

FY2007 & Q407 Results

February 27th, 2008



Celulosa Arauco y Constitución S.A. in brief

Arauco is a group of industrial, forestry and commercial companies owned by the Chilean corporation Celulosa Arauco y Constitución S.A.

In Chile, Arauco owns the country's largest area of forest plantations, mostly of radiata pine and eucalyptus. It also owns forest plantations in Argentina, Brazil and Uruguay.

Arauco has an annual production capacity of 3 million tonnes of Kraft pulp, 2.6 million m³ of wood panels, 3.6 million m³ of sawn timber and 463 thousand m³ of remanufactured wood products.

Its wide international reach is the result of sustained industrial growth and a significant increase in its product lines which has been the hallmark of Arauco's growth in recent years.

KEY FIGURES

US\$ Millon	Q4 2006	Q3 2007	Q4 2007	Q4/07 vs Q4/06	Q4/07 vs Q3/07	FY 2006	FY 2007	2007 vs 2006
Sales	834	885	1.002	20,2%	13,2%	2.850	3.576	25,5%
Gross Profit	417	415	423	1,6%	1,9%	1.416	1.638	15,7%
Operating income	254	253	245	-3,8%	-3,3%	865	1.009	16,6%
EBITDA ⁽¹⁾	333	337	343	3,2%	1,9%	1.123	1.360	21,1%
Net income	189	175	174	-7,8%	-0,5%	619	696	12,3%
CAPEX	147	97	385	161,5%	296,5%	733	803	9,5%
Net Financial Debt	2.244	2.065	2.263	0,9%	9,6%	2.244	2.263	0,9%
Capitalization ⁽²⁾	7.255	7.343	7.944	9,5%	8,2%	7.255	7.944	9,5%
EBITDA Margin	39,9%	38,1%	34,3%			39,4%	38,0%	
ROCE	11,9%	10,7%	10,6%			10,0%	10,6%	

(1) EBITDA = Operating Income + Depreciation + Stumpage

(2) Capitalization = Financial Debt + Equity (includes Forestry Reserve)

Conference Call

March 6, 2008, at 10:00 am EST (New York time) / 12:00 pm Santiago time
 Please Dial: (1) (973) 935-8893
 Conference ID: 37194577

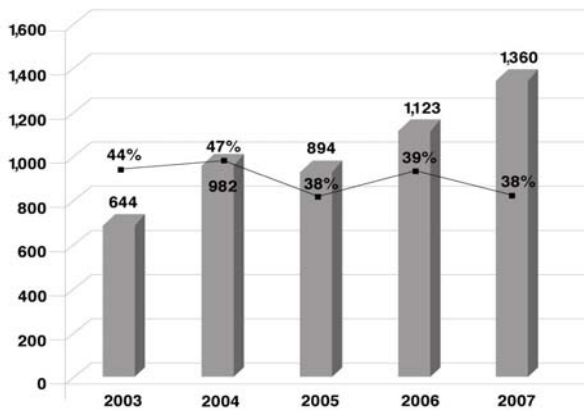
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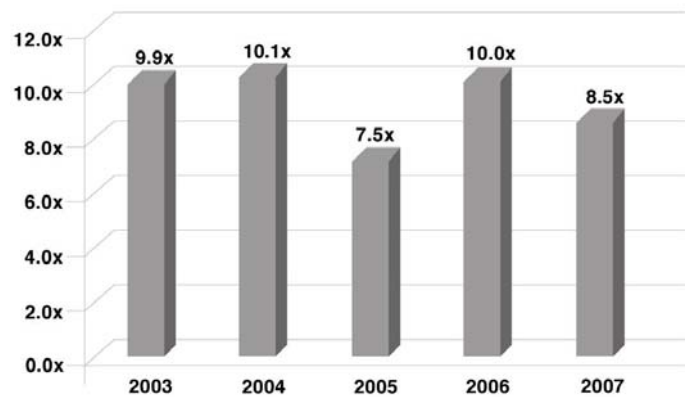
2007 vs. 2006 review:

- Arauco's consolidated sales reached U.S.\$3,576 million during 2007, an increase of 25.5% over the U.S.\$2,850 million obtained in 2006. The increase in consolidated sales is the result of a strong increase in pulp sales explained by higher sales volume coming from the Nueva Aldea Pulp Mill, and by a better pulp market price scenario. This increase in pulp market sales was followed by higher sales of panels, electrical energy, and sawn timber respectively.
- Arauco's consolidated EBITDA reached U.S.\$1,360 million in 2007, an increase of 21.1% compared to the U.S.\$1,123 million EBITDA reached during 2006. This growth is mainly due to an improvement in the Pulp Division's EBITDA, partially offset by a lower EBITDA coming from the Sawn timber Division.
- Arauco's net consolidated income for 2007 reached U.S.\$696 million, an increase of 12.3% compared to the U.S.\$ 619 million of net income obtained in the previous year. This increase is the result of a higher Operating Income, partially offset by higher interest expenses due to a lower capitalization of interests.
- Capital expenditures reached U.S.\$803 million during 2007, a 9.5% increase compared to the U.S.\$733 million expended during 2006. This increase in Capex is mainly due to higher investments incurred by the forestry division during 2007, explained by the Stora Enso deal, and by the acquisition of pine plantations from Forestal Anchile in January 2007 (U.S.\$43.6 million). In contrast, the Capex incurred by the pulp division decreased as a result of the end of construction of the Nueva Aldea Pulp Mill.

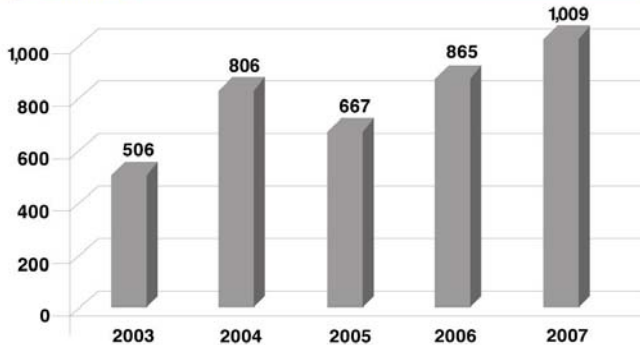
EBITDA (US\$ MM) & EBITDA Margin (%) by Year



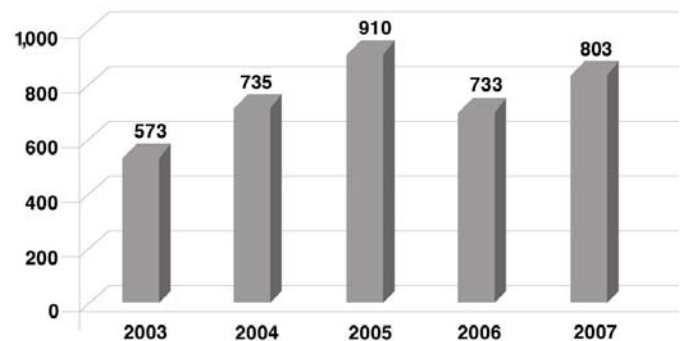
Interest Coverage Ratio (EBITDA / Net Interest)



Operating Income by Year US\$ Million



Capex by Year US\$ Million





Summary of Fourth Quarter Results

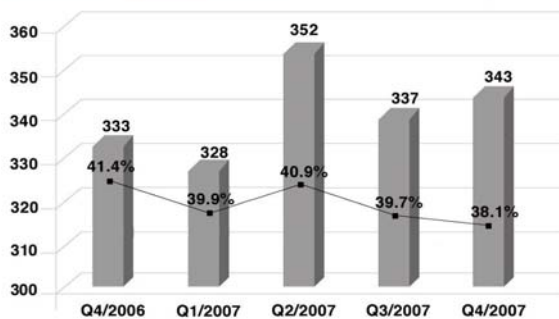
Q4 2007 vs Q4 2006 review:

- Arauco’s consolidated sales reached U.S.\$1,002 million during the fourth quarter of 2007, an increase of 20.2% over the U.S.\$834 million obtained in the fourth quarter of 2006. The increase in consolidated sales is the result of a strong increase in pulp sales explained by higher market pulp prices and a growth in sales volume coming from the Nueva Aldea Pulp Mill. This increase in consolidated sales was strengthened by higher sales of panels, which grew 27.0% compared to 2006.
- During the fourth quarter of 2007 consolidated EBITDA reached U.S.\$343 million, an increase of 3.2% compared to the U.S.\$333 million EBITDA reached during the same period of 2006. This growth is mainly due to an improvement in the Panels Division’s EBITDA, partially offset by a lower EBITDA of the Forestry Division.
- Arauco’s net consolidated income for the fourth quarter of 2007 reached U.S.\$174 million, a decrease of 7.8% compared to the U.S.\$ 189 million obtained in the fourth quarter of the previous year. This decrease is the result of a lower Operating Income and higher Interest Expenses.
- Capital expenditures during the fourth quarter of 2007 reached U.S.\$385 million, a 161.5% increase compared to the U.S.\$147 million expended during the fourth quarter of 2006. The increase in Capex is mainly explained by the U.S.\$208 million Stora Enso deal.

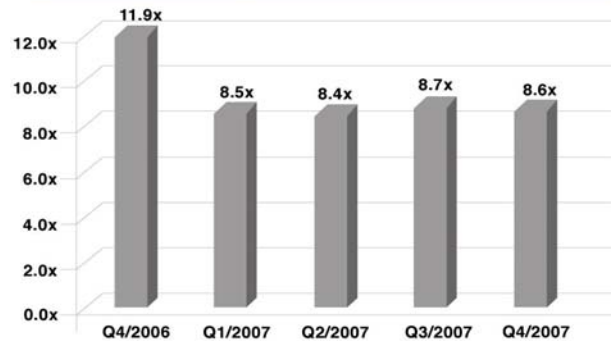
Q4 2007 vs. Q3 2007 review:

- Arauco’s consolidated sales increased 13.2% during the fourth quarter of 2007 compared to the U.S.\$885 million reached in the third quarter of 2007.
- Arauco’s consolidated EBITDA increased 1.9% from the U.S.\$337 reached during the third quarter of 2007. This higher EBITDA is mainly explained by an increase in the Panel Division’s EBITDA of 19.7% and to a higher EBITDA of 2.7% obtained by the Pulp Division. On the other hand, the consolidated EBITDA was partially offset by a lower Sawn Timber Division’s EBITDA of 19.3%.
- Net consolidated income for the fourth quarter of 2007 decreased 0.5% compared to the US\$175 million obtained during the third quarter of 2007. The lower net income for the fourth quarter of 2007 is the result of a reduction in Operating Income and in Other Non Operating Income.
- Capital expenditures during the fourth quarter of 2007 reached U.S.\$385 million, a 296.5% higher than the third quarter of 2007. This increase in CAPEX is mainly explained by higher forestry investments during the fourth quarter of 2007, related to the Stora Enso assets acquisition.

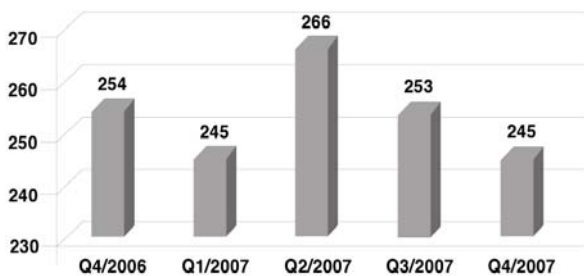
EBITDA (US\$ MM) & EBITDA Margin (%) by Quarter



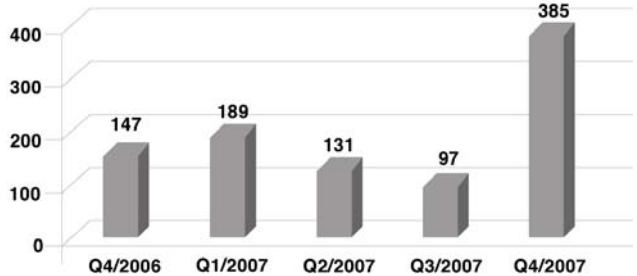
Interest Coverage Ratio (EBITDA / Net Interest)



Operating Income by Quarter US\$ Million



Capex by Quarter US\$ Million





CONSOLIDATED INCOME STATEMENT ANALYSIS

Arauco revenue summary, Q4 2006 – Q4 2007

Arauco Quarterly Sales (U.S.\$ million)	Q4/06	Q1/07	Q2/07	Q3/07	Q4/07
Pulp Division	409	386	440	429	475
Sawn Timber Division	196	174	184	206	206
Panels Division	191	195	193	224	242
Forestry Division	24	17	21	20	26
Other	14	33	47	6	53
Total	834	804	885	885	1.002

Arauco’s consolidated sales for the fourth quarter of 2007 reached U.S.\$1,002 million, an increase of 20.2% over the U.S.\$834 million obtained in the fourth quarter of 2006 (Figure 1). The growth in consolidated sales is explained by a strong increase in sales of pulp and panels.

Compared to the U.S.\$885 million obtained in the third quarter of 2007, consolidated sales were 13.2% higher during the fourth quarter of 2007, as result of higher sales of pulp and energy. (Figure 2).

The breakdown of sales by product of the fourth quarter is presented in Figure 3.

Pulp Division Sales

Pulp sales reached U.S.\$475 million during the fourth quarter of 2007, a 16.2% increase compared to the same quarter of the previous year. This growth is mainly explained by higher average prices of 11.2% and to a 4.5% increase in sales volume. The higher average prices reached during the quarter when compared to the fourth quarter of 2006 are the result of a better global pulp market scenario. In terms of sales volume, the growth is mainly explained by the additional production that came from the Nueva Aldea Pulp Mill.

Compared with the U.S.\$429 million sold during the third quarter of 2007, pulp sales increased by 10.9%. This increase was mainly due to a 8.6% increase in sales volume and to higher average prices of 2.1%. The explanation for the growth in sales volume came from a reschedule in some shipment programs from the third quarter to the fourth quarter.

During the fourth quarter of 2007 the global pulp market remained firm due to the strong demand coming from China as well as to the problems that have been facing the northern producers during the year as a consequence of a shortage of raw material, higher productions costs and appreciation of exchange rates.

FIG. 1
Sales by Product Q4/2006 - Q4/2007
US\$ Million

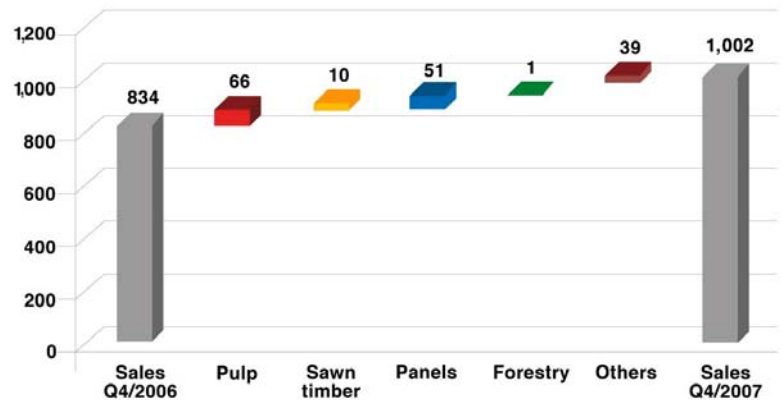
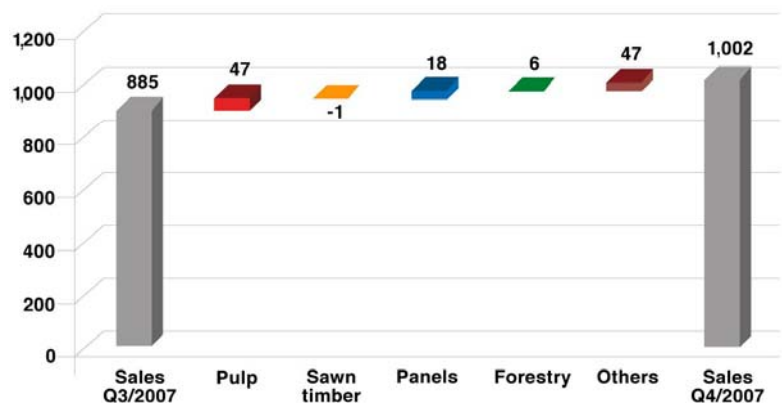


FIG. 2
Sales by Product Q3/2007 - Q4/2007
US\$ Million





CONSOLIDATED INCOME STATEMENT ANALYSIS

Sawn Timber Division Sales

Sales of sawn timber reached U.S.\$205.6 million, a growth of 5.0% when compared to the same period of 2006. This positive effect is mainly due to an increase in average prices of 2.7% and higher sales volume of 2.3%. Both prices and sales volume have increased during the fourth quarter of 2007 in comparison to the fourth quarter of 2006 due to a better demand coming from the Asian and Middle Eastern wood markets. This improvement is mainly explained by better conditions for sawn timber in contrast to remanufactured wood products which have suffered a decline in demand as a consequence of the contraction of the US Housing market.

Compared with the U.S.\$206.5 million sold during the third quarter of 2007, sawn timber sales decreased by 0.4%. This decrease was mainly due to lower sales volume of 4.8%, partially offset by higher average prices of 4.6%. The decrease in sales volume is mainly explained by lower volumes sold in the US market as a consequence of the US Housing Industry Crisis.

Panels Division Sales

During the fourth quarter of 2007, sales of panels reached U.S.\$242.2 million, experimenting a growth of 27.0% compared to the fourth quarter of 2006. This increase in sales is mainly due to higher average prices of 18.0%, together with higher sales volume of 7.6%. The increase in average prices is explained by better prices for Plywood, MDF, PBO, and HB, due to a strong demand coming from our main markets, especially Latin America. In the case of MDF moldings, prices and volume have been affected by the US housing industry crisis.

Panels sales increased by 8.1% in the fourth quarter of this year when compared to the U.S.\$224 million obtained in the third quarter of 2007. This growth is mainly explained by higher sales volume and average prices of 7.4% and 0.7% respectively. The higher sales volume came from our Brazilian operations which increased its sales volume during the quarter after a replenishment of inventories made during the third quarter of 2007.

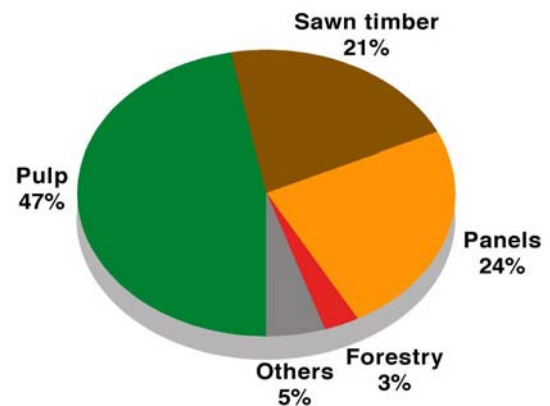
In general, the US Housing Industry Crisis has not had a significant impact in the Panels Division due to the high diversification in markets and products in which this division operates.

Operating Income

Arauco's Operating Income for the fourth quarter of 2007 reached U.S.\$ 245 million, decreasing 3.8% from the U.S.\$ 254 million obtained in the fourth quarter of 2006. This negative effect is mainly explained by a 38.8% increase in cost of sales due to higher sales volume of panels, pulp and sawn timber (7.6% in panels, 4.5% in pulp, and 2.3 % in sawn timber), and by higher costs of chemicals, energy, depreciation and wood costs.

Compared to the U.S.\$ 253 million obtained in the third quarter of 2007, Operating Income experimented a decrease of 3.3%. This negative effect is mainly due to higher Cost of Sales of 23.3% and higher Selling and Administrative Expenses of 10.0%. The increase in Cost of Sales is mainly explained by higher sales volume and by an increase in costs of energy, chemicals and other supplies that are relatively affected by oil prices fluctuations. The growth in Selling and Administrative Expenses is mainly due to an appreciation of the Chilean peso and to higher CLP\$ General Administration Expenses and Labor Expenses.

FIG. 3
Sales by Product
Fourth Quarter 2007





CONSOLIDATED INCOME STATEMENT ANALYSIS

Net Income

Net Income for the fourth quarter of 2007 reached U.S.\$ 174 million (Figure 4), a decrease of 7.8% compared to the U.S.\$ 189 million obtained in the fourth quarter of the previous year. This decrease is the result of a 3.8% decrease in Operating Income and to higher interest expenses of 39.5%, which grew because of a lower interest expense capitalization as a consequence of the end of construction of the Nueva Aldea Pulp Mill.

Compared to the U.S.\$ 175 million obtained in the third quarter of 2007, Consolidated Net Income decreased by 0.5% (Figure 5). This reduction in Consolidated Net Income is mainly explained by a lower Operating Income of 3.3%.

EBITDA

Consolidated EBITDA for the fourth quarter of 2007 reached U.S.\$343 million, an increase of 3.2% compared to the U.S.\$333 million for the same period of 2006 (Figure 6). This increase in consolidated EBITDA is principally due to a strong increase in the Panels Divisions' EBITDA, which grew 33.2% as a result of a strong demand for our main products. The increase in consolidated EBITDA was partially offset by a lower Forestry Division's EBITDA of 14.8%.

Consolidated EBITDA for this quarter was 1.9% higher than the U.S.\$337 million EBITDA for the previous quarter (Figure 7). The explanation for this positive effect was an increase in depreciation due to the ramp-up of the second line of Plywood at the Nueva Aldea Plywood Mill, in addition to the consolidation of results of the new assets acquired from Stora Enso in Brazil, which started to consolidate its results in November of 2007. Again, the main contributor to the increase in consolidated EBITDA came from de Panels Division's EBITDA, which grew 19.7%. This increase in consolidated EBITDA was partially offset by decrease of 19.3% in the Sawn Timber Division's EBITDA.

FIG. 4
Net Income Q4/2006 - Q4/2007
US\$ Million

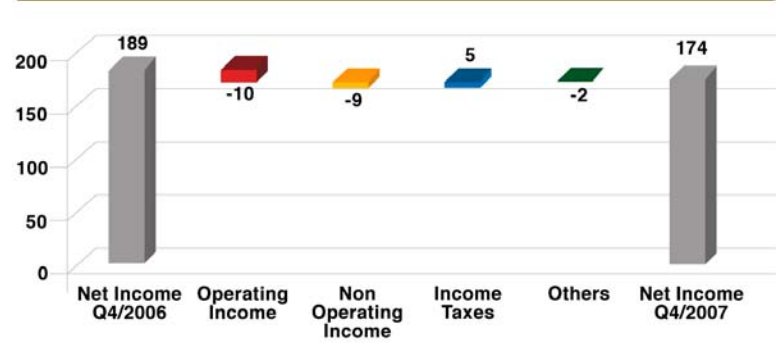


FIG. 5
Net Income Q3/2007 - Q4/2007
US\$ Million

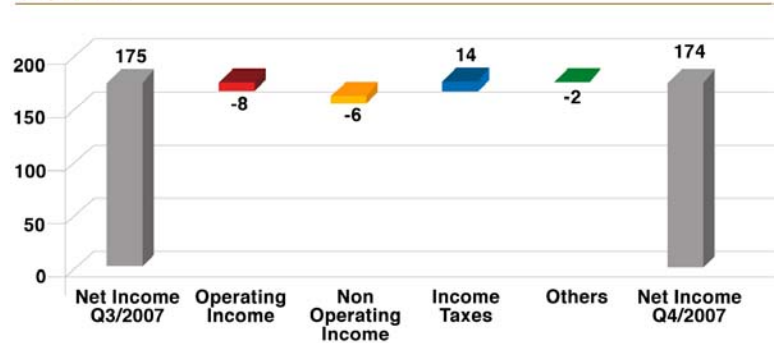


FIG. 6
EBITDA by Division Q4/2006 - Q4/2007
US\$ Million

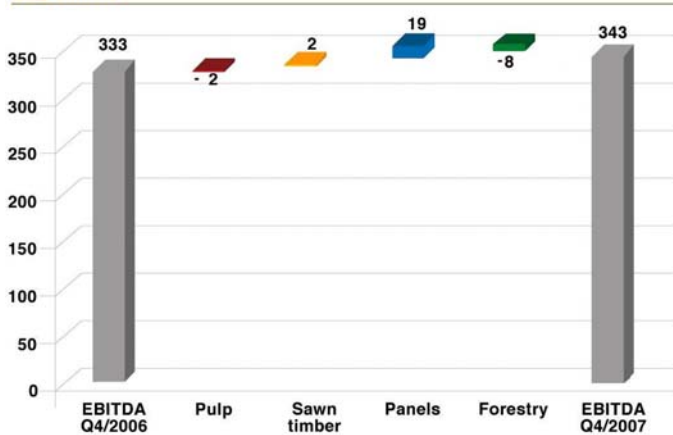
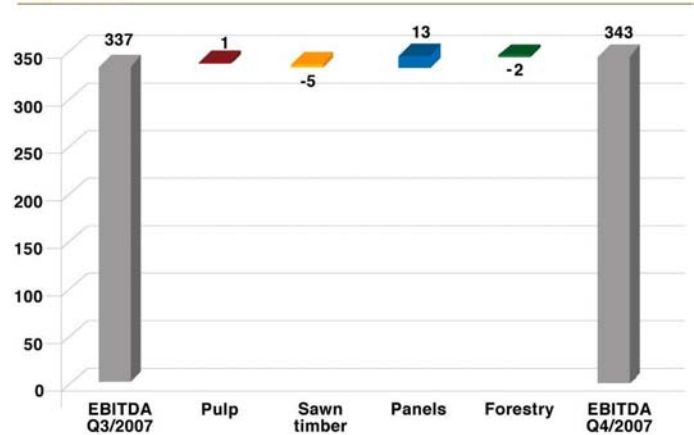


FIG. 7
EBITDA by Division Q3/2007 - Q4/2007
US\$ Million





CONSOLIDATED INCOME STATEMENT ANALYSIS

Production

Compared to the fourth quarter of 2006, production volume during this quarter increased 3.7% in panels, 3.1% in sawn timber and 2.4% in pulp. (Figure 8)

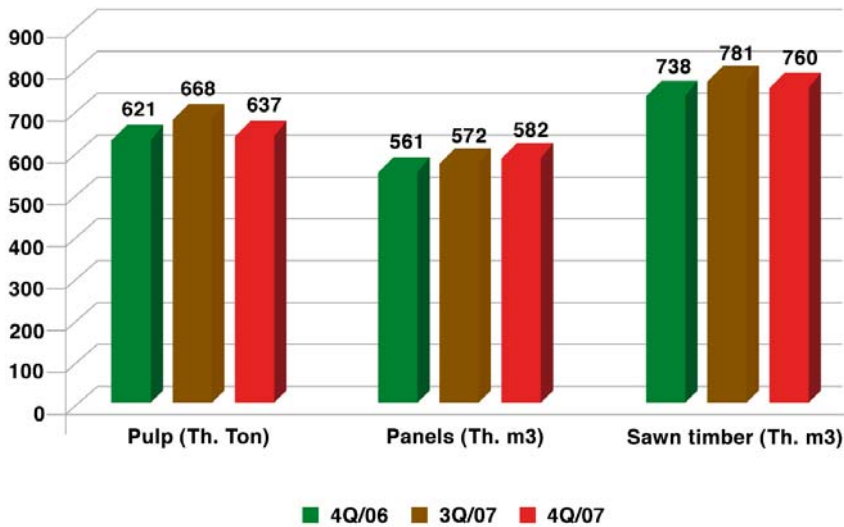
The increase in production of panels is mainly explained by higher volume coming from our Brazilian operations due to the normal operation of the MDF Mill after a schedule maintenance stoppage in July of 2007. The higher production of sawn timber is mainly explained by the acquisition of the Coronel Sawmill which started its operations in March of 2007. In the case of pulp production, the increase came from the higher volume produced by the Nueva Aldea Pulp Mill, partially offset by the loss of production in the Licancel Pulp Mill, which was stopped from June 2007 to January 2008.

Compared to the previous quarter, production of panels increased 1.8%. In the case of pulp and sawn timber, production decreased by 4.7% and 2.7% respectively.

The decrease in pulp production is mainly explained by the annual maintenance stoppage of the Arauco Mill in Chile and the Alto Paraná Mill in Argentina which stopped in October and November respectively. In the case of sawn timber production, the decrease is mainly due to the closure of La Araucana Saw Mill in October of 2007.

FIG. 8

Production Volume



CONSOLIDATED BALANCE SHEET ANALYSIS

Assets

Current Assets reached U.S.\$ 1,936 million as of December 31, 2007, a 19.5% increase compared to the fourth quarter of 2006. This growth is the result of an increase in Inventories, Marketable Securities and Account Receivable. Compared to the U.S.\$ 1,808 million for the third quarter of 2007, Current Assets increased by 7.1%. The growth in Current Assets is mainly explained by an increase in Inventories, followed by higher Account Receivable and Time Deposits.

Fixed Assets reached U.S.\$6,578 million as of December 31, 2007, a 7.6% increase compared to the fourth quarter of 2006. This increase in Fixed Assets was the result of a growth in Machinery and Equipment (M&E), in Buildings and Infrastructures, and in Forest, partially offset by a decrease in Other Fixed Assets. The increase in Machinery and Equipment and in Buildings and Infrastructures (B&I) is mainly explained by the construction of the second line at the Nueva Aldea Plywood Mill and by the movement of the investment of the Nueva Aldea Pulp Mill Project from Other Fixed Assets to M&E and to B&I. In the case of the growth in Forest, the explanation comes from the acquisition of forestry assets from Forestal Anchile Ltda. in January 2007 and from Stora Enso in September 2007 (which started consolidating in November 2007).

Fixed assets increased by 7.8% during the fourth quarter of 2007 compared to the U.S.\$6,101 million reached at the end of the third quarter of 2007. This increase is mainly explained by a growth in Forest and Land due to the acquisition of forestry assets from Stora Enso in September 2007, and by the Forestry valuation that is adjusted every year in December.

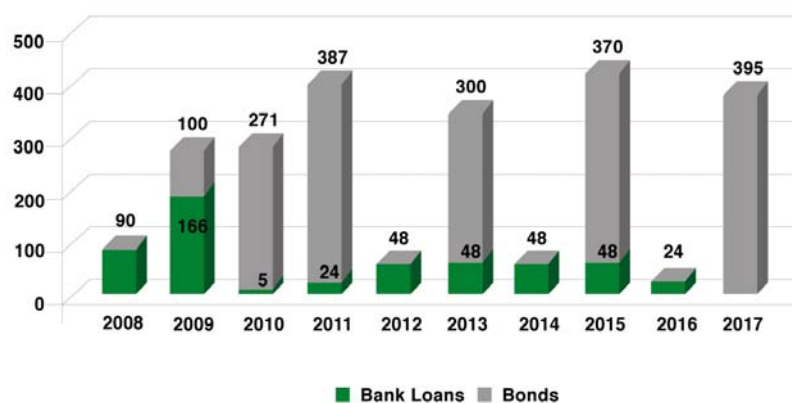
FINANCIAL DEBT			
US\$ million	Q4 2006	Q3 2007	Q4 2007
Short term Debt	203,5	59,5	168,4
Short-term portion of long-term debt	272,5	221,5	129,2
Long term financial debt	1.947,3	2.030,6	2.233,1
TOTAL FINANCIAL DEBT	2.423,2	2.311,6	2.530,6
Cash & equivalents	179,6	246,9	267,2
NET FINANCIAL DEBT	2.243,6	2.064,6	2.263,4

Liabilities

Total Current Liabilities reached U.S.\$631 million during the fourth quarter of 2007, a decrease of 23.5% compared to the U.S.\$ 825 million for the fourth quarter of 2006. This decrease is mainly explained by a lower Current portion of Bonds Payable after the payment of U.S.\$100 million of a Yankee Bond due in December of 2007, and to a decrease in Short-term portion of Long-term Debt due to the payment of the APSA Notes in June, 2007.

Compared to the U.S.\$668 million in the third quarter of 2007, Current Liabilities decreased 5.6%. This decrease is mainly explained by a lower Current portion of Bonds Payable after the payment of U.S.\$100 million of the Yankee Bond due in December of 2007. This reduction was partially offset by an increase in Short-term Banks Borrowings as a result of higher pre-export financing.

FIG. 9
Long Term Debt Amortization
US\$ Million



Long Term Liabilities reached U.S.\$2,523 million at the end of the fourth quarter of 2007, an increase of 17.6% compared to the U.S.\$2,146 million for the fourth quarter of 2006. This growth in Long Term Liabilities was due to an increase in Long-term Bonds after the issuance of the US\$ 270 million "Alto Paraná" Bond due 2017, to a growth in Long-term Deferred taxes, and to an increase in Long-term Bank Borrowings after the issuance of U.S.\$240 million of a bilateral loan in October of 2007.

Compared to the previous quarter, Long-Term Liabilities increased by 10.0%. This increase is the result of the issuance of U.S.\$240 million of a bilateral loan in October of 2007.

Shareholders Equity

Arauco's Shareholders' Equity grew 12.0% from U.S.\$4.8 billion at the end of the fourth quarter of 2006 to U.S.\$5.4 billion during the fourth quarter of 2007. This growth is the result of an increase in Retained Earnings of 13.8% and to a growth of 11.6% in Other Reserves due to the forestry valuation which is adjusted at the end of every year. Compared to the third quarter of 2007, Shareholders' Equity increased by 7.6%.



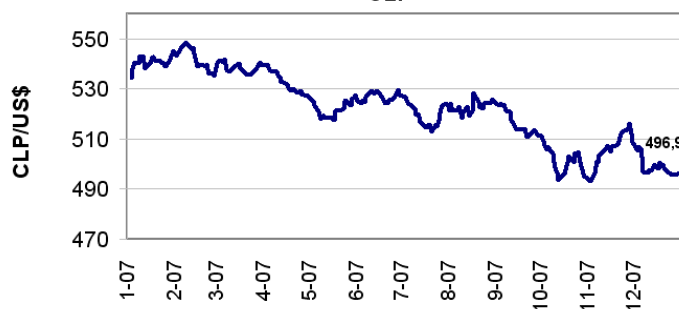
Main Financial Ratios of Arauco:

FINANCIAL RATIOS					
	Q4/06	Q3/07	Q4/07	2006	2007
Profitability					
Gross margin	50,0%	46,9%	42,2%	49,7%	45,8%
Operating margin	30,5%	28,6%	24,4%	30,4%	28,2%
EBITDA margin	39,9%	38,1%	34,3%	39,4%	38,0%
ROA (EBIT / Average Total Assets)	13,5%	12,7%	11,8%	11,6%	12,3%
ROCE (EBIT (1 - tax rate) / Average Total Capitalization)	11,9%	10,7%	10,6%	10,0%	10,6%
ROE (Net Income / Average Equity)	16,3%	14,1%	13,3%	13,6%	13,6%
Leverage					
Interest Coverage Ratio (EBITDA / Net Interest)	11,9x	8,7x	8,6x	10,0x	8,5x
Interest Coverage Ratio (EBITDA / Gross Interest)	9,9x	8,1x	7,3x	8,1x	7,5x
Average Net Financial Debt / EBITDA	1,6x	1,6x	1,6x	1,9x	1,2x
Total financial debt / Total Capitalization	33,4%	31,5%	31,9%	33,4%	31,9%
Net financial debt / Total Capitalization	30,9%	28,1%	28,5%	30,9%	28,5%
Total financial debt / Equity	50,2%	45,9%	46,7%	50,2%	46,7%
Net financial debt / Equity	46,4%	41,0%	41,8%	46,4%	41,8%

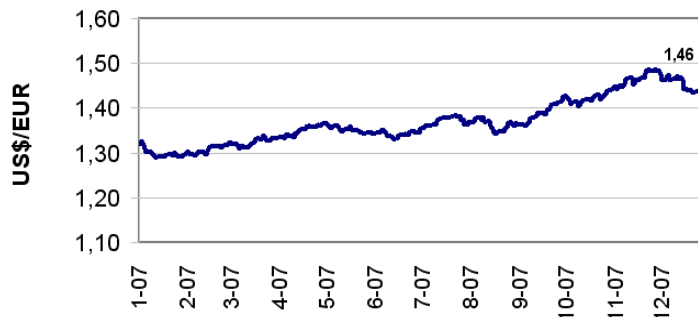
Key Exchange Rates for the U.S. Dollar (closing rate)

	Q4/06	Q1/07	Q2/07	Q3/07	Q4/07
One U.S. Dollar is					
CLP	532,4	539,2	526,9	511,2	496,9
ARS	3,06	3,10	3,09	3,15	3,15
BRL	2,14	2,06	1,93	1,83	1,78
EUR	1,32	1,34	1,35	1,43	1,46

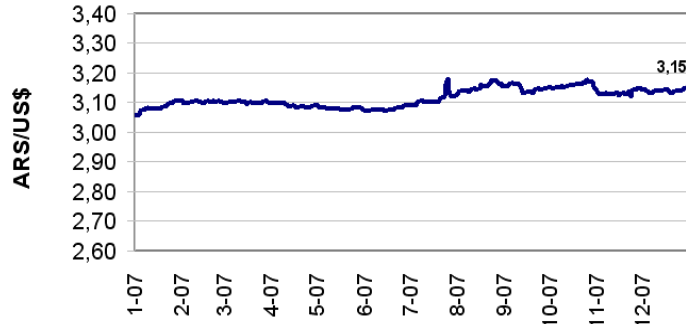
CLP



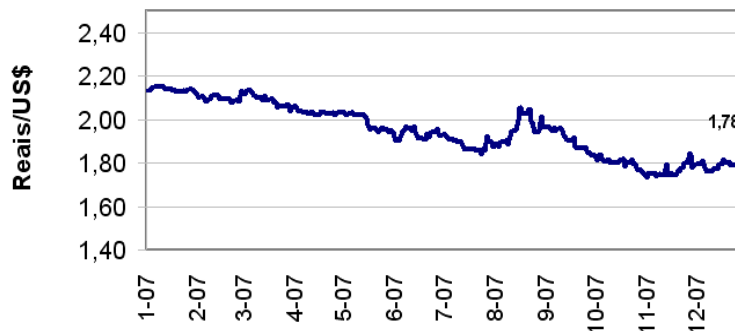
EUR



ARS



BRL





Fourth Quarter Events

The Second Line of Nueva Aldea Plywood Mill started its ramp-up process

In October of 2007, the second line of the Nueva Aldea Plywood Mill started its ramp-up process. This new line adds 225,000 m³ to the Arauco's total plywood capacity. The line will reach full capacity during 2008.

The Licancel Pulp Mill received authorization to resume its operation

On November 15th, 2007, the Corema of the Maule Region authorized the reopening of the Licancel Pulp Mill (140.000 Adt per year), which was closed for about 6 months. The mill resumed operations during January of 2008.

Subsequent Events

The Valdivia received permission to increase its annual production

On January 18th, 2008, the Corema of the Los Rios Region authorized the Valdivia Mill to increase the annual production from 440,000 Adt/year to 550,000 Adt/year. The mill will gradually increase its production in a term of 4 months starting in March 2008.

FINANCIAL STATEMENTS
CONSOLIDATED INCOME STATEMENT

US\$ Million	FY 2006	FY 2007
Net Sales	2.849,7	3.575,7
Cost of sales	-1.434,1	-1.938,0
Gross profit	1.415,6	1.637,7
Selling and administrative expenses	-550,2	-629,1
Operating income	865,3	1.008,6
Interest Income	27,0	21,3
Income on investments in related companies	8,5	11,9
Other non operating income	14,6	28,4
Loss on investments in related companies	0,0	-0,0
Goodwill Amortization	-2,8	-2,9
Interest expense	-139,4	-180,8
Other non operating expenses	-17,4	-28,6
Price-level restatement	0,5	-0,9
Foreign exchange gains (losses)	8,0	12,5
Non-operating income	-101,1	-139,1
Income before taxes and extraordinarad items	764,2	869,4
Income taxes	-149,4	-176,7
Extraordinary Items	0,0	0,0
Income before minority interest and negative goodwill amortization	614,8	692,7
Minority interest	0,1	-1,1
Net income after minority interest	614,9	691,6
Negative goodwill amortization	4,6	4,1
Net income for the period	619,4	695,7

For more details on the Financial Statements, please refer to www.svs.cl or www.arauco.cl

**FINANCIAL STATEMENTS****CONSOLIDATED BALANCE SHEET**

US\$ Million	31-12-2006	31-12-2007
Cash & cash equivalents	179,6	267,2
Account receivables	546,7	587,9
Inventories	634,5	754,5
Other current assets	248,4	326,2
Total Current Assets	1.609,2	1.935,8
Land	520,0	640,1
Forest	2.564,2	2.867,3
Buildings and other infrastructure	1.710,0	2.090,4
Machinery and equipment	2.335,7	2.963,4
Other Fixed Assets	1.252,4	489,8
Accumulated Depreciation	-2.270,5	-2.473,3
Total Fixed Assets	6.111,9	6.577,8
Total Other Assets	93,9	120,8
TOTAL ASSETS	7.815,0	8.634,4
Short-term debt	476,0	297,5
Accounts payable	199,0	220,7
Other current liabilities	149,9	112,5
Total Current Liabilities	824,9	630,7
Long-term bank borrowings	364,8	410,6
Long-term bonds	1.582,5	1.822,5
Other long term liabilities	198,5	290,1
Total Long Term Liabilities	2.145,8	2.523,3
Minority Interest	12,7	66,6
Total Shareholder's Equity	4.831,6	5.413,8
TOTAL LIABILITES & SHAREHOLDER`S EQUITY	7.815,0	8.634,4

For more details on the Financial Statements, please refer to www.svs.cl or www.arauco.cl



FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CASH FLOWS

US\$ Million	FY 2006	FY 2007
Net income (loss) for the period	619,4	695,7
Results on sales of assets	-0,8	0,1
Depreciation	185,4	251,3
Charges (credits) to income not affecting cash flow	59,2	65,8
Changes in assets, affecting cash flow	-295,0	-220,8
Changes in liabilities, affecting cash flow	203,9	235,8
Profit (loss) of minority interest	-0,1	1,1
Net cash provided by (used in) operating activities	772,0	1.029,0
Debt issuance	713,5	1.445,1
Debt repayment	-690,4	-1.346,3
Dividends Paid	-194,7	-284,3
Others	0,0	-3,3
Net cash provided by (used in) financing activities	-171,7	-188,8
Capital Expenditures	-732,9	-802,8
Other investment cash flow	-31,8	34,6
Net cash provided by (used in) investing activities	-764,7	-768,2
Total positive (negative) cash flow of the period	-164,4	72,1
Effect of inflation on cash and cash equivalents	10,2	10,8
Net increase (decrease) in cash and cash equivalents	-154,2	82,9
Cash and cash equivalents at beginning of the period	338,5	184,3
Cash and cash equivalents at end of the period	184,3	267,2

For more details on the Financial Statements, please refer to www.svs.cl or www.arauco.cl

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DISCLAIMER

Figures for the Arauco's operations in Chile and its consolidated international operations were prepared in accordance with Chilean generally accepted accounting principles (Chilean GAAP).

This news release may contain forward-looking statements concerning Arauco's future performance and should be considered as good faith estimates by Arauco. These forward-looking statements reflect management's expectations and are based upon currently available data. Actual results are subject to future events and uncertainties, many of which are outside Arauco's control, which could materially impact Arauco's actual performance. Readers are referred to the documents filed by Arauco with the United States Securities and Exchange Commission, specifically the most recent filing on Form 20-F which identifies important risk factors that could cause actual results to differ from those contained in the forward-looking statements. All forward-looking statements are based on information available to Arauco on the date hereof, and the Arauco assumes no obligation to update such statements.

References herein to "U.S.\$" are to United States dollars.

Discrepancies in any table between totals and the sums of the amounts listed are due to rounding.

This report is unaudited.