year ended December 31, 2012 of ThUS\$ 34,556, out of which ThUS\$ 13,978 corresponded to a decrease in net income for the year 2012, and ThUS\$ 20,588 corresponded to a decrease in retained earnings from prior years (ThUS\$ 15,157 for year 2011 net income and ThUS\$ 5,431 for retained earnings).

In addition to the corresponding accounting, financial and legal investigations, the Company is evaluating legal actions as a result of the facts previously described.

2. At the 50th Extraordinary Shareholder Meeting held on January 24, 2013, it was agreed to the following:
 - i. To increase the issued capital for US\$ 500 million through the issuance of 155,602,948 no par value shares.
 - ii. To authorize the Board of Directors to issue all the shares at once or in portions and to carry out the offer and placement of the shares at the dates it agrees in conformity with the laws; all the shares must be fully subscribed and paid for over a maximum three-year period beginning on those dates.
 - iii. To authorize the Board of Directors, with the broadest powers, in setting the final issue share price in conformity with second paragraph of Article 23 of Corporations Law. The issuance shall be carry out within the 180 days period after this Extraordinary Shareholder Meeting, also the Board of Directors shall begin the preferential right period within the mentioned 180 days period.
 - iv. To amend the by-laws and adopt all other agreements related to the capital increase mentioned.

There are no other events after the closing date and the date of issue of this consolidated financial statements that could significantly affect its interpretation.

summarised financial statements

EMPRESAS CMPC



SUMMARISED AND CLASSIFIED BALANCE SHEETS

(In thousands of US dollars - ThUS\$)

| | INVERSIONES CMPC S.A. AND SUBSIDIARIES | | FORESTAL MININCO S.A. AND SUBSIDIARIES | | CMPC CELULOSA S.A. AND SUBSIDIARY | | CMPC PAPELES S.A. AND SUBSIDIARIES | | CMPC TISSUE S.A. AND SUBSIDIARIES | |
|---|--|------------------|--|------------------|-----------------------------------|------------------|------------------------------------|------------------|-----------------------------------|------------------|
| | 2012 THUS\$ | 2011 THUS\$ | 2012 THUS\$ | 2011 THUS\$ | 2012 THUS\$ | 2011 THUS\$ | 2012 THUS\$ | 2011 THUS\$ | 2012 THUS\$ | 2011 THUS\$ |
| ASSETS | | | | | | | | | | |
| TOTAL CURRENT ASSETS | 3,357,813 | 3,244,425 | 442,956 | 439,109 | 795,804 | 680,913 | 402,736 | 357,242 | 864,770 | 849,441 |
| Property, plant & equipment | 5,180,596 | 5,051,728 | 1,128,988 | 1,035,094 | 3,317,390 | 3,271,444 | 564,025 | 549,806 | 1,078,751 | 1,021,453 |
| Biological assets | 771,215 | 754,627 | 2,352,756 | 2,322,816 | 579,169 | 560,682 | - | - | 192,046 | 193,945 |
| Intangible assets and others | 1,418,679 | 929,127 | 54,386 | 49,451 | 389,542 | 61,455 | 13,410 | 180,245 | 275,890 | 240,309 |
| TOTAL NON-CURRENT ASSETS | 7,370,490 | 6,735,482 | 3,536,130 | 3,407,361 | 4,286,101 | 3,893,581 | 577,435 | 730,051 | 1,546,687 | 1,455,707 |
| TOTAL ASSETS | 10,728,303 | 9,979,907 | 3,979,086 | 3,846,470 | 5,081,905 | 4,574,494 | 980,171 | 1,087,293 | 2,411,457 | 2,305,148 |
| NET EQUITY & LIABILITIES | | | | | | | | | | |
| TOTAL CURRENT LIABILITIES | 1,481,924 | 973,518 | 273,973 | 337,688 | 1,431,808 | 929,031 | 135,007 | 132,051 | 866,505 | 810,066 |
| TOTAL NON-CURRENT LIABILITIES | 3,996,033 | 3,986,832 | 690,848 | 764,784 | 2,059,702 | 1,936,273 | 149,956 | 274,982 | 761,942 | 713,347 |
| Equity attributable to the controlling company's equity holders | 5,242,572 | 5,004,767 | 3,005,982 | 2,743,902 | 1,589,873 | 1,708,635 | 687,363 | 672,620 | 733,415 | 729,366 |
| Minority interest | 3,887 | 7,395 | 8,283 | 96 | 522 | 555 | 7,845 | 7,640 | 49,595 | 52,369 |
| TOTAL NET EQUITY | 5,250,346 | 5,019,557 | 3,014,265 | 2,743,998 | 1,590,395 | 1,709,190 | 695,208 | 680,260 | 783,010 | 781,735 |
| TOTAL NET EQUITY & LIABILITIES | 10,728,303 | 9,979,907 | 3,979,086 | 3,846,470 | 5,081,905 | 4,574,494 | 980,171 | 1,087,293 | 2,411,457 | 2,305,148 |

| | CMPC PRODUCTOS DE PAPEL S.A. AND SUBSIDIARIES | | INMOBILIARIA PINARES S.A. | | FORESTAL Y AGRÍCOLA MONTE ÁGUILA S.A. | | PAPELES RÍO VERGARA S.A. | | SERVICIOS COMPARTIDOS CMPC S.A. | | PORTUARIA CMPC S.A. | | BIOENERGÍAS FORESTALES S.A. | | INVERSIONES CMPC CAYMAN LTD. AND SUBSIDIARY | |
|--|---|----------------|---------------------------|--------------|---------------------------------------|----------------|--------------------------|----------------|---------------------------------|---------------|---------------------|--------------|-----------------------------|-------------|---|----------------|
| | 2012 THUS\$ | 2011 THUS\$ | 2012 THUS\$ | 2011 THUS\$ | 2012 THUS\$ | 2011 THUS\$ | 2012 THUS\$ | 2011 THUS\$ | 2012 THUS\$ | 2011 THUS\$ | 2012 THUS\$ | 2011 THUS\$ | 2012 THUS\$ | 2011 THUS\$ | 2012 THUS\$ | 2011 THUS\$ |
| | 209,378 | 201,570 | 1,502 | 1,535 | 18,494 | 11,680 | 91,310 | 79,921 | 11,034 | 9,917 | 1,323 | 919 | 12,541 | - | 329 | 335 |
| | 220,321 | 208,912 | 203 | 203 | 77,111 | 77,284 | 135,583 | 145,230 | 7 | 11 | 102 | 102 | - | - | - | - |
| | - | - | - | - | 158,864 | 168,336 | - | - | - | - | - | - | - | - | - | - |
| | 43,465 | 37,302 | 3,551 | 3,507 | 4,184 | 6,206 | 3,211 | 3,075 | 315 | 227 | 1,988 | 1,835 | 24 | - | 497,611 | 497,649 |
| | 263,786 | 246,214 | 3,754 | 3,710 | 240,159 | 251,826 | 138,794 | 148,305 | 322 | 238 | 2,090 | 1,937 | 24 | - | 497,611 | 497,649 |
| | 473,164 | 447,784 | 5,256 | 5,245 | 258,653 | 263,506 | 230,104 | 228,226 | 11,356 | 10,155 | 3,413 | 2,856 | 12,565 | - | 497,940 | 497,984 |
| | 128,165 | 182,493 | 873 | 871 | 7,479 | 23,423 | 6,637 | 14,344 | 7,040 | 7,175 | 540 | 498 | 6,713 | - | 1,074 | 897 |
| | 278,082 | 183,917 | 2,585 | 2,387 | 88,070 | 81,740 | 27,458 | 27,017 | 3,475 | 2,818 | 945 | 871 | - | - | - | - |
| | 66,827 | 81,264 | 1,798 | 1,987 | 163,104 | 158,343 | 196,009 | 186,865 | 841 | 162 | 1,928 | 1,487 | 5,852 | - | 496,866 | 497,087 |
| | 90 | 110 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | 66,917 | 81,374 | 1,798 | 1,987 | 163,104 | 158,343 | 196,009 | 186,865 | 841 | 162 | 1,928 | 1,487 | 5,852 | - | 496,866 | 497,087 |
| | 473,164 | 447,784 | 5,256 | 5,245 | 258,653 | 263,506 | 230,104 | 228,226 | 11,356 | 10,155 | 3,413 | 2,856 | 12,565 | - | 497,940 | 497,984 |

summarised financial statements

EMPRESAS CMPC



SUMMARISED STATEMENT OF CHANGES IN NET EQUITY

(In thousands of US dollars - ThUS\$)

| | INVERSIONES CMPC S.A. AND SUBSIDIARIES | | FORESTAL MININCO S.A. AND SUBSIDIARIES | | CMPC CELULOSA S.A. AND SUBSIDIARY | | CMPC PAPELES S.A. AND SUBSIDIARIES | | CMPC TISSUE S.A. AND SUBSIDIARIES | |
|---|--|------------------|--|------------------|-----------------------------------|------------------|------------------------------------|----------------|-----------------------------------|----------------|
| | 2012 THUS\$ | 2011 THUS\$ | 2012 THUS\$ | 2011 THUS\$ | 2012 THUS\$ | 2011 THUS\$ | 2012 THUS\$ | 2011 THUS\$ | 2012 THUS\$ | 2011 THUS\$ |
| Equity capital, common stock | 399,272 | 399,272 | 1,092,095 | 797,035 | 597,885 | 597,885 | 188,442 | 188,442 | 674,362 | 623,395 |
| Conversion reserves | (127,085) | (146,136) | - | - | - | - | - | - | (165,729) | (107,270) |
| Hedging reserves | 2,647 | 9,961 | 1,600 | 3,582 | (1,081) | - | 7,009 | 13,252 | - | - |
| Other sundry reserves | (32,246) | (32,246) | 114,689 | 114,694 | 1,072 | 893 | 1,574 | 1,573 | - | - |
| Withheld income | 5,003,871 | 4,781,311 | 1,797,598 | 1,828,591 | 991,997 | 1,109,857 | 490,338 | 469,353 | 224,782 | 213,241 |
| NET EQUITY ATTRIBUTABLE TO THE CONTROLLER'S NET EQUITY HOLDERS | 5,246,459 | 5,012,162 | 3,005,982 | 2,743,902 | 1,589,873 | 1,708,635 | 687,363 | 672,620 | 733,415 | 729,366 |
| Minority interest | 3,887 | 7,395 | 8,283 | 96 | 522 | 555 | 7,845 | 7,640 | 49,595 | 52,369 |
| TOTAL NET EQUITY | 5,250,346 | 5,019,557 | 3,014,265 | 2,743,998 | 1,590,395 | 1,709,190 | 695,208 | 680,260 | 783,010 | 781,735 |

| CMPC PRODUCTOS DE PAPEL S.A. AND SUBSIDIARIES | | INMOBILIARIA PINARES S.A. | | FORESTAL Y AGRÍCOLA MONTE ÁGUILA S.A. | | PAPELES RÍO VERGARA S.A. | | SERVICIOS COMPARTIDOS CMPC S.A. | | PORTUARIA CMPC S.A. | | BIOENERGÍAS FORESTALES S.A. | | INVERSIONES CMPC CAYMAN LTD. AND SUBSIDIARY | |
|---|---------------|---------------------------|--------------|---------------------------------------|----------------|--------------------------|----------------|---------------------------------|-------------|---------------------|--------------|-----------------------------|-------------|---|----------------|
| 2012 THUS\$ | 2011 THUS\$ | 2012 THUS\$ | 2011 THUS\$ | 2012 THUS\$ | 2011 THUS\$ | 2012 THUS\$ | 2011 THUS\$ | 2012 THUS\$ | 2011 THUS\$ | 2012 THUS\$ | 2011 THUS\$ | 2012 THUS\$ | 2011 THUS\$ | 2012 THUS\$ | 2011 THUS\$ |
| 28,099 | 28,099 | 1,558 | 1,558 | 45,214 | 45,214 | 80,999 | 80,999 | 54 | 54 | 1,106 | 1,106 | 10 | - | 574,265 | 574,265 |
| (4,600) | (5,182) | - | (38) | - | - | - | - | - | - | - | - | - | - | (30) | (6) |
| - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| - | - | (232) | (191) | - | - | 124,893 | 124,893 | (4) | (4) | - | - | - | - | (46,933) | (46,933) |
| 43,328 | 58,347 | 472 | 658 | 117,890 | 113,129 | (9,883) | (19,027) | 791 | 112 | 822 | 381 | 5,842 | - | (30,436) | (30,239) |
| 66,827 | 81,264 | 1,798 | 1,987 | 163,104 | 158,343 | 196,009 | 186,865 | 841 | 162 | 1,928 | 1,487 | 5,852 | - | 496,866 | 497,087 |
| 90 | 110 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 66,917 | 81,374 | 1,798 | 1,987 | 163,104 | 158,343 | 196,009 | 186,865 | 841 | 162 | 1,928 | 1,487 | 5,852 | - | 496,866 | 497,087 |

summarised financial statements

EMPRESAS CMPC



SUMMARISED STATEMENT OF COMPREHENSIVE INCOME BY FUNCTION

(In thousands of US dollars - ThUS\$)

| | INVERSIONES CMPC S.A. AND SUBSIDIARIES | | FORESTAL MININCO S.A. AND SUBSIDIARIES | | CMPC CELULOSA S.A. AND SUBSIDIARY | | CMPC PAPELES S.A. AND SUBSIDIARIES | | CMPC TISSUE S.A. AND SUBSIDIARIES | |
|---|--|----------------|--|---------------|-----------------------------------|----------------|------------------------------------|----------------|-----------------------------------|-----------------|
| | 2012 THUS\$ | 2011 THUS\$ | 2012 THUS\$ | 2011 THUS\$ | 2012 THUS\$ | 2011 THUS\$ | 2012 THUS\$ | 2011 THUS\$ | 2012 THUS\$ | 2011 THUS\$ |
| Gross margin | 996,188 | 1,082,539 | 57,376 | 67,667 | 216,747 | 433,626 | 159,235 | 163,141 | 509,728 | 414,114 |
| Other income | (682,315) | (721,026) | (61,580) | (4,527) | (287,182) | (105,767) | (50,560) | (56,873) | (462,573) | (439,670) |
| PROFIT BEFORE TAX | 313,873 | 361,513 | (4,204) | 63,140 | (70,435) | 327,859 | 108,675 | 106,268 | 47,155 | (25,556) |
| Income tax earnings (expense) | (90,210) | (128,803) | (26,671) | (20,470) | (47,440) | (101,093) | (27,223) | (27,066) | (4,411) | 3,716 |
| PROFIT | 223,663 | 232,710 | (30,875) | 42,670 | (117,875) | 226,766 | 81,452 | 79,202 | 42,744 | (21,840) |
| Profit attributable to majority interest | 222,620 | 230,575 | (30,993) | 39,824 | (117,868) | 226,786 | 81,181 | 77,133 | 41,273 | (19,020) |
| Profit attributable to minority interest | 1,043 | 2,135 | 118 | 2,846 | (7) | (20) | 271 | 2,069 | 1,471 | (2,820) |
| PROFIT | 223,663 | 232,710 | (30,875) | 42,670 | (117,875) | 226,766 | 81,452 | 79,202 | 42,744 | (21,840) |
| Statement of Other Comprehensive Income Profit | 223,663 | 232,710 | (30,875) | 42,670 | (117,875) | 226,766 | 81,452 | 79,202 | 42,744 | (21,840) |
| Total other earnings and expenses charged or credited to net equity | 11,737 | (101,773) | (1,987) | (1,025) | (902) | (274) | (6,242) | 89 | (63,489) | 62,144 |
| TOTAL INCOME FROM COMPREHENSIVE EARNINGS AND EXPENSES | 235,400 | 130,937 | (32,862) | 41,645 | (118,777) | 226,492 | 75,210 | 79,291 | (20,745) | 40,304 |
| Comprehensive earnings and expenses attributable to majority shareholders | 234,357 | 128,802 | (32,980) | 38,799 | (118,770) | 226,512 | 74,939 | 77,222 | (22,216) | 43,124 |
| Comprehensive earnings and expenses attributable to minority shareholders | 1,043 | 2,135 | 118 | 2,846 | (7) | (20) | 271 | 2,069 | 1,471 | (2,820) |
| TOTAL INCOME FROM COMPREHENSIVE EARNINGS AND EXPENSES | 235,400 | 130,937 | (32,862) | 41,645 | (118,777) | 226,492 | 75,210 | 79,291 | (20,745) | 40,304 |

| | CMPC PRODUCTOS DE PAPEL S.A. AND SUBSIDIARIES | | INMOBILIARIA PINARES S.A. | | FORESTAL Y AGRÍCOLA MONTE AGUILA S.A. | | PAPELES RÍO VERGARA S.A. | | SERVICIOS COMPARTIDOS CMPC S.A. | | PORTUARIA CMPC S.A. | | BIOENERGÍAS FORESTALES S.A. | | INVERSIONES CMPC CAYMAN LTD. AND SUBSIDIARY | |
|--|---|---------------|---------------------------|-------------|---------------------------------------|---------------|--------------------------|-----------------|---------------------------------|-------------|---------------------|-------------|-----------------------------|-------------|---|--------------|
| | 2012 THUS\$ | 2011 THUS\$ | 2012 THUS\$ | 2011 THUS\$ | 2012 THUS\$ | 2011 THUS\$ | 2012 THUS\$ | 2011 THUS\$ | 2012 THUS\$ | 2011 THUS\$ | 2012 THUS\$ | 2011 THUS\$ | 2012 THUS\$ | 2011 THUS\$ | 2012 THUS\$ | 2011 THUS\$ |
| | 71,550 | 60,494 | - | - | 7,993 | (1,448) | 17,568 | 13,835 | 1,055 | 433 | 801 | 646 | 31,324 | - | - | - |
| | (88,690) | (41,452) | (202) | 308 | 956 | 32,807 | (3,623) | (9,051) | (234) | 407 | (284) | (746) | (3,013) | - | (197) | (124) |
| | (17,140) | 19,042 | (202) | 308 | 8,949 | 31,359 | 13,945 | 4,784 | 821 | 840 | 517 | (100) | 28,311 | - | (197) | (124) |
| | 2,104 | (2,580) | 16 | (73) | (4,188) | (5,901) | (4,801) | (23,811) | (142) | (168) | (76) | 45 | (5,627) | - | - | - |
| | (15,036) | 16,462 | (186) | 235 | 4,761 | 25,458 | 9,144 | (19,027) | 679 | 672 | 441 | (55) | 22,684 | - | (197) | (124) |
| | (15,019) | 16,441 | (186) | 235 | 4,761 | 25,458 | 9,144 | (19,027) | 679 | 672 | 441 | (55) | 22,684 | - | (197) | (124) |
| | (17) | 21 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | (15,036) | 16,462 | (186) | 235 | 4,761 | 25,458 | 9,144 | (19,027) | 679 | 672 | 441 | (55) | 22,684 | - | (197) | (124) |
| | (15,036) | 16,462 | (186) | 235 | 4,761 | 25,458 | 9,144 | (19,027) | 679 | 672 | 441 | (55) | 22,684 | - | (197) | (124) |
| | 582 | 221 | - | (132) | - | - | - | - | - | - | - | - | - | - | - | - |
| | (14,454) | 16,683 | (186) | 103 | 4,761 | 25,458 | 9,144 | (19,027) | 679 | 672 | 441 | (55) | 22,684 | - | (197) | (124) |
| | (14,437) | 16,662 | (186) | 103 | 4,761 | 25,458 | 9,144 | (19,027) | 679 | 672 | 441 | (55) | 22,684 | - | (197) | (124) |
| | (17) | 21 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | (14,454) | 16,683 | (186) | 103 | 4,761 | 25,458 | 9,144 | (19,027) | 679 | 672 | 441 | (55) | 22,684 | - | (197) | (124) |

summarised financial statements

EMPRESAS CMPC



SUMMARISED CASH FLOW STATEMENT

(In thousands of US dollars - ThUS\$)

| | INVERSIONES CMPC S.A. AND SUBSIDIARIES | | FORESTAL MININCO S.A. AND SUBSIDIARIES | | CMPC CELULOSA S.A. AND SUBSIDIARY | | CMPC PAPELES S.A. AND SUBSIDIARIES | | CMPC TISSUE S.A. AND SUBSIDIARIES | |
|--|--|----------------|--|--------------|-----------------------------------|--------------|------------------------------------|-----------------|-----------------------------------|----------------|
| | 2012 THUS\$ | 2011 THUS\$ | 2012 THUS\$ | 2011 THUS\$ | 2012 THUS\$ | 2011 THUS\$ | 2012 THUS\$ | 2011 THUS\$ | 2012 THUS\$ | 2011 THUS\$ |
| Cash flow by operations | 567,716 | 659,582 | 137,520 | 101,391 | 183,131 | 455,378 | 134,821 | 137,443 | 191,519 | 65,564 |
| Cash flow used in investment activities | (627,602) | (846,715) | (159,850) | (268,139) | (565,352) | (413,659) | (48,582) | (41,252) | (147,279) | (173,350) |
| Net cash flow from financing activities | 63,725 | 242,786 | 25,475 | 166,613 | 413,835 | (41,683) | (84,353) | (129,130) | (24,026) | 100,773 |
| NET INCREASE IN CASH & CASH EQUIVALENTS | 3,839 | 55,653 | 3,145 | (135) | 31,614 | 36 | 1,886 | (32,939) | 20,214 | (7,013) |
| Effects of exchange rate variations on cash and cash equivalents | 19,079 | (15,596) | (203) | (129) | 1,953 | (3,188) | 16 | 297 | (1,812) | 171 |
| Cash & cash equivalents, initial balance | 403,100 | 363,043 | 946 | 1,182 | 5,109 | 8,261 | 817 | 33,459 | 19,193 | 26,035 |
| CASH & CASH EQUIVALENTS, FINAL BALANCE | 426,018 | 403,100 | 3,888 | 918 | 38,676 | 5,109 | 2,719 | 817 | 37,595 | 19,193 |

| | CMPC PRODUCTOS DE PAPEL S.A. AND SUBSIDIARIES | | INMOBILIARIA PINARES S.A. | | FORESTAL Y AGRÍCOLA MONTE ÁGUILA S.A. | | PAPELES RÍO VERGARA S.A. | | SERVICIOS COMPARTIDOS CMPC S.A. | | PORTUARIA CMPC S.A. | | BIOENERGÍAS FORESTALES S.A. | | INVERSIONES CMPC CAYMAN LTD. AND SUBSIDIARY | |
|--|---|--------------|---------------------------|-------------|---------------------------------------|-------------|--------------------------|-------------|---------------------------------|-------------|---------------------|-------------|-----------------------------|-------------|---|-------------|
| | 2012 THUS\$ | 2011 THUS\$ | 2012 THUS\$ | 2011 THUS\$ | 2012 THUS\$ | 2011 THUS\$ | 2012 THUS\$ | 2011 THUS\$ | 2012 THUS\$ | 2011 THUS\$ | 2012 THUS\$ | 2011 THUS\$ | 2012 THUS\$ | 2011 THUS\$ | 2012 THUS\$ | 2011 THUS\$ |
| | 30,465 | 5,502 | (92) | (46) | 20,153 | 9,520 | 16,192 | 8,061 | 1,155 | 733 | 59 | (146) | 13,421 | - | (7) | (15) |
| | (19,165) | (25,631) | 18 | 1 | (2,118) | (3,569) | (15,150) | (39,593) | (1,141) | (734) | (73) | 147 | - | - | 2 | (3) |
| | (10,477) | 20,184 | 77 | 45 | (18,035) | (5,951) | - | 31,600 | (14) | (4) | 14 | - | (13,432) | - | - | 3 |
| | 823 | 55 | 3 | - | - | - | 1,042 | 68 | - | (5) | - | 1 | (11) | - | (5) | (15) |
| | (53) | 44 | (3) | - | - | - | (94) | (23) | - | - | (2) | (2) | 12 | - | - | - |
| | 1,018 | 919 | - | - | - | - | 45 | - | - | 5 | 7 | 8 | - | - | 221 | 236 |
| | 1,788 | 1,018 | - | - | - | - | 993 | 45 | - | - | 5 | 7 | 1 | - | 216 | 221 |

subsidiaries of cmpc in chile

EMPRESAS CMPC



| 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 Pacifico 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 |
| 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 |

| | EQUITY THUS\$ | PROFIT (LOSS) THUS\$ | DIRECT & INDIRECT SHARE | GENERAL MANAGER | BOARD OF DIRECTORS |
|--|------------------|----------------------------|-------------------------------|--------------------------------|--|
| | 3,005,982 | (30,993) | 100.00% | Francisco Ruiz-Tagle Edwards | Chairman Vice-Chairman Directors Jorge Matte Capdevila Hernán Rodríguez Wilson (2) Leonidas Montes Lira Jorge Bernardo Larrain Matte José Ignacio Letamendi Arregui Gonzalo García Balmaceda (3) Bernardo Matte Larrain (1) |
| | 1,589,873 | (117,868) | 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 Trucco Arturo Mackenna Iñiguez (1) |
| | 687,363 | 81,181 | 100.00% | Eduardo Serrano Spoerer | Chairman Vice-Chairman Directors Martín Costabal Llona (1) Hernán Rodríguez Wilson (2) Eliodoro Matte Capdevila Andrés Echeverría Salas Sergio Colvin Trucco Luis Llanos Collado (3) Juan Eduardo Correa Bulnes |
| | 733,415 | 41,273 | 100.00% | Jorge Morel Bulicic | Chairman Vice-Chairman Directors Arturo Mackenna Iñiguez (1) Hernán Rodríguez Wilson (2) Gonzalo García Balmaceda (3) Jorge Hurtado Garretón Bernardo Larrain Matte Bernardo Matte Izquierdo Jorge Matte Capdevila |
| | 66,827 | (15,019) | 100.00% | Jorge Navarrete García | Chairman Vice-Chairman Directors Juan Carlos Eyzaguirre Echenique Hernán Rodríguez Wilson (2) Eliodoro Matte Capdevila Bernardo Matte Izquierdo Andrés Infante Tirado Martín Costabal Llona (1) Luis Llanos Collado (3) |
| | 841 | 679 | 100.00% | Rodrigo Quiroga Correa | 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) |

(1) Director CMPC
(2) Gerente General CMPC
(3) Gerente CMPC y Filiales

subsidiaries of cmpec in chile

EMPRESAS CMPC



| COMPANY NAME & LEGAL STATUS | CORPORATE PURPOSE | LIMITED COMPANIES GENERAL INFORMATION |
|-----------------------------|---|--|
| 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 forestation, 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. |
| 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. |

| | EQUITY THUS\$ | PROFIT (LOSS) THUS\$ | DIRECT & INDIRECT SHARE | GENERAL MANAGER | BOARD OF DIRECTORS | |
|--|------------------|----------------------------|-------------------------------|--------------------------------------|-----------------------|---|
| | 150,738 | 4,127 | 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) |
| | 449,363 | 65,502 | 100.00% | Francisco García-Huidobro Morandé | Chairman Directors | Eduardo Serrano Spoerer (3) Hernán Rodríguez Wilson (2) Gonzalo García Balmaceda (3) Washington Williamson Benaprés (3) Luis Llanos Collado (3) |
| | 196,009 | 9,144 | 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) |
| | 376,380 | (12,645) | 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 |
| | 5,246,459 | 222,620 | 100.00% | Luis Llanos Collado | Chairman Directors | Hernán Rodríguez Wilson (2) Ricardo Hetz Vorpahl (3) Andrés Larraín Marchant (3) Jorge Araya Díaz Rafael Cox Montt (3) |
| | 1,928 | 441 | 100.00% | Felipe Eguiguren Eyzaguirre | Chairman Directors | Andrés Larraín Marchant (3) Hernán Fournies Latorre (3) Guillermo Mullins Lagos (3) |

(1) Director CMPC
(2) Gerente General CMPC
(3) Gerente CMPC y Filiales

subsidiaries of cm pc in chile

EMPRESAS CMPC



| COMPANY NAME & LEGAL STATUS | CORPORATE PURPOSE | LIMITED COMPANIES GENERAL INFORMATION |
|--|---|---|
| BIOENERGÍAS FORESTALES S.A. | a) Production, transport, distribution, supply and marketing of energy; b) Management and operation of power generating plants; c) Provision of services and undertaking of any activity related to the energy industry. | Company established by public deed dated 22 November 2011 before the Santiago notary public Mr Raúl Iván Perry P. Taxpayer Code N°: 76,188,197-3 |
| 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. |
| 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 |

| | EQUITY THUS\$ | PROFIT (LOSS) THUS\$ | DIRECT & INDIRECT SHARE | GENERAL MANAGER | BOARD OF DIRECTORS |
|--|------------------|----------------------------|-------------------------------|---------------------------------|--|
| | 5,852 | 22,684 | 100.00% | Luis Llanos Collado | Chairman Directors Washington Williamson Benaprés (3) Hernán Rodríguez Wilson (2) Francisco Ruiz-Tagle Edwards (3) Jorge Morel Bulicic (3) Eduardo Serrano Spoerer (3) |
| | 493,193 | 15,072 | 100.00% | Alfredo Bustos Azócar | Chairman Directors Jorge Morel Bulicic (3) Luis Llanos Collado (3) Rafael Cox Montt (3) |
| | 8,956 | 3,610 | 100.00% | Nicolás Moreno López | Chairman Directors Eduardo Serrano Spoerer (3) Eduardo Gildemeister Meier (3) Francisco García-Huidobro Morandé (3) Fernando Hasenberg Larios Octavio Marfán Reyes (3) |
| | 14,743 | 403 | 100.00% | Arturo Celedón Rojas | Chairman Directors Eduardo Serrano Spoerer (3) Eduardo Huidobro Navarrete (3) Alfredo Bustos Azócar (3) Carlos Hirigoyen García(3) Sergio Balharry Reyes (3) Edgar Gonzalez Tatlock (3) |
| | 4,755 | (8,331) | 100.00% | Joaquín Matte Díaz | Chairman Directors Jorge Navarrete García (3) Gonzalo García Balmaceda (3) Jorge Araya Díaz Victor Muñoz Castillo (3) Fernando Hasenberg Larios |
| | 28,999 | 785 | 100.00% | Luis Alberto Salinas Cormatches | Chairman Directors Jorge Navarrete García (3) Jorge Araya Díaz (3) Gonzalo García Balmaceda (3) Victor Muñoz Castillo (3) Eckart Eitner Delgado (3) |
| | 18,466 | 3,033 | 100.00% | Jorge Urra Acosta | Chairman Directors Jorge Navarrete García (3) Jorge Araya Díaz (3) Victor Muñoz Castillo (3) Oscar Carrasco Larrazábal (3) Fernando Hasenberg Larios |

(1) Director CMPC
(2) Gerente General CMPC
(3) Gerente CMPC y Filiales

subsidiaries of cmpec in chile

EMPRESAS CMPC



| COMPANY NAME & LEGAL STATUS | CORPORATE PURPOSE | LIMITED COMPANIES GENERAL INFORMATION |
|---|--|---|
| 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 |
| 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 | |
|--|------------------|----------------------------|-------------------------------|---------------------------|-----------------------|--|
| | 21,801 | (14,801) | 100.00% | Gastón Hevia Alzérreca | Chairman Directors | Jorge Navarrete García(3) Jorge Araya Díaz Fernando Hasenberg Larios Gonzalo García Balmaceda (3) Victor Muñoz Castillo (3) |
| | 1,798 | (186) | 100.00% | Fernando Hasenberg Larios | Chairman Directors | Jorge Araya Díaz Luis Llanos Collado (3) Rafael Cox Montt (3) |
| | 163,104 | 4,761 | 99.75% | Fernando Raga Castellanos | Chairman Directors | Francisco Ruiz-Tagle Edwards (3) Luis Llanos Collado (3) Jorge Araya Díaz Félix Contreras Soto (3) Fernando Raga Castellanos |
| | 16,582 | 258 | 74.95% | Victor Fuentes Palma | Advisors | Hernán Fournies Latorre (3) Patricio Javier Santibáñez Carmona (3) Héctor Morales Torres Pablo Sufán González (3) Cristián Rodríguez Velasco |

(1) Director CMPC
(2) Gerente General CMPC
(3) Gerente CMPC y Filiales

cmpc overseas subsidiaries

EMPRESAS CMPC



| 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 PERÚ S.A. (Peru) | 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 |
| 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 |

| | EQUITY THUS\$ | PROFIT (LOSS) THUS\$ | DIRECT & INDIRECT SHARE | GENERAL MANAGER | BOARD OF DIRECTORS | |
|--|------------------|----------------------------|-------------------------------|------------------------------|--|--|
| | 496,866 | (197) | 100.00% | Fernando Hasenberg Larios | Chairman Directors | Luis Llanos Collado (3) Jorge Araya Díaz Rafael Cox Montt (3) |
| | 72,220 | 1,991 | 100.00% | Juan La Selva De Lisio | Chairman Directors | Juan La Selva De Lisio (3) Jorge Morel Bulicic (3) Jorge Luis Pérez Alati |
| | 139,229 | 3,856 | 99.99% | Juan La Selva De Lisio | Chairman Vice-Chairman Directors | Jorge Luis Pérez Alati Jorge Morel Bulicic (3) Juan La Selva De Lisio (3) Jorge Schurmann Martirena (3) |
| | 112,433 | 13,824 | 100.00% | Salvador Calvo Pérez Badiola | Chairman Directors | Jorge Morel Bulicic (3) Alfredo Bustos Azócar (3) José Ludowieg Echecopar |
| | 1,064 | 55 | 100.00% | Juan La Selva De Lisio | Chairman Directors | Juan La Selva De Lisio (3) Alfredo Bustos Azócar (3) Jorge Luis Pérez Alati Jorge Schurmann Martirena (3) |
| | 16,387 | (319) | 100.00% | Adrian Saj | Chairman Directors | Juan La Selva De Lisio (3) Jorge Navarrete García (3) Jorge Schurmann Martirena (3) Jorge Luis Pérez Alati Luis Alberto Salinas Cormatches (3) |
| | 38,513 | 2,168 | 99.61% | Ricardo Pereiras Formigo | Chairman Directors | Alejandro Nash Sarquis (3) Jorge Morel Bulicic (3) Carlos Hirigoyen García (3) Alfredo Bustos Azócar (3) |
| | 223 | 14 | 100.00% | Ricardo Pereiras Formigo | Chairman Directors | Alejandro Nash Sarquis (3) Jorge Morel Bulicic (3) Carlos Hirigoyen García (3) Alfredo Bustos Azócar (3) |
| | 156 | - | 100.00% | Ricardo Pereiras Formigo | Chairman Directors | Alejandro Nash Sarquis (3) Jorge Morel Bulicic (3) Carlos Hirigoyen García (3) Alfredo Bustos Azócar (3) |

(1) Director CMPC
(2) Gerente General CMPC
(3) Gerente CMPC y Filiales

cmpc overseas subsidiaries

EMPRESAS CMPC



| COMPANY NAME & LEGAL STATUS | CORPORATE PURPOSE | LIMITED COMPANIES GENERAL INFORMATION |
|--|--|--|
| FORSAC PERÚ S.A. (Peru) | 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. |
| PAPELERA DEL RIMAC S.A. (Peru) | 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. (Mexico) | 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 |
| CONVERTIDORA CMPC MEXICO S.A. DE C.V. (Mexico) | | |
| ABSORMEX S.A. DE C.V. (Mexico) | 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 |

| | EQUITY THUS\$ | PROFIT (LOSS) THUS\$ | DIRECT & INDIRECT SHARE | GENERAL MANAGER | BOARD OF DIRECTORS |
|--|------------------|----------------------------|-------------------------------|------------------------------|--|
| | 16,500 | 2,717 | 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) |
| | 16,323 | 40 | 100.00% | Ernesto Villegas Sánchez | Chairman Directors Luis Alberto Salinas Cormatches (3) Jorge Navarrete García (3) Cristian Barrera Almazán (3) |
| | 151,999 | (3,512) | 100.00% | Sergio Alvarez Gutiérrez | Chairman Vice-Chairman Directors Alejandro Nash Sarquis (3) Francisco Ruiz-Tagle Edwards (3) Jorge Schurmann Martirena (3) Fernando Raga Castellanos Sergio Alvarez Gutiérrez (3) |
| | 188,396 | 491 | 100.00% | Sergio Alvarez Gutiérrez | Chairman Vice-Chairman Directors Juan La Selva (3) Francisco Ruiz-Tagle Edwards (3) Jorge Schurmann Martirena (3) Fernando Raga Castellanos Sergio Alvarez Gutiérrez (3) |
| | 7,504 | 332 | 100.00% | Salvador Calvo-Pérez Badiola | Chairman Directors Jorge Morel Bulicic (3) Alfredo Bustos Azócar (3) José Ludowieg Eche copar |
| | 178,263 | 9,061 | 100.00% | Humberto Narro Flores | Chairman Directors Jorge Morel Bulicic (3) Hernán Rodríguez Wilson (2) Gonzalo García Balmaceda (3) Cristian Rubio Adriasola (3) |
| | 4,181 | 2,600 | | Humberto Narro Flores | Chairman Directors Jorge Morel Bulicic (3) Hernán Rodríguez Wilson (2) Gonzalo García Balmaceda (3) Cristian Rubio Adriasola (3) |
| | 2,207 | (294) | 100.00% | Humberto Narro Flores | Chairman Directors César Montemayor Guevara Rafael Cox Montt (3) Gonzalo García Balmaceda (3) Jorge Morel Bulicic (3) |

(1) Director CMPC
(2) Gerente General CMPC
(3) Gerente CMPC y Filiales

cmpc overseas subsidiaries

EMPRESAS CMPC



| COMPANY NAME & LEGAL STATUS | CORPORATE PURPOSE | LIMITED COMPANIES GENERAL INFORMATION |
|--|---|--|
| CONVERTIDORA DE PRODUCTOS HIGIENICOS S.A. DE C.V. (Mexico) | 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. (Mexico) | 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. | Closely held corporation established by public deed dated 24 April 2007, issued by the Fortieth Notary of the Metropolitan district of Quito. Taxpayer code N°: 1792083354001 |
| 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. (Brazil) | 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. (England) | 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 (England) | Promotion and distribution of pulp and wood by-products. | It was established on 7 January 1991 under registry N° 2568391 in London, England. |

| | EQUITY THUS\$ | PROFIT (LOSS) THUS\$ | DIRECT & INDIRECT SHARE | GENERAL MANAGER | BOARD OF DIRECTORS | |
|--|------------------|----------------------------|-------------------------------|-----------------------|-----------------------|---|
| | (1.222) | (227) | 100,00% | Humberto Narro Flores | Chairman Directors | Jorge Morel Bulicic (3) Hernán Rodríguez Wilson (2) Gonzalo García Balmaceda (3) Cristian Rubio Adriasola (3) |
| | 176.338 | 1.553 | 100,00% | Humberto Narro Flores | Chairman Directors | César Montemayor Guevara Rafael Cox Montt (3) Gonzalo García Balmaceda (3) Jorge Morel Bulicic (3) |
| | 2.621 | 608 | 100,00% | Ivan Zuvanich Hirmas | Chairman | Alfredo Bustos Azócar (3) Jorge Morel Bulicic (3) Rafael Cox Montt (3) |
| | (26.067) | (16.837) | 100,00% | Juan Peñafiel Soto | Chairman Directors | Jorge Morel Bulicic (3) Alfredo Bustos Azócar (3) Rodrigo Quiroga Correa (3) |
| | 6.295 | (3.254) | 100,00% | Juan Peñafiel Soto | Chairman Directors | Jorge Morel Bulicic (3) Alfredo Bustos Azócar (3) Rodrigo Quiroga Correa (3) |
| | 115.276 | (12.649) | 100,00% | Pedro Urrechaga C. | Chairman Directors | Jorge Morel Bulicic (3) Alfredo Bustos Azócar (3) Rodrigo Gómez Fuentes (3) Alejandro Araya Yáñez (3) |
| | 54.847 | (7) | 100,00% | | Chairman Directors | Hernán Rodríguez Wilson (2) Luis Llanos Collado (3) |
| | 615 | (69) | 100,00% | Mr. Kiran Dhanani | Directors | Guillermo Mullins Lagos (3) Cristóbal Somarriva Quezada Rodrigo Gómez Fuentes (3) Washington Williamson Benapres (3) |

(1) Director CMPC
(2) Gerente General CMPC
(3) Gerente CMPC y Filiales

cmpc overseas subsidiaries

EMPRESAS CMPC



| COMPANY NAME & LEGAL STATUS | CORPORATE PURPOSE | LIMITED COMPANIES GENERAL INFORMATION |
|--|---|--|
| TISSUE CAYMAN LTD. (Island 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. |
| PROPA CAYMAN LTD. (Island 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. (USA) | 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. (Brazil) | 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. (Brazil) | 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. (Brazil) | 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 |
|--|------------------|----------------------------|-------------------------------|--------------------|---|
| | 162,491 | 9,688 | 100.00% | | Chairman Directors Jorge Morel Bulicic (3) Luis Llanos Collado (3) Rafael Cox Montt (3) |
| | 21,540 | 2,714 | 100.00% | | Chairman Directors Jorge Navarrete Garcia (3) Luis Llanos Collado (3) Rafael Cox Montt (3) |
| | 860 | 92 | 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) |
| | 1,085,569 | (10,404) | 100.00% | Walter Lidio Nunes | Chairman Directors Washington Williamson Benapres (3) Arturo Mackenna Iñiguez (1) Hernán Rodríguez Wilson (2) Jorge Matte Capdevila Sergio Hernán Colvin Truco Francisco Ruiz-Tagle Edwards (3) Andrés Echeverría Salas |
| | 41,280 | (2,009) | 100.00% | Walter Lidio Nunes | Chairman Directors Washington Williamson Benapres (3) Arturo Mackenna Iñiguez (1) Hernán Rodríguez Wilson (2) Jorge Matte Capdevila Sergio Hernán Colvin Truco Francisco Ruiz-Tagle Edwards (3) Andrés Echeverría Salas |
| | 90,795 | (4,960) | 99.90% | Walter Lidio Nunes | Directors Walter Lidio Nunes (3) Patricio Arenas (3) |

(1) Director CMPC
(2) Gerente General CMPC
(3) Gerente CMPC y Filiales

cmpc related companys in chile

EMPRESAS CMPC



| 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 |
|--|------------------|----------------------------|-------------------------------|------------------------|--|
| | 1,205,647 | 166,112 | 7.74% | Juan Eduardo Correa G. | Chairman Directors Bernardo Matte Larraín (1) Kathleen Barclay Collins Patricio Claro Grez Juan Carlos Eyzaguirre Echenique José Miguel Irrarrázabal Elizalde Eliodoro Matte C. Bernardo Fontaine T. René Lehuedé F. Demetrio Zañartu E. |
| | 617 | (7) | 29.01% | Oswaldo Ramírez Grez | Chairman Directors Jorge Serón Ferré Luis De Ferrari Fontecilla (3) Rodrigo Vicencio Andaur Rigoberto Rojo Rojas Jaime Smith Bloom |
| | 259 | (14) | 25.00% | | Chairman Directors Eduardo Rodríguez Treskow Jaime Rodríguez Gutiérrez Francisco Rodríguez Aspillaga Felipe Leiva Morey Andrés Pesce Aron |
| | 1,601 | (190) | 20.00% | Christian Villagra | Chairman Directors Fernando Rioseco Eduardo Rodríguez Eckart Eitner (3) Jorge Correa Marcelo Molina Fernando Parada Nicole Borregaard |

(1) Director CMPC
(2) Gerente General CMPC
(3) Gerente CMPC y Filiales