



ANNUAL REPORT  
2015





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## 2015 ANNUAL REPORT

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## THE COMPANY

Empresas CMPC S.A

Agustinas 1343, Santiago

Taxpayer code No. 90.222.000-3

+56 2 2441 2000

Established on 5 February 1920 in the Santiago Notary of Mr. Manuel Gaete Fagalde. Decree No. 589.

The company is controlled by the Matte Group with 55.64% of the capital stock.

CMPC is one of the leading companies in Latin America that produces and markets forestry products, pulp, paper and tissue products.

The company has diversified and balanced sales of products and export markets.

It sells its products to over 45 countries and has approximately 30,000 customers.

It has 17,562 direct employees in the eight countries in which the company has industrial processes.

**[www.cmpc.cl](http://www.cmpc.cl)**

Investor Relations Contact:

Colomba Henríquez Benavente

[mtvaldes@gerencia.cmpc.cl](mailto:mtvaldes@gerencia.cmpc.cl)

It is a private capital, open stock corporation,  
whose shares as of December 31, 2015 were  
distributed as follows





CHAPTER

01

THE COMPANY

2,500,000,000 common shares

25,690 shareholders

FOR THE YEAR ENDED 31 DECEMBER 2015

## 1920 →

CMPC is established. It produces paper, cardboard and wheat stram-based pulp at the Puente Alto mill.

## 1938 →

Start-up of newsprint production in Chile at the Puente Alto paper mill.

## 1940 →

Acquisition of the Pinares estate and start of the first radiata pine plantations in Region VIII.

## 1951 →

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

## 1957 →

Inauguration of the Bío-Bío newsprint mill

## 1959 →

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

## 1960 →

CMPC exports the first Chilean wood pulp to South America.

## 1972 →

New paper bag facility in Chillán.

## 1978 →

Construction of a molded pulp mill and tissue mill in Puente Alto.

## 1980 →

New tissue product mill in Puente Alto.

## 1983 →

Creation of subsidiary PROSAN and entry to the baby diaper market in Chile.

## 1985 →

Start-up of the Mulchén sawmill.

## 1986 →

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

## 1990 →

Launching of the eucalyptus plantation program.

# HISTORY

## 2000 →

Creation of the CMPC Foundation.

## 2001 →

Acquisition of the Til Til corrugated cardboard mill from Inland.

## 2003 →

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

## 2004 →

Construction starts on the second line of the Santa Fe wood pulp mill with a capacity of 780,000 tons a year.

## 2005 →

Start-up of the new Mulchén sawmill, expansion of the Talagante tissue mill and the Maule mill. Creation of the subsidiary Servicios Compartidos CMPC.

## 2006 →

Acquisition of ABSORMEX in Mexico (tissue). Start-up of line II of the Santa Fe wood pulp mill.

## 2007 →

Start-up of a plywood mill at Mininco in the La Araucanía Region in Chile. Acquisition of the Colombian company Drypers Andina, which produces and sells baby diapers.

## 2008 →

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

## 2009 →

Acquisition of the Guaíba wood pulp mill in the state of Rio Grande do Sul in Brazil from Celulosa Aracruz. Purchase of Melhoramentos Papéis in the state of Sao Paulo in Brazil. Start-up of a new paper mill in Mexico.



## 1991 →

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

## 1993 →

Sale of 50% of the subsidiary Prosan to Procter & Gamble to establish a joint venture to develop the disposable diaper and women's sanitary napkins market in Chile, Argentina, Bolivia, Uruguay and Paraguay.

## 1994 →

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

## 1995 →

Start-up of two new tissue paper mills at Talagante (Chile) and Zárate (Argentina).  
CMPC adopts a holding structure, dividing its five business areas into subsidiaries.

## 1996 →

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

## 1997 →


Consolidation of the pulp business with the acquisition of 100% of the Santa Fe and Pacífico mills. Start-up of a new paper production line for corrugated containerboard.

## 1998 →

Start-up of the Maule cardboard mill in the district of Yerbás Buenas.

## 1999 →

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



*In its 95-year history the Company has been characterized for having a strong organizational culture, whose hallmark is its word, honesty, a job well done and personal effort. The entire organization has embraced these values since its establishment in 1920.*

## 2010 →

A new tissue mill starts up at Gachancipá in Colombia.

## 2011 →

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

## 2012 →

FSC certification of all forest equity in Chile and Brazil.  
The Board approves the construction of a second wood pulp mill at Guaíba in Brazil.

## 2013 →

Construction starts on the Guaíba II wood pulp mill in the state of Rio Grande do Sul in Brazil.  
Newsprint production closes down. Closure of the Papeles Río Vergara mill at Nacimiento in the Bío-Bío region.  
Corporate reorganization of subsidiaries. The large business areas drop from five to four, with the absorption of CMPC Productos de Papel by CMPC Papeles. CMPC is therefore split into four business areas: forestry, pulp, paper and tissue.

## 2014 →

The corrugated box business is reorganized and the Quilicura plant is relocated.  
Envases Impresos and Envases Roble Alto merge forming one single business unit.

## 2015 →

Commissioning of the new Guaíba Pulp Line II in Brazil.  
Commissioning of Energy Cogeneration Plant in Altamira Mexico.  
Reorganization of Forestry and Pulp business, through the creation of a subsidiary that integrates both businesses.



## CHILE

### PAPERS

2 Boxboard Mills  
Production Capacity:  
430,000 tons

1 Containerboard  
Mill  
Production Capacity:  
316,000 tons

1 Paper Distribution  
Company  
Distribution Capacity:  
105,000 tons

1 Paper Recycling  
Company  
Recovery Capacity:  
335,000 tons

4 Corrugated Cardboard  
Mills  
Production Capacity:  
226,000 tons

1 Molded Products  
Mill  
Production Capacity:  
380 million units

1 Sack Mill  
Production Capacity:  
210 million units

### FORESTRY

Plantations  
490 thousand planted  
hectares

3 Sawmills  
Production Capacity:  
960,000 m<sup>3</sup>

1 Plywood Mill  
Production Capacity:  
500,000 m<sup>3</sup>

2 Remanufacturing Facilities  
Production Capacity:  
190,000 m<sup>3</sup>

### PULP

3 Mills  
Production Capacity:  
2,360,000 tons

### TISSUE

2 Mills  
Production Capacity:  
159,000 tons



# CMPC'S PRESENCE

## COLOMBIA →

### TISSUE

2 Mills

Production Capacity:  
28,000 tons

## BRAZIL →

### FORESTRY

Plantations:  
160 thousand planted  
hectares

### PULP

1 Mill

Production Capacity:  
1,765,000 tons

### TISSUE

2 Mills

Production Capacity:  
131,000 tons

## ARGENTINA →

### FORESTRY

Plantations:  
57 thousand planted  
hectares

### TISSUE

2 Mills

Production Capacity:  
99,000 tons

### PAPERS

1 Sack Mill

Production capacity:  
63 million units

## ECUADOR →

### TISSUE

1 Mill

Tissue Converting Plant:  
22,000 tons

## PERU →

### PAPERS

1 Sack Mill

Production Capacity:  
230 million units

### TISSUE

1 Mill

Production Capacity:  
71,000 tons

## MEXICO →

### PAPERS

1 Sack Mill

Production Capacity:  
169 million units

### TISSUE

3 Mills

Production Capacity:  
123,300 tons

## URUGUAY →

### TISSUE

1 Mill

Production Capacity:  
34,000 tons



An aerial photograph of a river winding through a lush, green forest. The river's surface is dark and reflects the surrounding trees. The forest is dense with various shades of green, indicating a healthy ecosystem. The overall scene is serene and natural.

01 →

## **RESPECT FOR PEOPLE**

We respect all the people with whom we engage as dignified human beings. At all our operations we value good treatment, frankness, loyalty, trust and good faith. We also take care of people's integrity and health.

02 →

## **CARE OF THE ENVIRONMENT**

We embrace sustainable development, promoting care of the environment and natural resources so as not to affect future generations. We are committed to the environment.

03 →

## **STRICT COMPLIANCE WITH LEGAL REGULATIONS**

We abide by the legal regulations governing our operations. All managers, executives and directors are committed to strict compliance with current legislation for all aspects involved in the development of our business.



04 →

## LOYALTY WHEN COMPETING

We value free competition as the essence of the market economy, as it enhances the development of more and better products and services at a lower price for consumers.

05 →

## CONSIDERATION FOR NEIGHBORS' NEEDS

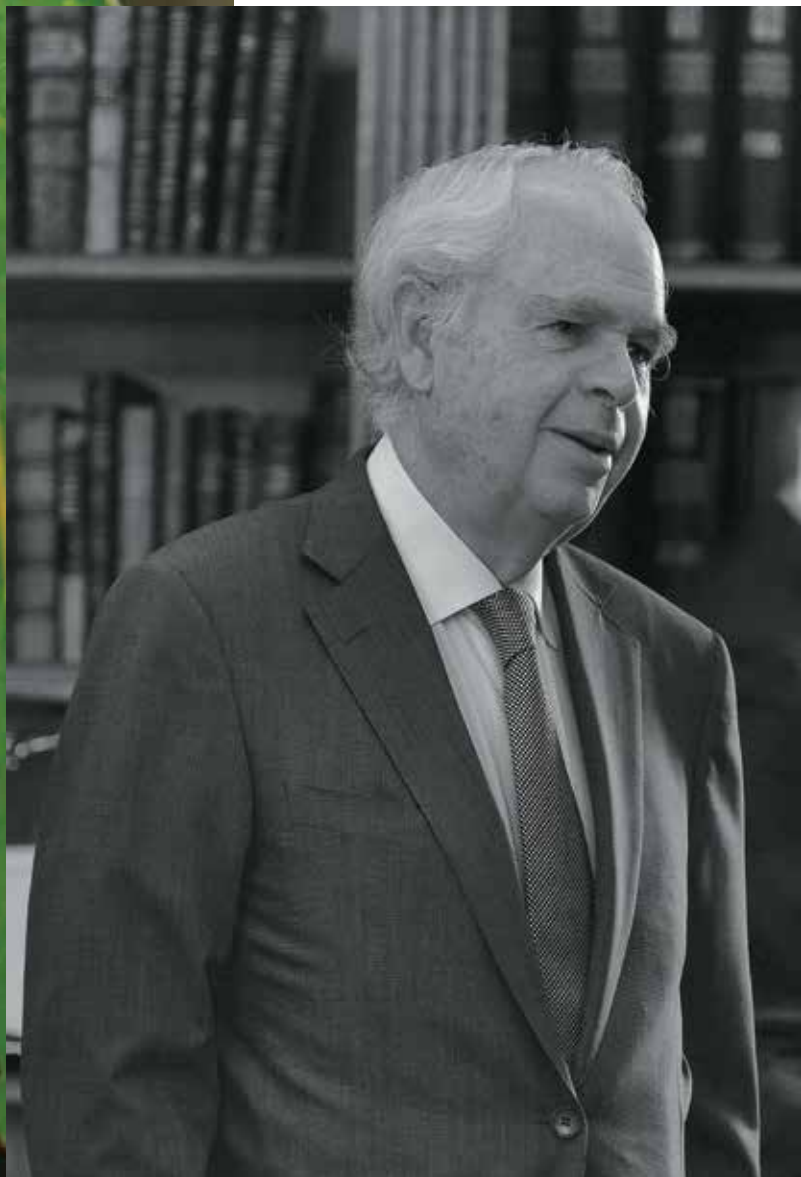
We forge relations of collaboration and trust with our neighbors to maximize the social benefits of our operations. We have a courteous and open attitude, identifying the needs of our neighbors and Opportunities of collaboration.



# CMPC'S VALUES

The following five values summarize  
our vision of how we have worked for  
95 years.





# CHAIRMAN'S STATEMENT

In its 95-year history the company has been characterized for its strong organizational culture, whose hallmark is delivery, honesty, a job well done and personal effort.



## TO THE SHAREHOLDERS,

I am very pleased to present the annual report, balance sheet and financial statements for the year ended 2015.

CMPC had consolidated sales of US\$4,846 million, very similar to those of 2014. Operating cash generation (EBITDA) was 11% up from 2014 and amounted to US\$1,099 million, due to the better performance in the forestry, pulp and tissue businesses. CMPC's consolidated income in 2015 was a loss of US\$3 million, down from net income of US\$138 million in 2014. This loss is explained by a tax provision of US\$421 million due to the appreciation of the US dollar against the Brazilian real and to a lesser extent the Chilean peso, which affected the financial and tax valuation of the company's property, plant and equipment. In addition to this, there was also a higher tax rate in Chile. Lastly, there was a non-operating loss of US\$76 million, with forest fires accounting for US\$40 million of this. In the reasoned analysis section of our financial statements you can find a more detailed explanation of these figures.

Reviewing how the global economy fared in 2015, once again the growth forecasts were wrong. We started the year with a forecast of 3.7% and ended the year with growth of around 3.1% and below that in 2014.

One of the factors that marked the course of the global economy in 2015 was the sharp drop in the price of most commodities. During the year, the Brent oil price plummeted 33%, and the copper price fell 25%. China had a large slowdown of growth, which led to lower demand, instability and a drop in the prices of the goods it imports. The wood pulp price, our main export product, dropped but not as much as other commodities.

Chile's downward growth continued to cause surprise. The slowdown that started in 2013 has not let up. In 2015, GDP growth was 2.1% and is not expected to improve in 2016.

In early 2015, the labor reform bill was submitted for legislative processing. The key and controversial aspects of this bill are trade union entitlement in collective bargaining processes, limitations on extending benefits and prohibition on hiring replacements if there is a strike. It is alarming to see that these initiatives will most certainly harm the development of companies.

We have unfortunately not been able as a society to agree on a more modern reform in keeping with people's needs, which benefits everyone, particularly youngsters, women and commensurate with the competitive reality of today's world. The results of the forestry and pulp businesses were driven by the commissioning of Guaíba II. On 3 May 2015 and after two intense years of work the new wood pulp mill started the commissioning process, the company's most important project in its 95-year history. Four days later, the first bale of wood pulp was produced by the new mill, which made us and particularly all the employees who were involved in this large company investment very proud. We are very pleased that the project will materialize as initially estimated, delivering on all its commitments in relation to timescales, investment, and most importantly the community, authorities and workers.

The effect of the commissioning of Guaíba II was evident in the results obtained in 2015. The company's consolidated EBITDA was US\$1,099 million, which was a US\$113 million year-on-year increase. Despite the improvement attained this year, we believe the company's performance can be even better.

I would once again like to highlight Forestal Mininco having achieved being among the 30 best companies to work for in Chile in the Great Place to Work survey for the third year running. It was also distinguished by Prohumana, which ranks the most sustainable companies in Chile, obtaining fourth place.

We cannot overlook the delicate situation of terrorism that some rural areas next to Mapuche communities are living. The cowardly attack on the houses of two of our workers in Tirúa is to be repudiated and shows how complex this problem is. These events caused serious material damage and reflect, along with dozens of other attacks and arson in the area, that the authorities have not managed to come up with a solution to a problem that has dragged on for many years. In turn, contractor companies, the pillars of forest management, have also suffered cowardly attacks, with damage to their equipment and facilities. The permanent seizures of land, arson and theft of wood have hampered the normal development of our business in the Bío-Bío and La Araucanía regions. We now once again reaffirm our commitment to collaborate with finding a solution to a problem that we believe is very serious and we hope that those people in charge of the country's political leadership will be able to reach a transversal agreement with the same purpose.



# CHAIRMAN'S STATEMENT

Toward the end of the year, the company's Board of Directors, in line with the quest for new ways of doing things, of innovating and being more efficient, decided to restructure the forestry and pulp businesses. We are convinced that their management with an integrated vision of the forest and industry will enable CMPC to improve its competitive position in global markets. We are seeking greater efficiency and performance in forestry production, and more flexibility and innovation capacity. The integrated business should also have higher operating efficiencies, better leveraging of synergies and a large improvement in the logistical processes.

The results of the paper business were affected by the lower dynamism of regional economies and the depreciation of their currencies against the US dollar, which led to lower sales prices and volumes.

As is public knowledge, from October to December the requirements for anticompetitive practices in Chile and Peru against our tissue subsidiaries in such countries were made public.

I would like to stress three key aspects of these events.

The first is that as soon as the Board found out about these irregularities, it instructed that the facts be reported to the competent authority, defined internal investigations, hired specialists on these issues and took action to prevent similar situations from reoccurring in the future.

The second concerns the decision to collaborate as much as possible with the respective investigations. Even the Director of the National Economic Affairs Investigation Bureau said it would have been tough to discover the collusion if it were not for our decisive action. To such effect, we have the peace of mind of having acted in total transparency and always with the truth. We never suspected that something like this had happened. Our permanent analysis of the business

performance indicators did not warn us that there was an agreement with the competition, as this is also totally contrary to our principles and way of doing business.

Thirdly, our decisive willingness to compensate consumers for the offence committed. Regarding this, we are participating in a collective mediation process with the National Consumer Protection Agency (SERNAC) to speed up the rectification of the offence as much as possible.

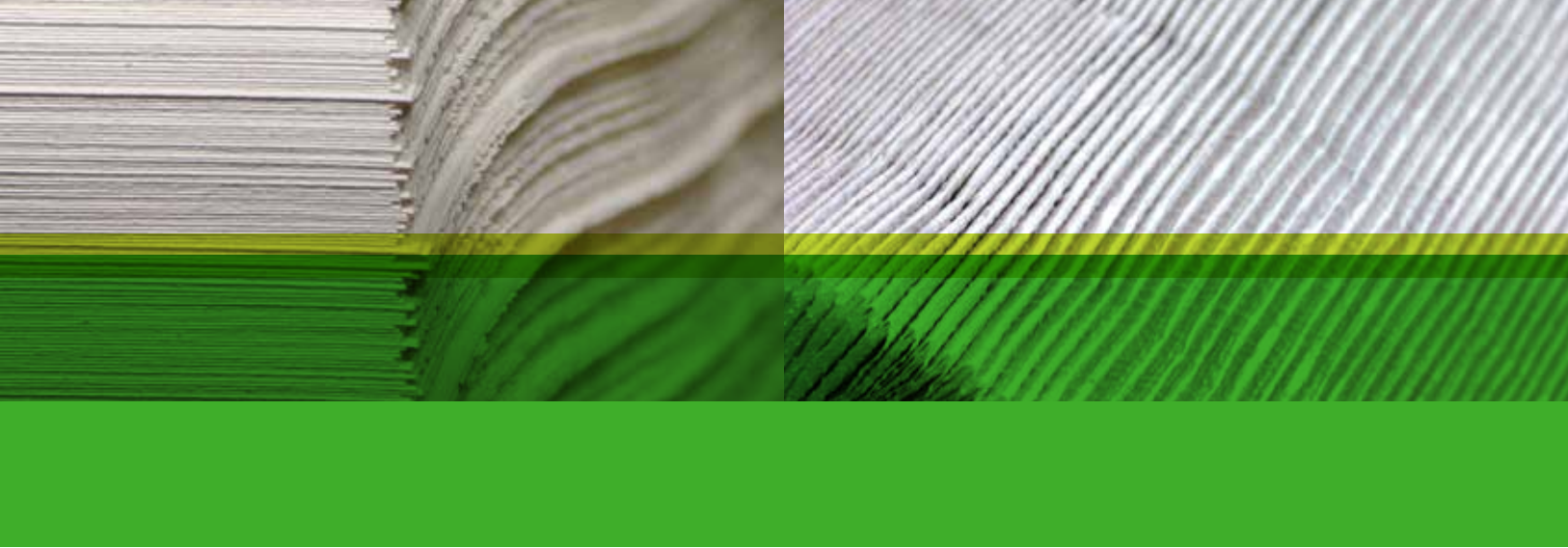
This serious situation has also been a lesson in humbleness. The disclosure of this case has made us understand that we must unwaveringly continue to review all the procedures to assure the embracement of best practices that prevent this reproachable conduct.

Dear shareholders, you can be sure that at the end of this process you will recognize that the way CMPC has handled the case will mark a standard for all Chilean companies, and such standard is nothing more than always acting with the truth, if you have made a mistake, recognize it openly, ask for forgiveness from those affected and redress the damage caused.

Sales revenue in the tissue business in 2015, measured in US dollars, dropped 3% year-on-year. That was mainly due to the depreciation of the different local currencies, which affected operations in Brazil, Chile, Argentina and Mexico. Nevertheless, EBITDA rose 10% year-on-year due to lower operating costs.

The company's large growth in the last few years has led to other changes. Regarding this, improving transparency practices has become a very important task for corporate governance and the company therefore decided to restructure the functions of the holding, creating the legal department, the corporate development management and the corporate affairs management, all reporting to the CEO. The controller's





office will depend on the Board regarding internal audits and risk control.

CMPC has important projects in the future. By mid-year, the document on the construction of a new biomass-fired boiler for the Santa Fe mill entered the environmental assessment system, and at the end of the year the project of the second modernization phase of the Laja mill was approved. In the paper business, the operating continuity and ramp-up project of the Maule mill is under development, which will maintain the company's leadership of products and costs, replace equipment that has come to the end of its life and raise the output capacity by 93,000 tons a year to a total of 450,000 tons. This initiative will require an investment of US\$122 million. In the last quarter of 2015, the power co-generating plant at Papeles Cordillera was commissioned at an investment of US\$70 million. Its importance lies in the fact that it will make the Puente Alto mill 100% self-sufficient for its electric power and steam needs.

In 2015, the new paper machine at the Altamira mill in Mexico was commissioned, which will add 54,000 tons of tissue paper production capacity. The 20 MW power co-generation project at the Altamira mill in Mexico also started up, and a similar one is in the commissioning stage at the Talagante mill. The execution of the new tissue mill project in Peru also started, which will provide a further 54,000 tons of paper as of the second quarter of 2017, at an investment of US\$139 million. On community relations, I should highlight the educational and cultural activities of the CMPC Foundation, which in 2015 included the support of 39 primary schools and 7,000 pupils, along with its management of the Alessandri Park in Concepción with 165,000 visitors a year and the development of a four-hectare park in Nacimiento, which will give that city a recreation area for families.

The environmental concern there is at each of our operations is also important, not only striving to comply with the

regulations but always seeking to mitigate the impacts that industrial activities cause due to their nature.

For over 95 years we have been proud about what we are as a company. That pride has now been jeopardized and we must work to recover it.

CMPC has a regional presence in eight countries, total assets of US\$15 billion and 17,600 direct employees, of whom 46% are abroad. Chile only accounts for 23% of the total sales. This great company is ready to address the challenges that lie ahead.

As you know, I have decided not to apply to be a director of Empresas CMPC S.A. in the election in the next Ordinary Shareholders' Meeting on April 29, 2016. Hence, as of that date I will step down as Chairman. The reasons for my decision are strictly personal. I have held positions in this company for 40 years, since I entered as a director in 1976. Subsequently in 1981, I became the CEO for five years to then return to the Board of Directors, firstly as the Vice-Chairman and then the Chairman in 2002.

I have also informed the controlling group that I have made the decision to support all the corresponding proceedings of the appointment of Mr. Luis Felipe Gazitúa Achondo as a director and the Chairman of CMPC, an outstanding executive with a proven track record in various companies of the group. I would like to express my deep thanks to all the employees of the company, who with their effort and loyalty have enabled the impressive business development over these 40 years in CMPC. I would also like to thank shareholders for their permanent support and trust in the company and its Board of Directors.

**Eliodoro Matte Larraín**  
Chairman

# BOARD OF DIRECTORS

The company is managed by a Board of Directors, comprising seven members elected by the Shareholders' Meeting who remain in office for three years.

Its main function, regulated by law 18.046 on corporations, is to manage the company. Such law addresses, among other issues, how the Board of Directors should operate, establishing the competencies, obligations and responsibilities of its members.

The Board of Directors also represents the company in- and out-of-court for all acts needed to comply with the corporate purpose, and to achieve this, it is vested with all the management and disposition powers that the law or articles of association do not lay down as exclusive to the General Shareholders' Meeting.

The Board of Directors convenes monthly to assess and guide the company's development of economic, environmental and social aspects.

Shareholders can give their opinions on the operation of the company in the ordinary and extraordinary shareholders' meetings summoned legally.

The fees of the Board of Directors are variable, according to the dividends distributed to shareholders. Directors have no variable remuneration for achieving the economic, social or environmental objectives.

The Board of Directors of Empresas CMPC, elected on April 22, 2014, is as follows:



**CHAIRMAN**  
**ELIODORO MATTE L.**  
**INDUSTRIAL CIVIL ENGINEER**  
**CHILEAN ID NO. 4.436.502-2**



**DIRECTOR**  
**BERNARDO MATTE L.**  
**BUSINESS ENGINEER**  
**CHILEAN ID NO. 6.598.728-7**



**DIRECTOR**  
**JORGE GABRIEL LARRAÍN B.**  
**BUSINESS ENGINEER**  
**CHILEAN ID NO. 4.102.581-6**



## DIRECTORS' COMMITTEE

2014	2015
Jorge Marín C.*	Jorge Marín C.*
Erwin Hahn H.*	Erwin Hahn H.*
Arturo Mackenna	Martín Costabal Ll.
	Arturo Mackenna I.**

\* Independent Directors

\*\* On 22 October 2015, Mr. Arturo Mackenna I. resigned as a director of Empresas CMPC S.A.

## BOARD DIVERSITY

### I) No. OF PEOPLE BY GENDER

WOMEN	MEN
0	6

### II) No. OF PEOPLE BY NATIONALITY

CHILEAN	FOREIGNER
6	0

### III) No. OF PEOPLE BY AGE

LESS THAN 30	FROM 30 TO 40	FROM 41 TO 50	FROM 51 TO 60	FROM 61 TO 70	MORE THAN 70
0	0	0	2	3	1

### IV) No. OF PEOPLE BY YEARS OF SERVICE

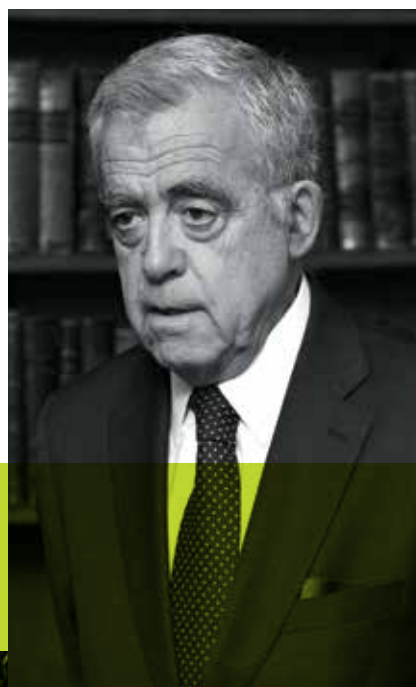
LESS THAN 3 YEARS	FROM 3 TO 6 YEARS	MORE THAN 6 AND LESS THAN 9 YEARS	FROM 9 TO 12 YEARS	MORE THAN 12 YEARS
0	1	0	1	4



**DIRECTOR**  
**JORGE MARÍN C.**  
**COMPANY MANAGER**  
**CHILEAN ID NO. 7.639.707-4**



**DIRECTOR**  
**ERWIN HAHN H.**  
**INDUSTRIAL CIVIL ENGINEER**  
**CHILEAN ID NO. 5.994.212-3**



**DIRECTOR**  
**MARTÍN COSTABAL LL.**  
**BUSINESS ENGINEER**  
**CHILEAN ID NO. 5.593.528-9**

# SENIOR MANAGEMENT



**CEO**  
**HERNÁN RODRÍGUEZ W.**  
**INDUSTRIAL CIVIL ENGINEER**  
**CHILEAN ID NO. 7.051.490-7**



**CHIEF FINANCIAL OFFICER**  
**IGNACIO GOLDSACK T.**  
**BUSINESS ENGINEER**  
**CHILEAN ID NO. 12.722.226-6**



**GENERAL SECRETARY**  
**GONZALO GARCÍA B.**  
**LAWYER**  
**CHILEAN ID NO. 5.543.123-K**





**CORPORATE DEVELOPMENT MANAGER**  
**JACQUELINE SAQUEL M.**  
**BUSINESS ENGINEER**  
**CHILEAN ID NO. 8.820.053-5**



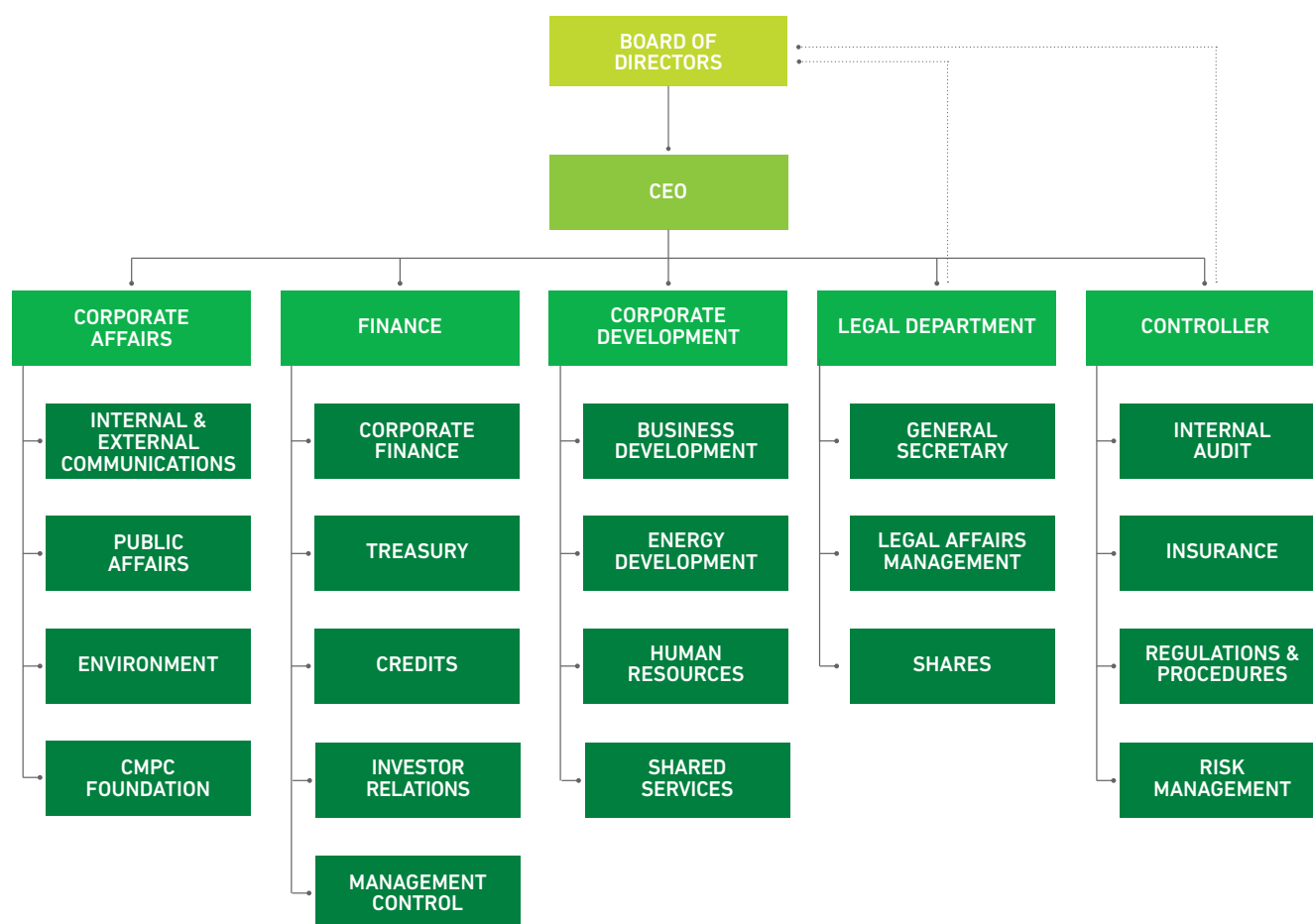
**CORPORATE COUNSEL**  
**RAFAEL COX M.**  
**LAWYER**  
**CHILEAN ID NO. 12.797.047-5**



**CONTROLLER**  
**RODRIGO GÓMEZ F.**  
**BUSINESS ENGINEER**  
**CHILEAN ID NO. 9.584.951-2**



# ORGANIZATIONAL CHART





# SENIOR MANAGEMENT

CHILEAN ID NO.	NAME	POSITION	PROFESSION	APPOINTMENT DATE
7.051.490-7	Hernán Rodríguez Wilson	CEO	Industrial Civil Engineer	29/04/2011
12.722.226-6	Ignacio Goldsack Trebilcock	CFO	Business Engineer	01/02/2016
5.543.123-K	Gonzalo García Balmaceda	General Secretary	Lawyer	01/10/1990
8.820.053-5	Jacqueline Alejandra Saquel Mediano	Corporate Development Manager	Business Engineer	01/09/2015
12.797.047-5	Rafael Cox Montt	Corporate Counsel	Lawyer	01/01/2016
9.584.951-2	Rodrigo Andrés Gómez Fuentes	Controller	Business Engineer	01/08/2014
7.052.877-0	Francisco Ruiz-Tagle Edwards	CMPC Forestal/Celulosa Manager	Business Engineer	01/01/2016
7.003.064-0	Luis Alfonso Llanos Collado	CMPC Papeles Manager	Industrial Civil Engineer	01/09/2015
8.808.724-0	Gonzalo Hernán Darraidou Díaz	CMPC Tissue Manager	Business Engineer	01/11/2015
6.227.256-2	Rodrigo Quiroga Correa	Shared Services Manager	Business Engineer	01/04/2012
9.277.163-6	María Inés Garrido Sepúlveda	Internal Audit Manager	Business Engineer	18/01/2016
4.837.929-K	Rodrigo Levy Wilson	Management Control Manager	Industrial Civil Engineer	01/01/2006

## GENERAL MANAGEMENT DIVERSITY

### I) No. OF PEOPLE BY GENDER

WOMEN	MEN
1	8

### II) No. OF PEOPLE BY NATIONALITY

CHILEAN	FOREIGNER
9	0

### III) No. OF PEOPLE BY AGE

LESS THAN 30	FROM 30 TO 40	FROM 41 TO 50	FROM 51 TO 60	FROM 61 TO 70	MORE THAN 70
0	1	3	4	1	0

### IV) No. OF PEOPLE BY YEARS OF SERVICE

LESS THAN 3 YEARS	FROM 3 TO 6 YEARS	MORE THAN 6 AND LESS THAN 9 YEARS	FROM 9 TO 12 YEARS	MORE THAN 12 YEARS
7	1	0	0	1



45

**COUNTRIES**

BUY THE  
COMPANY'S  
DIFFERENT  
PRODUCTS



17,562

**DIRECT  
EMPLOYEES**

WORK IN THE  
EIGHT COUNTRIES  
WHERE CMPC  
HAS INDUSTRIAL  
PROCESSES



US\$

1,099

**MILLION**

**EBITDA**





→  
US\$  
14,769

**MILLION**

**TOTAL  
ASSETS**

→  
US\$  
7,928

**MILLION**

**THE COMPANY'S  
SHAREHOLDERS'  
EQUITY**

→  
US\$  
4,841

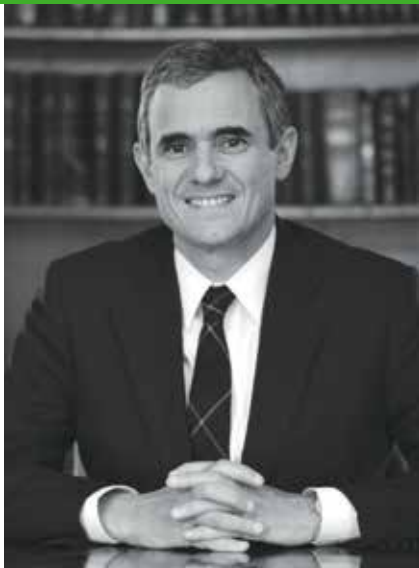
**MILLION**

**CONSOLIDATED  
SALES**

## **CMPC HIGHLIGHTS**

For the year ended December 31, 2015

# CMPC FORESTAL



**GENERAL MANAGER:**  
Francisco Ruiz –Tagle E.

**CHAIRMAN:**

Jorge Matte C.

**VICE-CHAIRMAN:**

Hernán Rodríguez W.

**DIRECTORS:**

Gonzalo García B.  
Fernando Raga C.  
Jorge Larraín M.  
Leonidas Montes L.  
Bernardo Matte I.

CMPC Forestal manages and develops the company's forest business of pine and eucalyptus plantations in Chile, Brazil and Argentina, which are the main source of wood supply for CMPC's industrial operations. This business area, through its subsidiary CMPC Maderas, also produces and markets solid wood, sawn timber, remanufactured products and plywood panels.

Its industrial operations are carried out at three sawmills in Bucalemu, Mulchén and Nacimiento; at two remanufacturing facilities at Coronel and Los Ángeles; and a plywood mill located at Villa Mininco, district of Collipulli. There is also a commercial agreement with third parties, which operate a sawmill at Las Cañas and Loncoche.

The business is managed in accordance with rigorous sustainability standards. The forest equity in Chile and Brazil is certified pursuant to the FSC® Responsible Forest Stewardship (FSC-C006246) and the Sustainable Forest Management Standard (CERTFOR-PEFC and CERFLOR-PEFC, respectively). The company also has FSC chain-of-custody certification for the plywood, sawn timber and remanufacturing (FSC-C110313) industries.

## BUSINESS DEVELOPMENT

In 2015, the consolidated EBITDA was US\$185.5 million, higher than the US\$144.0 million in 2014. Forest operations increased in Brazil in 2015 due to the commissioning of line II of the Guaíba mill; the operation of the second line of the plywood mill was consolidated, and there were greater sales of pine sawlogs in Chile and Argentina.

> **US\$185.5**  
MILLION CONSOLIDATED EBITDA

> **37,600**  
PLANTED HECTARES DURING 2015 IN CHILE,  
ARGENTINA AND BRAZIL

> **163,000**  
HECTARES OF NATIVE FOREST AND WATER  
FLOWS ARE PROTECTED AND PRESERVED





## FORESTRY OPERATIONS IN CHILE, BRAZIL AND ARGENTINA

The production of logs in Chilean forests in 2015 was 10.5 million m<sup>3</sup>, of which 6.2 million m<sup>3</sup> were pine and 4.3 million m<sup>3</sup> eucalyptus.

During the year, a total of 25,000 hectares were planted, with radiata pine accounting for 14,500 hectares, eucalyptus nitens for 6,500 hectares, and eucalyptus globulus for 4,000 hectares.

In 2015, a total of 37,800 hectares of pine were pruned. During the year the company produced 35.8 million plants in Chile, with pine accounting for 59% of the total. 3.4 million plants were sold in the market.

The 2014-2015 forest fire season ended in Chilean forests with a total of 948 fires, damaging a surface area of 8,250 hectares. Such damage was mainly due to arson.

The production of logs at Bosques del Plata in Argentina in 2015 was 1 million m<sup>3</sup>. During the year, 2,700 hectares were planted, mainly with taeda and elliotti pine.

Forests in Brazil harvested 5 million m<sup>3</sup>, of which 4.7 million m<sup>3</sup> were pulpable wood for the wood pulp mill and 280,000 m<sup>3</sup> sawable timber for sale to local sawmills.

The company planted 9,800 hectares with different types of eucalyptus and a total of 13 million plants were produced, of which 11.8 million were for domestic consumption and 1.2 million for sale to third parties.

## CMPC MADERAS OPERATIONS AND RESULTS

There was a total of 975,000 m<sup>3</sup> of sawn timber, 362,000 m<sup>3</sup> of plywood and 162,000 m<sup>3</sup> of remanufactured products.

Prices dropped in sawn timber markets, particularly in the Middle East and Japan. The main reason was the heavy competition from other export countries that benefitted from the devaluation of their currencies.

In the case of remanufactured products, there was an economic recovery of the real estate sector in the United States, the main market for this product.

Prices dropped in plywood markets in 2015. This was due to competition from countries whose currencies had large devaluations, like Brazil and Russia, and the higher production in Chile.

The subsidiary's main customer is The Home Depot, whose sales accounted for more than 10% of its revenue. It has no suppliers who account for over 10% of its purchases.

Arauco is the main competitor in the forestry and wood business.



# CMPC CELULOSA



**GENERAL MANAGER:**  
Washington Williamson B.

**CHAIRMAN:**  
Bernardo Matte L.

**VICE-CHAIRMAN:**  
Hernán Rodríguez W.

**DIRECTORS:**  
Gonzalo García B.  
Andrés Echeverría S.  
Jorge Matte C.  
Sergio Colvin T.

CMPC Celulosa is a business unit that produces and markets wood pulp. Its four mills have a total production capacity of 4.0 million tons per annum. Three of them are in the south of Chile: Santa Fe (lines I and II), Pacífico and Laja; and the fourth one in Guaíba (lines I and II) in the state of Río Grande do Sul in Brazil.

Its mills are mainly supplied by its own cultivated forests. These forests are unencumbered and fully traceable to the final destination, as certified by CERTFOR-PEFC chain-of-custody certification in Chile, CERFLOR in Brazil and FSC in both countries (FSC-C007488 / FSC-C005102 / FSC-C103613).

The three mills in Chile have current integrated management systems in accordance with the ISO 14001, ISO 9001, ISO 50.001 and OHSAS 18.001 standards.

> **US\$577**  
MILLION CONSOLIDATED EBITDA

> **3,104,689**  
TONS OF TOTAL PULP PRODUCTION  
IN 4 PLANTS

> **2,992,000**  
TONS TOTAL SALES

## BUSINESS DEVELOPMENT

CMPC Celulosa had record total wood pulp production at the four mills of 3,104,000 tons, 457,000 tons more than in 2014, and this was achieved with line II of Guaíba in Brazil coming on stream.

Total sales were 2,992,000 tons in 2015. Wood prices in 2015 (in Chilean pesos) had different trends on the previous year. Whereas pine prices increased 4%, mainly due to the lower





availability of the supply of pulpable logs that had to be replaced with sawlogs, and an increase in the price of wood chips marketed in US dollars, eucalyptus had a 3% price decrease, arising from lower exports of eucalyptus globulus to Japan.

In 2015, CMPC had the most important milestone in its history regarding investment projects. As established in the project schedule and meeting the total budget, in May the company commissioned the new Guaíba II line, at an investment of US\$2,100 million and an initial capacity of 1.3 million tons. This project has increased CMPC's wood pulp production capacity by 46% and with one of the lowest production costs in the industry. The project is currently in full operation and it produced 498,000 tons of wood pulp in the second half of 2015.

Bioenergías Forestales, including the electric power generation of Laja, Pacífico and Santa Fe, provided US\$16.8 million to the EBITDA of CMPC Celulosa. This amount was only 52% of the contribution made by the energy business in 2014 and was the result of lower generation due to failures of the turbine generators (TGs) of Laja and Santa Fe and lower energy prices that limited injections into the central power grid.

In 2015, the i-Cel program put innovation as the core of business management and consolidated a successful platform to capture the best ideas of employees and turn

them into value for the company. More than 1,400 people have participated and over 2,000 ideas have been received. The company approved 87 projects entailing a total investment of around US\$4 million and which will generate savings of US\$5.7 million a year.

The subsidiary has no customers that account for at least 10% of its revenue nor suppliers that account for 10% of all its purchases.

Arauco is the main competitor in the pulp business.

# CMPC PAPELES



**CHAIRMAN:**

Juan Carlos Eyzaguirre E.

**VICE-CHAIRMAN:**

Hernán Rodríguez W.

**DIRECTORS:**

Martín Costabal LL.

Gonzalo García B.

Andrés Infante T.

Eliodoro Matte C.

Bernardo Matte I.

**GENERAL MANAGER:**

Luis Llanos C.

CMPC Papeles S.A. is the subsidiary that produces and markets boxboard, containerboard and for industrial use, corrugated cardboard boxes, industrial bags, moulded pulp trays, it distributes paper and recycles waste paper.

Its companies are: Cartulinas CMPC, Papeles Cordillera, Envases Impresos Roble Alto, Forsac, Chimolsa, Edipac and Sorepa.

## BUSINESS DEVELOPMENT

CMPC Papeles had a consolidated EBITDA of US\$131 million, a 15% year-on-year decrease, largely due to sales dropping US\$102 million on the previous year, essentially boxboard, lower prices of corrugated products and lower sales of apple trays.

### CARTULINAS CMPC:

Cartulinas CMPC had total sales of 357,000 tons in the year, a 9% year-on-year decrease. Exports accounted for 84% of the sales, and the domestic market the rest. Total billing was US\$374 million, a 15% year-on-year decrease.

### PAPELES CORDILLERA:

This subsidiary had total sales of 302,000 tons, 8,000 tons more than the previous year, a 2.6% increase. Containerboard accounted for 85% of the sales and paper for construction, packaging and containers for the rest. Billing was US\$202 million, similar to that in 2014.

In the last quarter, the power co-generating plant of Papeles Cordillera started up, at an investment of US\$70 million. Its importance is that it will make the Puente Alto complex 100% self-sufficient for electric power and steam needs.

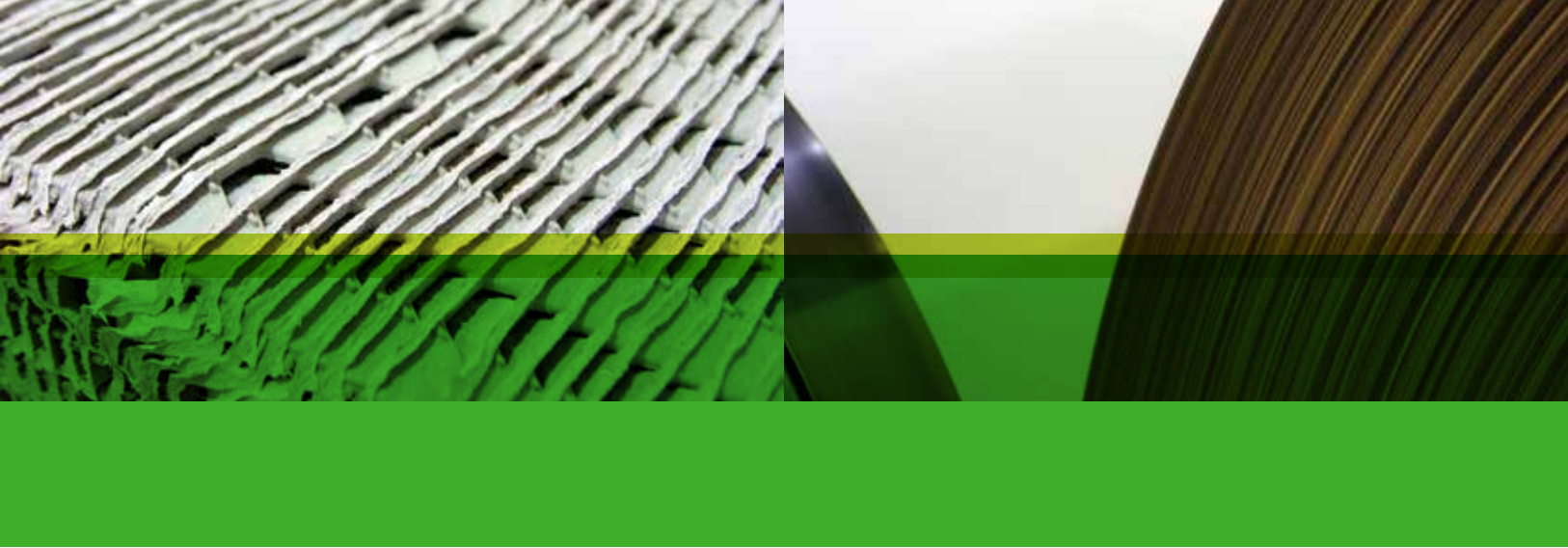
> US\$131  
MILLION CONSOLIDATED EBITDA

> US\$950  
MILLION OF TOTAL CONSOLIDATED SALES

> 357,00  
TONS OF TOTAL BOXBOARD

> 302,000  
TONS OF TOTAL PAPELES CORDILLERA SALES





### ENVASES IMPRESOS ROBLE ALTO:

In 2015, Envases Impresos Roble Alto deepened the restructuring process started in December 2013 to redrive the corrugated box business by merging Envases Impresos and Envases Roble Alto.

In 2015, this subsidiary had total physical sales of 174,000 tons, a 1% year-on-year decrease. Total billing amounted to US\$196 million, 5.8% down from the previous year due to lower prices.

### CHIMOLSA:

It had total sales of 283 million units in 2015, a 16% year-on-year decrease, due to lower sales of apple trays. Billing amounted to US\$27 million and the EBITDA was US\$5.9 million.

### FORSAC:

This subsidiary closed 2015 with an EBITDA of US\$20 million, similar to the previous year. Physical sales were 620 million sacks, a 1% increase on 2014. Billing in the year was US\$155 million, 5% down from the previous year.

### EDIPAC:

In 2015, EDIPAC had sales of 95,000 tons, maintaining it as the leader of the printing and writing paper, boxboard and packaging paper distribution market.

### SOREPA:

This subsidiary, which supplies recycled paper to the tissue, Papeles Cordillera and Chimolsa mills, purchased 364,000 tons in 2015, a 7% year-on-year increase.

The subsidiary has no customers that individually account for at least 10% of the total sales of each subsidiary.

Cartulinas, Envases Impresos, Chimolsa, Sorepa and FORSAC have no suppliers who individually account for at least 10% of the total purchases.

Papeles Cordillera's main supplier is Metrogas S.A., accounting for over 10% of the supplier payments.

Edipac's main supplier is International Paper Cartones S.A., accounting for over 10% of the supplier payments.

This subsidiary has no main competitor, as it is present in various different markets.

> 174,000

TONS OF TOTAL SALES OF  
ENVASES IMPRESOS ROBLE ALTO

> 95,000

TONS SOLD BY EDIPAC

> 620,000,000

SACKS SOLD BY FORSAC

> 283,000,000

UNITS SOLD BY CHIMOLSA

# CMPC TISSUE



## CHAIRMAN:

Jorge Hurtado G.

## VICE-CHAIRMAN:

Hernán Rodríguez W.

## DIRECTORS:

Jorge Larrain M.  
Jorge Matte C.  
Bernardo Matte L.  
Gonzalo García B

## GENERAL MANAGER:

Gonzalo Darraidou D.

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

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

Products are marketed under its own brands, with Elite being the regional tissue brand. 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 napkins are marketed under the Babysec, Cotidian and Ladysoft brands.



# US\$223

MILLION CONSOLIDATED EBITDA



# 610,000

TONS OF TISSUE PRODUCTS SALES



# 2.7 billion

BABY DIAPERS WERE SOLD

## BUSINESS DEVELOPMENT

CMPC Tissue had a consolidated EBITDA of US\$223 million and billing in the year was US\$1,900 million.

The company had tissue product sales of over 610,000 tons, which was a 3% increase, and baby diaper sales of more than 2.7 million units, with growth of 5%.

The requirements for anticompetitive practices of the subsidiary in Chile and Peru became public knowledge from October to December 2015. Due to this, along with self-reporting, we collaborated with the investigation and in Chile we showed our willingness to compensate consumers for the offence committed.





The subsidiary continued to innovate in all categories and products, based on the most important features for consumers. The company made progress with the development of new technology for baby diapers to improve the product lines.

In Chile, the business had a 2% increase in the sales volume and it dropped 5% for sales in US dollars. For the third year running, the Confort brand won an award for being one of the most valued brands in Chile (among the 15 best), according to the Chile3D survey of the survey company GFK Adimark.

In Argentina, price and import controls continued with the execution of advance affidavits. Despite this, Papelera del Plata has consolidated its leadership in tissue products and was in third place for diapers. Moreover, this year's results are better than the previous year.

In Brazil, the company had a 29% increase in the baby diaper sales volume and 33% for adult diapers in respect to last year. Sales of women's sanitary napkins exceeded the budget.

In Mexico, paper machine 4 and the power co-generating plant started up in Altamira.

In Peru, the company had an 8% increase in volume and Elite is the leading brand in the market. It had large growth in all the categories in the sanitary area, with Babysec consolidating as the number two brand in Peru.

In Colombia, the company had a 13% increase in the tissue sales volume.

In Uruguay, the company had a high market share of the tissue and sanitary product market (baby diapers grew 8% in volume

and adult diapers 11%). Moreover, the important contribution of the subsidiary in Uruguay to the supply of products with exports to Brazil and Argentina should be highlighted.

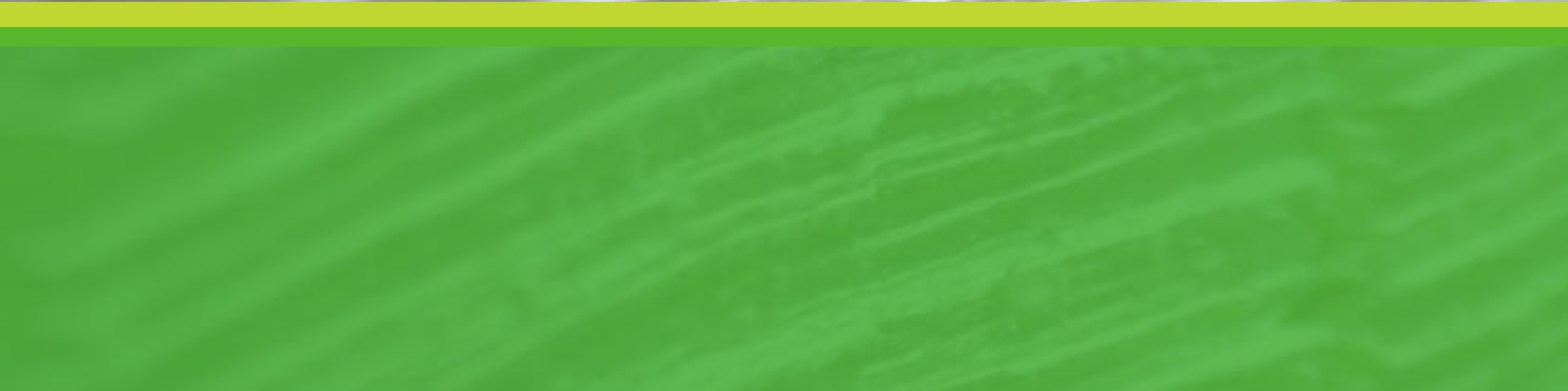
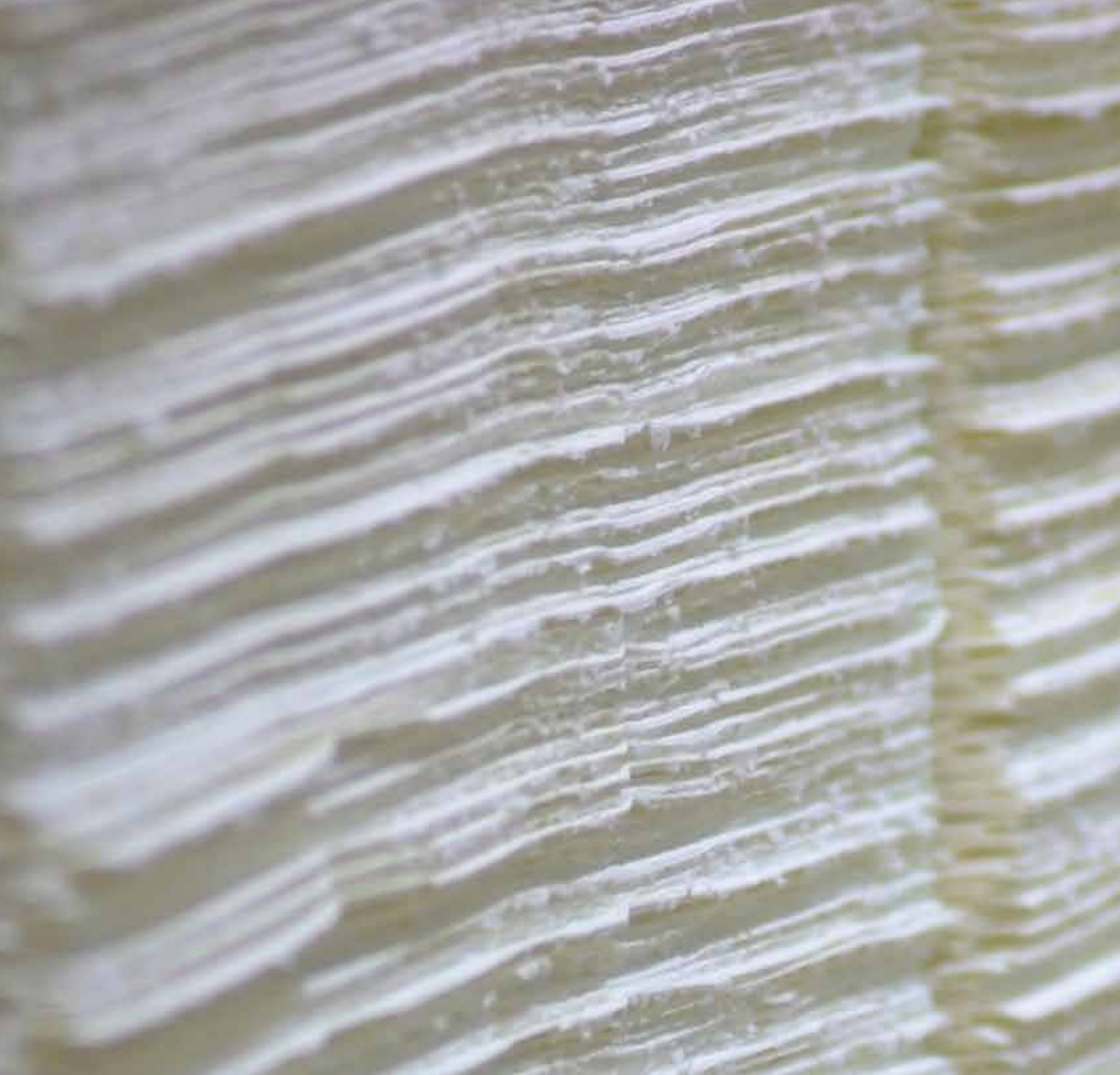
The heavy competition in the economic toilet paper segment in 2014 continued in Ecuador during the year, due to a new competitor entering the market.

In 2015, the new paper machine 4 of the Altamira mill in Mexico was commissioned, which will add 54,000 tons of paper capacity to the system. The company also commissioned three conversion lines and a napkin machine at the different mills of CMPC Tissue with 35,000 tons of finished product capacity.

The company commissioned the power co-generation projects at the Talagante mill in Chile and Altamira mill in Mexico consisting of 20 MW each. The new Cañete mill project was launched, which will add a further 54,000 tons of paper as of the second quarter of 2017 at an investment of US\$139 million.

Walmart is the only customer that individually accounts for over 10% of the subsidiary's revenue. There are no suppliers that individually account for 10% of the total purchases of the subsidiary.

Kimberly-Clark and SCA are the main competitors in the tissue business.







CHAPTER

02

# SUSTAINABILITY & THE ENVIRONMENT

CMPC is involved with the challenges and desires of the communities where it carries out its industrial operations. To do this, CMPC provides educational support and community development programs to benefit the neighbors of its forest properties and plants, in order to further improve their living conditions.

# CMPC AND ITS SURROUNDINGS

## CMPC FOUNDATION

The CMPC Foundation completed 15 years of making a contribution to municipal education and driving various cultural initiatives in the communities around the industrial facilities of Empresas CMPC, and it is an effective corporate social responsibility instrument.

Its function in its educational role has been to empower and support teachers, directors and parents in the daily task of educating children in their first few years of schooling.

## MISSION

Its mission is to enhance the education and culture of the communities in which Empresas CMPC operates by developing the skills of local players and generating long-term partnerships.

## ACTION PRINCIPLES

01  
PUBLIC-PRIVATE  
PARTNERSHIP

02  
PROFESSIONAL SUPPORT  
OF EXCELLENCE

03  
FOCUS AND  
RIGOROUS ASSESSMENT

04  
LONG-TERM  
VISION

05  
TRANSPARENCY  
AND RELIABILITY

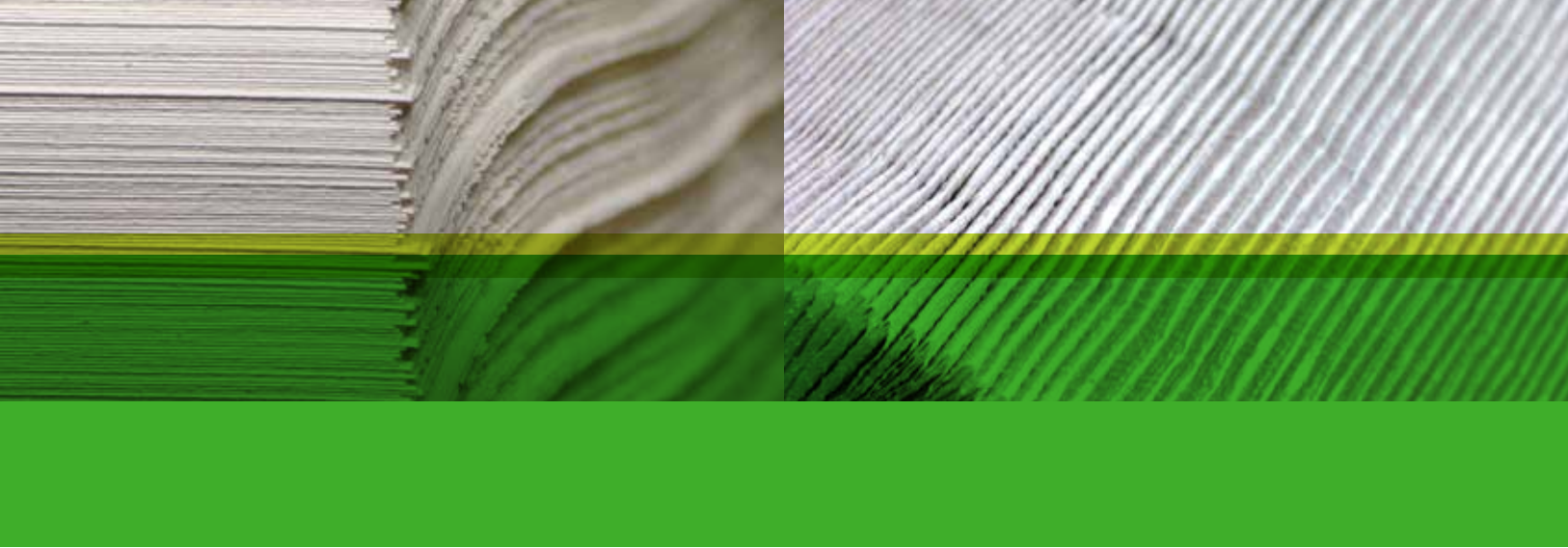
06  
DE-CENTRALIZATION



## PROGRAMS

In 2015, the CMPC Foundation developed educational advisory programs for primary schools and for early stimulation benefitting 7,900 children, 400 teachers and directors at 56 schools in 11 districts in Chile.





## METROPOLITAN REGION

TALAGANTE

→ **8** SCHOOLS

## EL MAULE REGION

SAN JAVIER · VILLA ALEGRE  
YERBAS BUENAS

→ **11** SCHOOLS

## BÍO-BÍO REGION

LAJA · SAN ROSENDO · MULCHÉN  
NACIMIENTO · NEGRETE

→ **32** SCHOOLS

## LA ARAUCANÍA REGION

RENAICO · COLLIPULLI

→ **5** SCHOOLS

# COMMUNITY

## GOOD NEIGHBORLY ACTIONS

Social Responsibility is an essential part of our business model at Empresas CMPC. Our relationship with local communities is the core element of the company's sustainable development.

### FORESTAL MININCO

CMPC Forestal has a long-standing work relationship with its neighbors, promoting the welfare of the communities living next to the areas where the production activities are being carried out, and supporting the development of projects to improve their quality of life.

### 01. MUSIC, A BRIDGE BETWEEN THE COMMUNITY AND ITS CULTURE

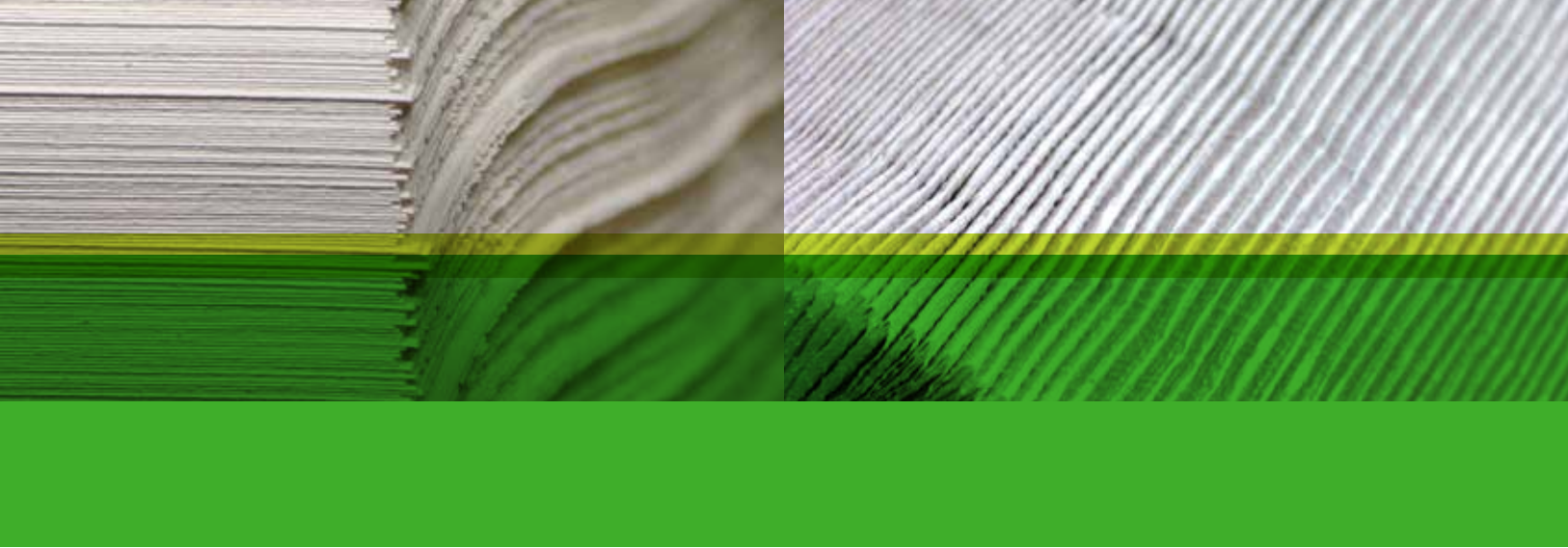
The Music program, a bridge between the community and its culture, is part of the work that CMPC undertakes to strengthen the education and culture of the communities where the company is present, by bringing expertise to the locals and building alliances. CMPC seeks to develop social skills and appropriate learning environments for students and teachers in rural schools; through the dissemination and practicing of musical skills and elements of local, regional and national culture. This program allows all students to have the possibility of experiencing and exploring music, either through a musical instrument or by singing, in an environment that is not selective or exclusive. In its eight years of operation, the program has benefited more than 12,000 students.

### 02. TRAINING COURSES FOR OUR NEIGHBORS

Training courses aim to improve or develop technical knowledge to allow our neighbors to enhance their employment options or start their own enterprises. Content is based directly on the needs of our neighbors, through regular dialogue and consultation processes. This program has been in place for 15 years, and during this period, it has trained nearly 38,000 people in more than 80 different specialties. All courses are SENCE accredited.







### 03. PROMOTING PRODUCTION

Boosting the productive and economic improvement of the families of small-scale Mapuche farmers through developing fruit and vegetable orchards, has been a priority in our work with neighbors at CMPC Forestal. In this manner CMPC has promoted the entrepreneurial spirit of families from the Bio Bio and La Araucania Regions, who have developed strawberry, raspberry and blueberry orchards. We especially highlight the collaboration agreements signed with Cooperativa REWE, from Chol Chol, and with the 7 Comunidades Unidas de Huapitrío Committee in the community of Collipulli.

Forestal Mininco's support includes providing technical assistance, supplies and implementation of irrigation systems. The program has been in operation for more than three years and has benefited more than 100 families.

### 04. COLLECTION OF NON-WOOD FOREST PRODUCTS (NWFP)

NWFP are products derived from forests such as wild mushrooms and aromatic and medicinal herbs: *rosamosqueta* (rosehip) and maqui. As part of this program, Forestal Mininco participates in the "Mesa Articuladora Recolección PFNM" (NWFP Collection Coordinating Board) in the Bio Bio Region. This board has been operating for ten years, and in this period has promoted the association of collectors and been a driving force in the definition of related public policies.

In addition, in 2015 the Company promoted the development of the Good Practices Protocol for the protection and promotion

of the NWFP collection activity in forest areas. The document was published by the Iniciativa Diálogo Forestal Nacional, which Forestal Mininco is a part of.

### 05. WATER PROJECTS

Forestal Mininco has implemented a water projects program for its neighbors, supporting local communities that have water supply problems. This involves technical assistance in project design and management for subsequent presentation to public funding contests for improvement, distribution and access to water for domestic and productive use. For this purpose alliances are established between the communities and local governments, which have resulted in reducing the time it takes for the central government to approve these projects.

In its three-year trajectory, this program has benefited nearly 5,000 people with water projects for human consumption and irrigation for family farms. In addition to the above, as of 2015, there are 309 fresh water catchment points, in Forestal Mininco sites, which receive protection and management treatment as High Conservation Value Areas; since these water catchment points benefit more than one hundred thousand people in the Maule, Bio-Bio and La Araucania Regions.



# COMMUNITY

## 06. RESPECT AND DISSEMINATE THE MAPUCHE CULTURE

### MAPUCHE MEDICAL CENTER AT NUEVA IMPERIAL HOSPITAL

As users of medicinal species, which in turn are part of the NWFP, the center's staff must collect large volumes of a great many species. On any given week, close to 20 health "agents" see an average of 100 patients per day.

### MEDICINAL PLANT GARDENS

Greenhouses are built for the purpose of protecting and recovering existing plant species on the grounds of Forestal Mininco. Many of them are in a state of conservation and with the implementation of these gardens; there are sufficient amounts for study and use throughout the year.

### MAPUCHE SITES OF INTEREST

In conjunction with the community, Forestal Mininco has identified places with particular significance for indigenous communities within its premises. Once identified, these sites are protected with the participation of the communities involved. As of 2015, a total of 38 Mapuche cultural interest sites have been identified.

### ANCESTRAL CRAFTSMANSHIP

Ñoca is a plant that grows naturally in the native forest of the Nahuelbuta Mountain range, which makes harvesting it very difficult. Consequently, Forestal Mininco, along with a group of craftswomen from Cañete implemented a program for growing this vegetable fiber in their gardens. The Ñocha Malen group currently has consolidated its work in ancestral craftsmanship and successfully markets its product lines.

## CMPC CELULOSA

CMPC Celulosa develops a harmonious and positive relationship with the people and communities where it is present, based on transparency, dialogue and actions in pursuit of meeting the needs of neighbors and fulfillment of the Company's own goals.

## WORK PROGRAMS

### SPORTS PROGRAM

Implementation of a neighborhood sports and recreational activities program for training, competition and recreational purposes. The program arranges tournaments or championships in various disciplines and large-scale sports activities.

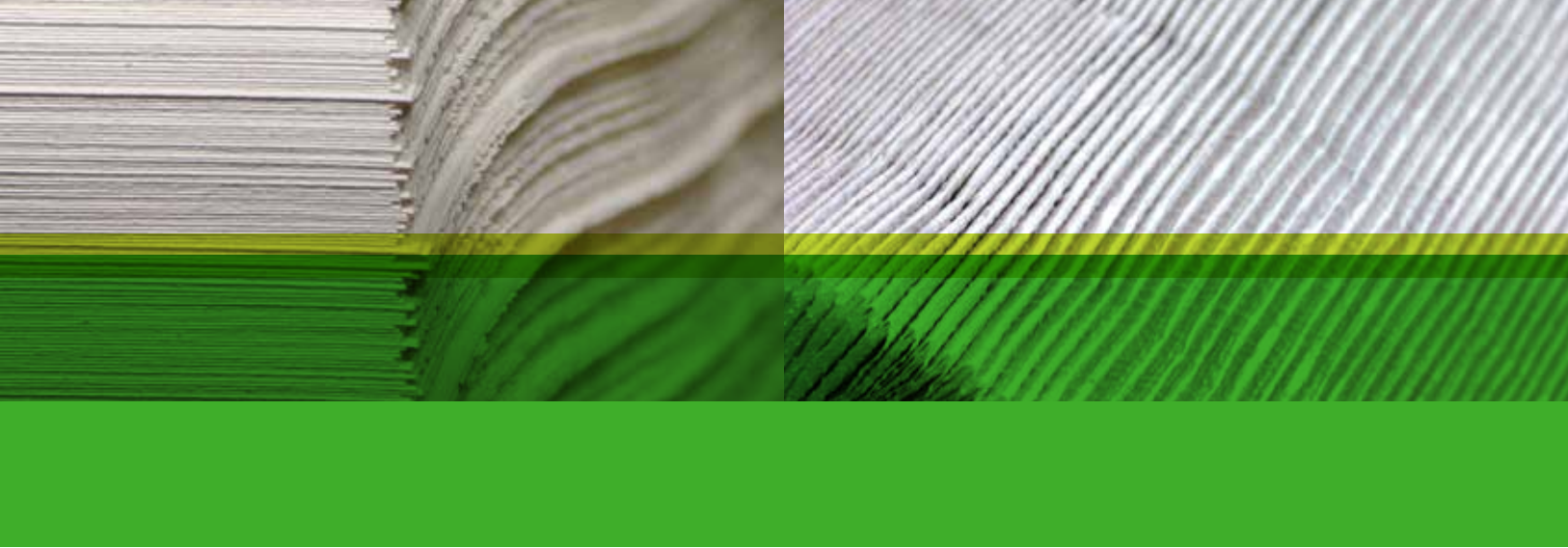
### CULTURAL PROGRAM

A cultural and recreational activities program has been implemented, for the training and recreational needs of neighbors, with cultural training instances for different age groups, using cultural and recreational workshops and large-scale cultural activities.

### SOCIAL PROGRAM

This program seeks to contribute to individual and collective development through psychosocial support and trainings that promotes strengthening of the bond of trust and collaboration between the company and the communities.





In this context a school for leaders and psychosocial workshops for the community are carried out. Furthermore, the program provides psychosocial assistance, and donations and contributions to neighborhood councils. Through SENCE courses, vulnerable people are trained in occupations to allow them to have access to quality jobs.

#### **SOCIAL INCUBATOR PROGRAM**

Provides comprehensive support to projects and enterprises that are original and creative initiatives at an individual and community level, and that improve the quality of life of our neighbors and their communities. This is carried out through a school for leaders and advisories on the formulation, presentation and implementation of social projects.

#### **COMMUNICATIONAL PROGRAM**

This program aims to regularly inform interest groups (authorities, leaders, neighbors and employees) of the programs and activities carried out, encouraging their participation and collaboration. To accomplish this initiative, working groups are coordinated with community and social leaders, meetings are scheduled with local authorities, and information on activities is disseminated and covered by the media.

#### **TOUR PROGRAM**

This program seeks to inform and provide knowledge of the production process and facilities to authorities, residents, students and the media through plant tours.



# COMMUNITY

## JORGE ALESSANDRI EDUCATIONAL PARK

### MISSION

Its mission is to provide the community with a free educational, cultural and recreational area, where the activities carried out by Empresas CMPC and their contribution to the country are disseminated.

### VISITORS

In 2015, the Park had a total of 163,151 visitors. Over 2.2 million people have visited the Park since it opened in 1993.

### CULTURAL AND EDUCATIONAL AREAS

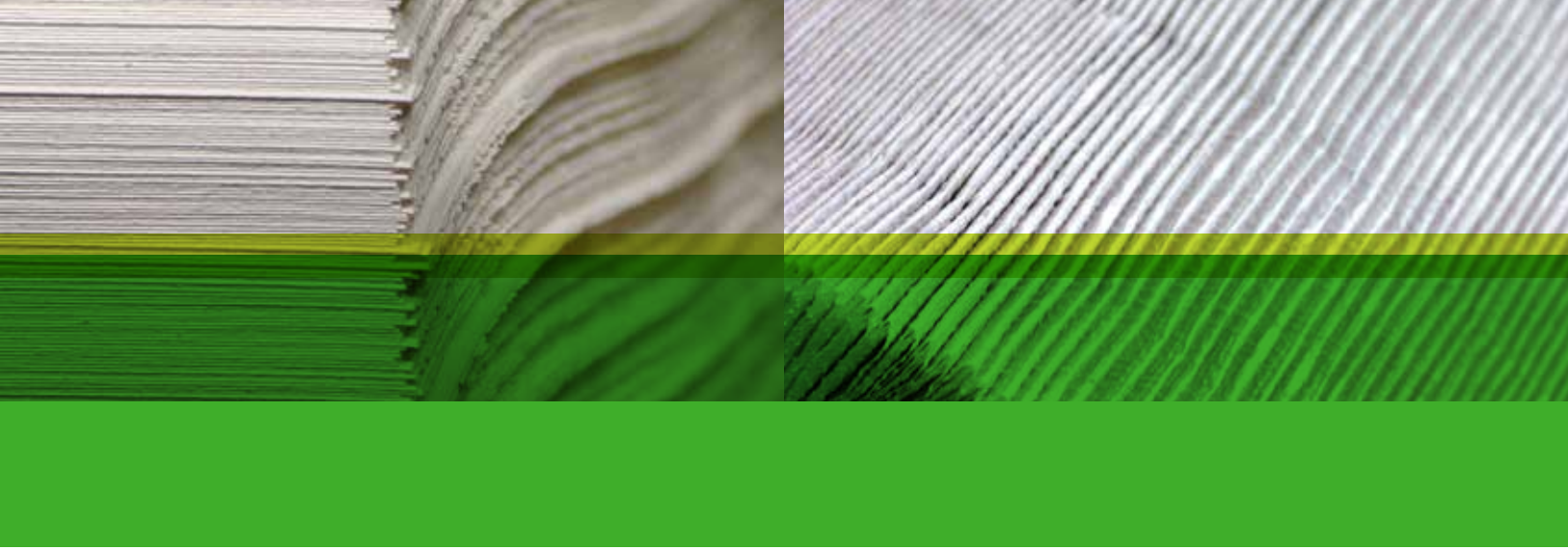
Its cultural and educational areas include educational footpaths, native forest, a cultural amphitheatre, and educational tree nursery, a trekking path, a Tree Salon and the Artequín Museum:

- The educational footpaths and native forest enable visitors to live the experience of nature and enjoy a unique ecosystem.
- The cultural amphitheatre has artistic shows during the summer season, complemented by exhibitions in the park square.
- The educational tree nursery teaches about the tree species, their forest, medicinal and decorative uses.

- People undertake physical activity on the 3km-long forest trail and enjoy nature and the beautiful panoramic views.
- In the Tree Salon children learn in a playful way about the forestry sector, the productive processes of wood, pulp and paper, and care of the environment.
- The Artequín Museum provides an interactive educational program to familiarize children with the main art works in the world.







## ARTEQUÍN MUSEUM IN LOS ÁNGELES

The Artequín Museum in Los Ángeles was inaugurated on March 24, 2016. This museum, which is dedicated to art, education and culture, is located right in the centre of the city and has over 50 reproductions of paintings and replicas of sculptures by important artists worldwide, but it will also have works by national and local painters available to the public with no admission fee.

The new museum was possible due to financing by Empresas CMPC by means of the Cultural Donation Law and contribution of the land for its location by the Municipality of Los Ángeles. The total work entailed an investment of approximately Ch\$500 million.

The ground floor has a permanent exhibition room, a micro cinema where videos and audio-visual capsules are shown for children; two staff administration rooms; a salon for art workshops; a meeting room and washrooms. The first floor will have a transitory exhibition room, an office and warehouse.

Artequín is an area of educational support and complement for teachers, and its methodological proposal includes minimal essential and transversal content, and it will thereby become an educational support tool to teach art to children in all the schools in the district and surroundings.





# THE ENVIRONMENT

CMPC's main contributions to the environment are: development of certified renewable forest plantations, replacement of fossil fuels with biomass, efficient use of energy, water and raw materials, certified industrial processes and waste paper recycling.

## CMPC'S ENVIRONMENTAL POLICY

1. We believe in the real application of the sustainable development principle, in which there is harmony between the development of our productive operations and protection of the environment.
2. We believe in the ethical scope of environmental care. Strict compliance with legal regulations is imperative. Operations shall not harm people and nature in general.
3. Good environmental management is an integral part of the forestry business. Forest operations must protect the soil, water quality and biodiversity.
4. The company's activities must be undertaken with high levels of excellence and any new project must include environmental considerations from the outset.
5. The aim of this environmental policy is to explicitly inform investors, employees, customers, suppliers and the community in general of the company's commitment.
6. CMPC strives to give its employees the training needed so these guidelines are undertaken in a real and responsible way by each of them.
7. CMPC must have a detailed inventory of the environmental impacts of each of its operations on the legal, physical and risk areas.
8. To measure the efficiency of action and the resources committed, the company will carry out a regular environmental audit throughout its organization.
9. As part of this environmental policy, we also commit to adopting a series of measures to assure clean, safe and efficient operations, promoting the research and development of environmentally sustainable technology.



## THE 5 CORE ASPECTS OF CMPC'S ENVIRONMENTAL AGENDA

There are five priority work areas in CMPC's environmental agenda:

→  
01  DEVELOPMENT OF CERTIFIED RENEWABLE  
FOREST PLANTATIONS

→  
02  REPLACEMENT OF FOSSIL FUELS  
WITH BIOMASS

→  
03  EFFICIENT USE OF ENERGY,  
WATER AND RAW MATERIALS

→  
04  CERTIFIED INDUSTRIAL PROCESSES

→  
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CHAPTER

03

# FINANCIAL INFORMATION

CMPC's sales revenues accrued as December 2015 amounted to US\$4,841 million, very similar to those in 2014.



# FINANCIAL INFORMATION

## 1. OVERVIEW OF THE YEAR

CMPC had a consolidated EBITDA of US\$1,099 million in 2015, which was an 11% year-on-year increase, due to the better performance of the forestry, wood pulp and tissue businesses.

In May 2015, the company commissioned the second production line of the Guaíba mill in Brazil, the largest project ever for CMPC, which will increase its wood pulp production capacity by 46% from 2.8 million to 4.1 million tons a year. The commercial operation started on 1 July.

CMPC's sales revenues accrued as of December 2015 amounted to US\$4,841 million, very similar to those in 2014.

CMPC's consolidated net income in 2015 was a loss of US\$3 million, which was down from the US\$138 million profit of the previous year. Such difference was due to a tax provision of US\$421 million in 2015, against a charge of US\$235 million for the same concept the previous year. This was largely due to the appreciation of the US dollar against the Brazilian real and, to a lesser extent, the Chilean peso, which affected the valuation of the company's investments abroad and the difference between the financial and tax value of property, plant and equipment. In addition to this, there was also a higher tax rate in Chile. Lastly, there was a loss of US\$76 million from forest fires and other provisions.

## OVERVIEW BY BUSINESS

In 2015, the forestry business had a 30% year-on-year increase in EBITDA, mainly due to the greater sales volume of plywood and higher sales of wood to related companies, arising from greater production from the new wood pulp line in Brazil. Nevertheless, revenue from sales to third parties dropped 5%, due to lower sales of sawn timber.

The pulp business in 2015 had a 14% year-on-year increase in revenue from sales to third parties, driven by greater sales of short-fiber wood pulp due to the commissioning of the Guaíba line 2 and to a lesser extent by the higher export price of long-fiber wood pulp. That was offset by lower sales of long-fiber wood pulp due to lower prices. EBITDA rose 18%, mainly because of higher sales.

The paper business had an 11% year-on-year decrease in revenue from sales to third parties, mainly due to lower export sales volumes and boxboard export prices. That was partly offset by higher boxboard export sales. The EBITDA for this business was 14% down from 2014.

The tissue business had good performance of sales volumes and prices expressed in local currencies. Nevertheless, currency depreciation in the countries in which CMPC operates had a negative effect on revenue stated in US dollars, which was similar to that of the previous year. However, the EBITDA rose 10% year-on-year, explained by a drop in operating costs and fixed expenses.





## OTHER INCOME

There was an accounting loss of US\$76 million in other profits (losses) accrued as of December 2015, mainly arising from a drop in the value of biological assets of US\$40 million due to forest fires in Chile and Brazil, and a provision for lawsuits and contingencies of US\$27 million.

Regarding income tax, in 2015 there was a charge of US\$421 million against a charge of US\$235 million for the same concept in 2014. This is mainly explained by the appreciation of the US dollar against the Brazilian real and, to a lesser extent, the Chilean peso, which affected the valuation of the company's investments abroad and the difference between the financial and tax value of property, plant and equipment. There was also an increase in the tax rate in Chile.

As can be seen from comments in the above paragraphs, although the effects of the depreciation of the Brazilian real and the Chilean peso on the tax provision did not involve cash flows, they did add volatility to the financial results reported. Despite the foregoing, due to the correlation of CMPC's revenue with regard to the US dollar and the cost components indexed to local currencies, the depreciation of the Chilean peso and Brazilian real meant higher margins for CMPC measured in US dollars. Nevertheless, this increase in operating income is not stated instantly as such higher margins materialize in later periods.

Due to this, the Board of CMPC agreed to ask Chile's Internal Revenue Service for authorization to carry the tax accounting

records in US dollars, which was granted as of 1 January 2016. This applies to all CMPC's Chilean subsidiaries, with the exception of CMPC Tissue. This tax accounting currency change will reduce the effects of variations in the exchange rate of the Chilean peso to US dollar on deferred taxes.

The company had financial debt<sup>1</sup> of US\$4,052 million for the year ended December 31, 2015, against the US\$4,491 million for the same period in 2014. Cash flow<sup>2</sup> amounted to US\$561 million for the year ended December 31, 2015. CMPC's net financial debt (financial debt minus cash flow) was therefore US\$3,491 million for the year ended December 31, 2015, a US\$97 million year-on-year increase. The net debt to EBITDA<sup>3</sup> ratio decreased from 3.44 for the year ended December 31, 2014 to 3.18 for the same period in 2015.

<sup>1</sup> 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 N°22 to the consolidated financial statements).

<sup>2</sup> 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).

<sup>3</sup> Considering an EBITDA accumulated over a 12-rolling month period.

# FINANCIAL INFORMATION

## 2. INCOME ANALYSIS

Table No. 1 shows the main items of the consolidated income statement of Empresas CMPC S.A.

**TABLE No. 1: CONSOLIDATED INCOME STATEMENT**

Figures in millions of US\$)

	ACCRUED AS OF DECEMBER 2015	ACCRUED AS OF DECEMBER 2014
Total current revenue	4,841,141	4,837,121
Operating cost <sup>(1)</sup>	(3,117,381)	(3,186,248)
<b>OPERATING MARGIN</b>	<b>1,723,760</b>	<b>1,650,873</b>
Other costs & operating expenses <sup>(2)</sup>	(624,753)	(664,759)
<b>EBITDA</b>	<b>1,099,007</b>	<b>986,114</b>
EBITDA/operating income %	23%	20%
Depreciation and stumpage <sup>(3)</sup>	499,098	435,861
Revenue from net biological asset growth	75,491	17,595
<b>OPERATING INCOME</b>	<b>675,400</b>	<b>532,658</b>
Finance income	11,059	20,422
Finance costs	(187,032)	(189,521)
Share of profit (loss) of associates	177	(104)
Foreign currency translation difference	9,632	98,499
Price-level restatement	(15,415)	(39,427)
<b>PROFIT (LOSS) BEFORE TAX</b>	<b>417,725</b>	<b>372,542</b>
Income tax	(420,849)	(234,725)
<b>NET PROFIT</b>	<b>(3,124)</b>	<b>137,817</b>
Net margin <sup>(5)</sup>	0%	3%

<sup>(1)</sup> Sales cost less depreciation, less stumpage cost, less higher cost of the plantations harvested and sold arising from revaluation due to their natural growth (see note 13: Biological Assets).

<sup>(2)</sup> Distribution costs, administrative and other operating expenses.

<sup>(3)</sup> Stumpage cost (see note 13: Biological Assets).

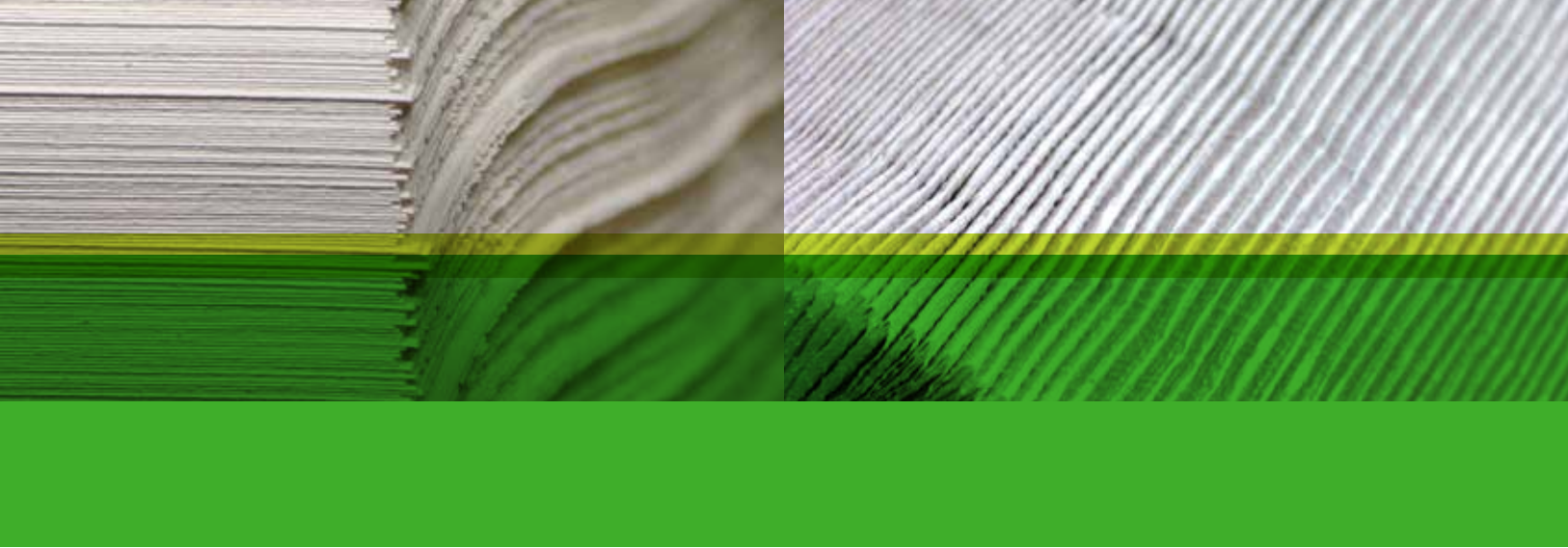
<sup>(4)</sup> Profit from the natural growth of plantations, less higher cost of the harvested and sold portion (see note 13: Biological Assets).

<sup>(5)</sup> Total net income (profit)/current revenue.

CMPC is a leading producer of forest products in Latin America. Its main products are sawn and remanufactured timber, plywood panels, long- and short-fiber wood pulp,

cardboard, containerboard, corrugated cardboard boxes, other packing products, and tissue and sanitary products. CMPC is structured into four business areas: forestry, wood





pulp, paper and tissue which, coordinated strategically and sharing administrative support functions, act independently to serve markets with different products and dynamics.

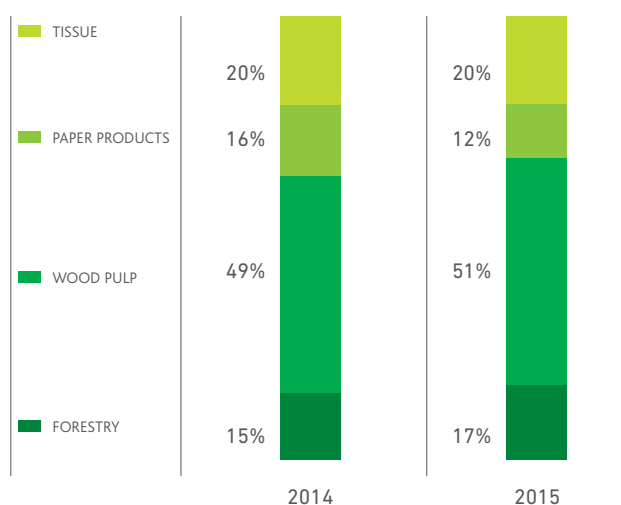
CMPC's sales revenue in 2015 was the same as in 2014, whereas operating costs dropped 2%. The operating margin amounted to US\$1,724 million, increasing just over 4% in comparison to the previous year.

The consolidated EBITDA of Empresas CMPC was US\$1,099 million in 2015, an 11% year-on-year increase. That was mainly explained by greater short-fiber wood pulp sales both in volume and price, the better cost performance across all businesses, the devaluation of local currencies, lower energy costs, and the maturity of investments and programs to attain greater productivity, efficiency and scale economies. That was partially offset by lower sawn timber, sawlog and cardboard sales. The EBITDA margin on current revenue increased from 20% to 23% on the previous year.

Figure No. 1 shows the EBITDA breakdown by business area. It can be seen that for the year ended December 2015 the wood pulp share rose to 51% on the previous year, mainly due to higher prices and volume of short-fiber wood pulp. The tissue business maintained its 20% share, due to lower total costs and a greater volume, offset by lower prices in US dollars. The paper business reduced its share to 12%, principally on account of lower cardboard volume and prices. The forestry business increased its share to 17%, due to greater plywood sales volumes and sale of logs to related companies.

**FIGURE No. 1:**  
**EBITDA BREAKDOWN BY BUSINESS AREA**

Given in US\$ and accrued in 2015



Accrued up to December 2015, there was foreign currency translation difference income of US\$10 million, essentially explained by the depreciation of the Chilean peso and the Brazilian real against the US dollar in the year. In effect, as Empresas CMPC has debt in both currencies and the Chilean peso depreciated 17% in 2015 and the Brazilian real 47%, liabilities in those currencies lost value in US dollars.

The price-level restatement item had a net income loss of US\$15 million, which was an improvement on the US\$39 million loss in 2014, explained by the lower balance of debt in UF<sup>4</sup>. Moreover, the item other profits (losses) had a loss

<sup>4</sup> Chilean inflation-adjusted index.

# FINANCIAL INFORMATION

of US\$76 million in 2015, mainly due to an asset impairment charge of US\$40 million arising from forest fires, and a provision of US\$27 million for lawsuits and contingencies.

The income tax item had a charge of US\$421 million for the year ended December 2015, which was higher than the US\$235 million charge for this in 2014. This increase of US\$186 million is mainly explained by a higher deferred tax provision of US\$122 million, largely due to the depreciation of the Brazilian real and, to a lesser extent, the Chilean peso against the US dollar, which led to a greater difference between the financial and tax value, mainly of property, plant and equipment and forest plantations<sup>5</sup>. The current tax expense had an increase of US\$64 million on the previous year, because of the effect of the exchange rate fluctuation on CMPC's investments abroad and the higher income tax rate in Chile.

## 2.1. SALES ANALYSIS

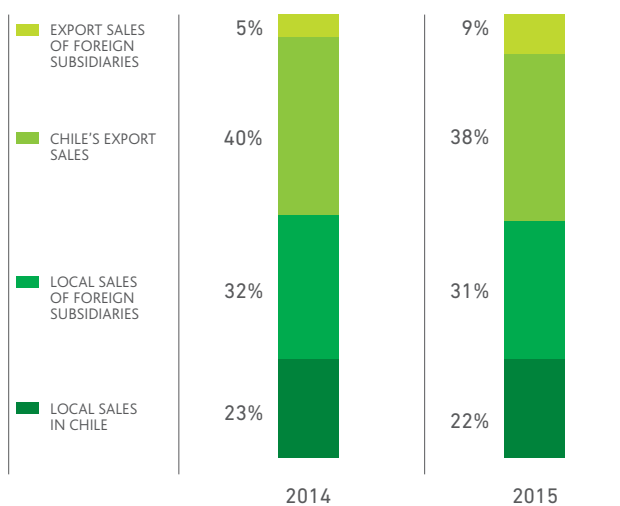
CMPC is characterized by product and market diversification. Current revenue in 2015 amounted to US\$4,841 million, and was similar to that in 2014. Export sales revenues from Chile fell 6%, due to a lower price of long-fiber wood pulp, a volume and price decrease of cardboard, and a drop in the price and

volume of sawn timber. Local sales of foreign subsidiaries had a 3% decrease in sales revenue, mainly explained by the depreciation of local currencies against the US\$. Export sales of foreign subsidiaries increased by 85% due to the commissioning of the new wood pulp production line in Brazil.

Figure No.2 shows that local sales of foreign subsidiaries and local sales in Chile decreased 1% on 2014, whereas export sales from Chile dropped 2%. Export sales of foreign subsidiaries increased 4% on 2014.

**FIGURE No. 2:**  
**BREAKDOWN OF SALES TO THIRD PARTIES**

Given in US\$ and accrued in 2015



<sup>5</sup> See notes N°s 21 and 36 of the consolidated financial statements.

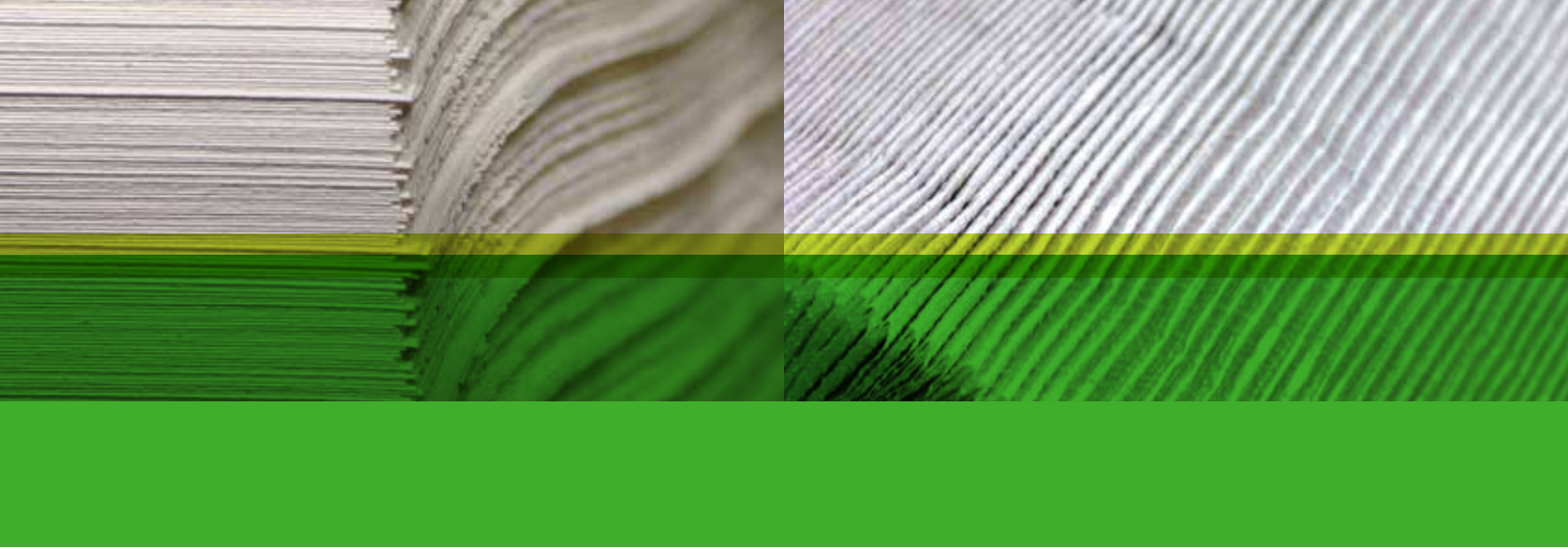


Figure No. 3 shows the relative share of each of CMPC's business areas of the consolidated sales.

**FIGURE No. 3:  
BREAKDOWN OF SALES TO THIRD PARTIES BY  
BUSINESS AREA**

Given in US\$ and accrued in 2015

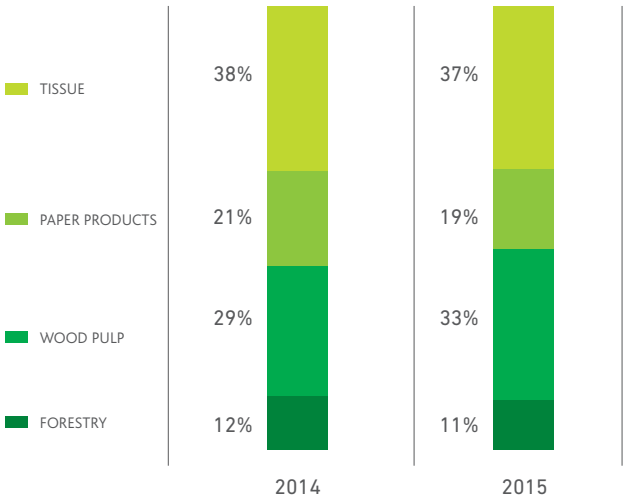
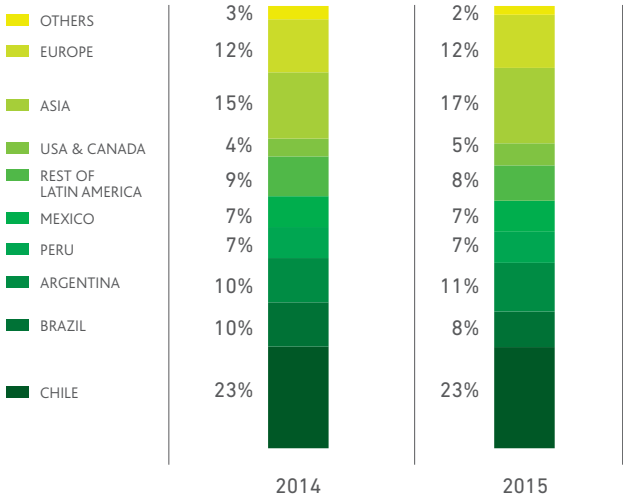


Figure No. 3 shows a 4% increase in the pulp business share of consolidated sales amounting to 33% for the year ended December 2015. The forestry and tissue businesses had a 1% decrease in their share of consolidated sales compared to the previous year. The paper business had a 2% drop in its share of consolidated sales.

**FIGURE No. 4:  
BREAKDOWN OF SALES TO THIRD PARTIES BY  
EXPORT MARKET**

Given in US\$ and accrued in 2015



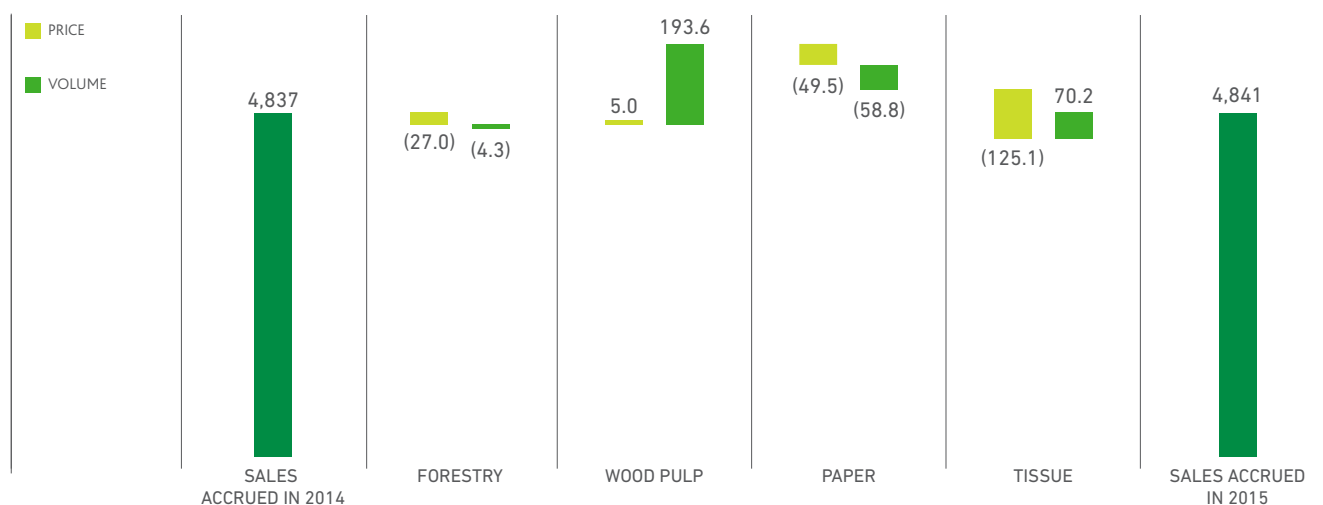
These figures show that in 2015 sales revenues in Argentina, the USA, Canada and Asia increased their relative share. In Argentina, such increase can mainly be explained by the higher sales in the tissue and sanitary businesses, whereas in Asia, the USA and Canada the increase was due to higher wood pulp sales volume. On the other hand, Brazil's share decreased in comparison to the previous year, because of lower revenue in US dollars from tissue, wood pulp and paper sales arising from the significant devaluation of the real.



# FINANCIAL INFORMATION

**FIGURE No. 5: CONSOLIDATED THIRD PARTY SALES VARIATION ANALYSIS (PRICE AND VOLUME EFFECT)**

Figures in millions of US\$



## 2.2.- ANALYSIS BY BUSINESS AREA

The results by business areas are shown in Table No. 2.

**TABLE No. 2: RESULTS BY BUSINESS AREAS**

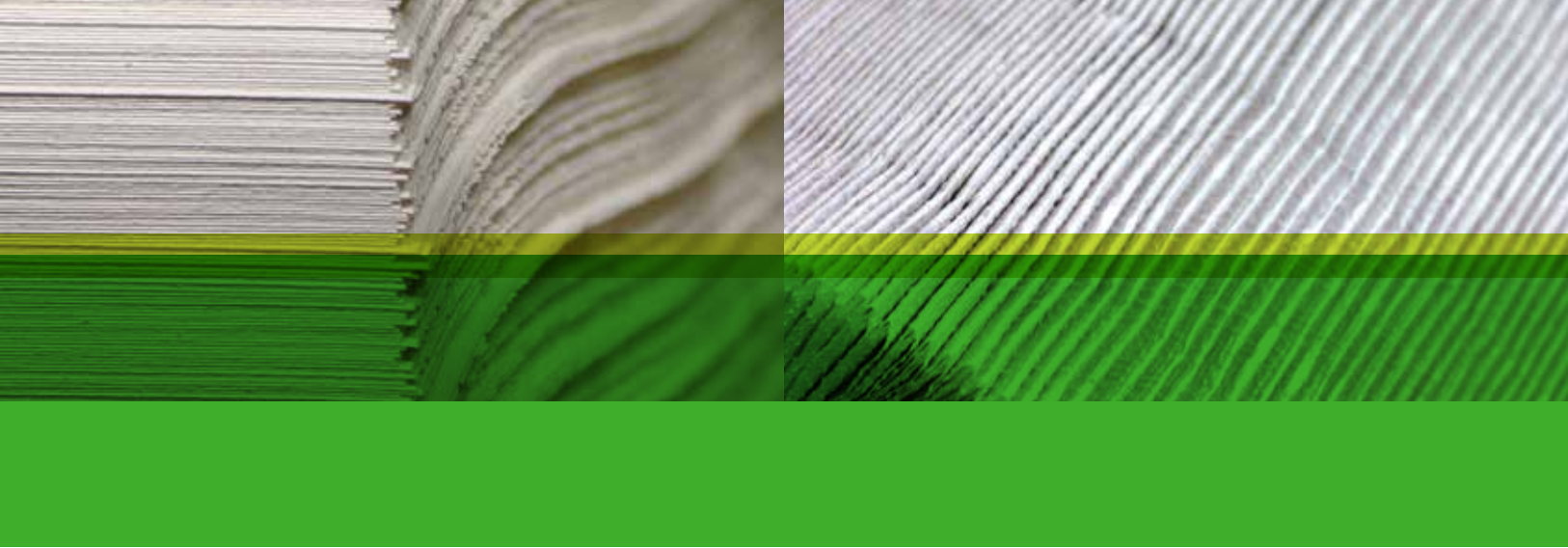
Figures in millions of US\$

ITEMS	FORESTRY	WOOD PULP	PAPER	TISSUE	TOTAL AREAS	OTHERS <sup>(2)</sup>	ADJUSTMENTS <sup>(3)</sup>	ENTITY TOTAL
<b>ACCRUED AS OF DECEMBER 31, 2015</b>								
Revenue from foreign & related customers	949.1	1,955.8	950.2	1,798.5	5,653.6	46.0	(858.4)	4,841.1
<b>EBITDA BY BUSINESS AREA <sup>(1)</sup></b>	<b>188.7</b>	<b>580.6</b>	<b>133.4</b>	<b>225.1</b>	<b>1,127.9</b>	<b>(12.2)</b>	<b>(16.6)</b>	<b>1,099.0</b>
EBITDA/Operating Income	20%	30%	14%	13%	20%			23%
<b>ACCRUED AS OF DECEMBER 31, 2014</b>								
Revenue from foreign & related customers	922.4	1,771.4	1,052.4	1,858.1	5,604.3	48.8	(815.9)	4,837.1
<b>EBITDA BY BUSINESS AREA <sup>(1)</sup></b>	<b>145.6</b>	<b>490.9</b>	<b>155.5</b>	<b>204.0</b>	<b>996.0</b>	<b>(14.2)</b>	<b>4.3</b>	<b>986.1</b>
EBITDA/Operating Income	16%	28%	15%	11%	18%			20%

<sup>(1)</sup> This is the gross margin plus depreciation and amortization, plus the harvested plantation formation cost, plus the higher cost of the harvested and sold portion of plantations arising from revaluation due to their natural growth (see note No. 13 to the consolidated financial statements), minus distribution costs, minus administration expenses and minus other operating expenses.

<sup>(2)</sup> These are the operations of CMPC, Inversiones CMPC, Servicios Compartidos y Portuaria CMPC, which are excluded in the main business areas.

<sup>(3)</sup> Adjustments and eliminations between operating areas of the same entity.



## FORESTRY BUSINESS

Revenue from sales to third parties in 2015 had a 5% year-on-year decrease, mainly explained by the lower volume and price of export sawn timber and lower volume of sawlogs in the domestic market, offset by a greater plywood sales volume. The EBITDA for this business area had a 30% year-on-year increase, because of higher sales to related companies and lower costs.

## PULP BUSINESS

Sales revenues for the year ended December 2015 increased 14% year-on-year, mainly explained by the higher volume and sales price of short-fiber wood pulp, which was partially offset by the lower price of long-fiber wood pulp. The sales costs of this business area were 9% higher than the previous year, mainly due to higher sales volume, offset by an improvement in the production unit costs due to lower prices of raw materials, especially timber, and lower energy cost. Altogether, the EBITDA for this business area rose 18%.

## PAPER BUSINESS

The paper business revenue for the year ended December 2015 dropped 11% year-on-year, mainly due to lower sales of cardboard, sacks, office paper, and molded wood pulp products. That was partially offset by the higher sales volume of containerboard and graphic paper in the Chilean market. The sales costs of this business area dropped 8% on the previous year, explained by a lower sales volume, operating efficiencies and the lower energy cost. The EBITDA for this business unit in 2015 was therefore 14% down in comparison to 2014.

## TISSUE BUSINESS

Sales revenues in local currencies were 14% up on the revenue accrued at December 2014. Nevertheless, the depreciation of the various local currencies, which mainly affected operations in Brazil, Chile, Argentina and Mexico, led to a 3% decrease in sales revenues in 2015 measured in US dollars compared to 2014. The EBITDA for this business area rose 10% in comparison to 2014, mainly explained by lower operating costs.

# FINANCIAL INFORMATION

## 3. CONSOLIDATED BALANCE SHEET ANALYSIS

The performance of assets and liabilities for the year ended December 31, 2015 against December 31, 2014 was as follows:

Current assets had a net decrease of US\$399 million, which was mainly reflected by a US\$587 million drop in cash and cash equivalents. That was partly offset by an increase in trade and other accounts receivable of US\$53 million and biological assets rising US\$70 million.

Non-current assets had a net decrease of US\$22 million, largely on account of the US\$75 million drop in biological

assets due to the reclassification of plantations from non-current to current assets because of the commissioning of the Guaíba II project and the loss from forest fires, along with lower current/non-current tax assets of US\$45 million; partly offset by a US\$114 million increase in property, plant and equipment.

Shareholders' equity fell US\$276 million, explained by other reserves dropping US\$251 million due to the effect of accounting for changes in hedging positions and lower accrued earnings of US\$26 million.

### TABLE No. 3: BALANCE SHEET SUMMARY

Figures in millions of US\$

	DECEMBER 2015	DECEMBER 2014
Current assets	3,138	3,537
Non-current assets	11,631	11,653
<b>TOTAL ASSETS</b>	<b>14,769</b>	<b>15,190</b>
Current liabilities	1,062	1,286
Non-current liabilities	5,779	5,700
<b>TOTAL LIABILITIES</b>	<b>6,841</b>	<b>6,986</b>
Total shareholders' equity	7,928	8,204
<b>TOTAL SHAREHOLDERS' EQUITY &amp; LIABILITIES</b>	<b>14,769</b>	<b>15,190</b>



**TABLE No. 4: FINANCIAL INDICATORS OF THE BALANCE SHEET**

	DECEMBER 2015	DECEMBER 2014
<b>LIQUIDITY (TIMES)</b>		
Current liquidity		
Current assets/current liabilities	2.95	2.75
Acid ratio:		
Quick assets (current - inventory - prepayments) /current liabilities	1.93	1.93
<b>DEBT</b>		
Debt ratio:		
Total liabilities /equity attributable to owners of the controller	0.86	0.85
Portion of short-term debt:		
Current liabilities/total liabilities	15.5%	18.4%
Portion of long-term debt:		
Non-current liabilities/total liabilities	84.5%	81.6%
Financial cost hedging:		
Earnings before tax and financial costs/financial costs	3.23	2.97
<b>ACTIVITY</b>		
Turnover of assets		
Current revenue/total average assets in the year	0.32	0.33
Inventory turnover		
Sales cost/average inventory for the year	3.63	3.65
Permanence of inventories		
Average inventory for the year * 360/sales costs (annualized)	99.3 days	98.6 days
Carrying value per share (US\$)		
Equity attributable to owners of the controller /No. of shares	3.17	3.28

# FINANCIAL INFORMATION

## 4. DESCRIPTION OF CASH FLOWS

The main components of net cash flows in each year were as follows:

**TABLE No. 5: NET CASH FLOW**

Figures in millions of US\$

	DECEMBER 2015	DECEMBER 2014
Net cash flows provided by (used in) operating activities	837.5	861.1
Net cash flows provided by (used in) investing activities	(869.1)	(1,512.6)
Net increase (decrease) in cash and cash equivalent before the effect of exchange rate changes	(546.8)	239.0
<b>NET CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	<b>(515.2)</b>	<b>890.6</b>
Effect of exchange rate changes on cash and cash equivalents	(39.9)	(69.2)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(586.7)</b>	<b>169.8</b>
Cash and cash equivalents at beginning of year	1,097.0	927.2
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>510.4</b>	<b>1,097.0</b>
Time deposits from 90 days to one year	51.0	0.0
<b>CASH FLOW AT THE END OF THE YEAR</b>	<b>561.4</b>	<b>1,097.0</b>

The performance of the main components of consolidated cash flows for the year ended December 31, 2015 against December 31, 2014 was as follows:

Consolidated operating activities generated positive operating cash flows of US\$838 million for the year ended December 31, 2015 (US\$861 million for the year ended December 31, 2014).

Consolidated investing activities for the year ended December 31, 2015 entailed using funds of US\$869 million (US\$1,513 million for the year ended December 31, 2014). These flows were mainly for net investment in purchasing property, plant and equipment of US\$723 million (US\$1,511 million for the year ended December 31, 2014), payments arising from forward, term, option and financial swap contracts of US\$122

million (US\$118 million for the year ended December 31, 2014) and purchases of other long-term assets of US\$74 million (US\$63 million for the year ended December 31, 2014). That was partly offset by payments from forward, term, option and financial swap contracts of US\$80 million (US\$63 million for the year ended December 31, 2014).

The consolidated net financing cash flows for the year ended December 31, 2015 amounted to a disbursement of US\$515 million, explained by borrowing reimbursements of US\$847 million, which was mainly the payment of UF7 million for the BCMPC-A bond maturity in March 2015, and US\$179 million of interest paid; offset by borrowing proceeds of US\$541 million (see Note No. 22.2 to the financial statements, additional information on the main financial liabilities, letter e).

## 5. NET INCOME ANALYSIS AND DIVIDENDS

The company had a loss of US\$3 million for the year ended December 31, 2015, against a profit of US\$138 million in the same period in 2014. The table below shows the determination of distributable net income, which is the basis for quantifying the dividends to be distributed to shareholders in accordance with the current dividend policy:

	2015 THUS\$	2014 THUS\$
Profit (loss) for the year attributable to owners of the controller	(3,803)	137,791
Profit from fair value adjustment of forest plantations - growth	(272,573)	(187,194)
Higher cost of forest plantations harvested and sold	197,082	204,790
Changes in fair value of forest plantations	(75,491)	17,596
Deferred tax on fair value of forest plantations	37,515	(344)
<b>DISTRIBUTABLE NET INCOME</b>	<b>(41,779)</b>	<b>155,043</b>
<b>APPLICATION OF THE DIVIDEND POLICY</b>	<b>—</b>	<b>46,513</b>
<b>DIVIDEND PER SHARE (US\$/OUTSTANDING STOCK)</b>	<b>—</b>	<b>0.0186</b>

Dividends paid in 2014 and 2015 were as follows:

DIVIDEND NO.	US\$ PER SHARE <sup>(1)</sup>	CLP PER SHARE	PAYMENT DATE
Final Dividend No. 260	0.009	5	May 7, 2014
Interim Dividend No. 261	0.0084	5	September 4, 2014
Interim Dividend No. 262	0.0065	4	December 29, 2014
Final Dividend No. 263	0.0065	4	April 28, 2015
Possible Dividend No. 264	0.058	4	September 10, 2015

<sup>(1)</sup> To convert final dividends to Chilean pesos (Ch\$), the exchange rate on the day of the Shareholders' Meeting was used, and the exchange rate on the day of closing the corresponding shareholders' registry was used for interim dividends. Current outstanding shares for the year ended December 31, 2015 amounted to 2,500,000,000 (see Note No. 28 to the consolidated financial statements).



# FINANCIAL INFORMATION

Table No. 6 shows the main profitability indicators

**TABLE No. 6: PROFITABILITY INDICATORS**

	DECEMBER 2015	DECEMBER 2014
Return on revenue (annual):		
Profit/current revenue	-0.06%	2.85%
Annual profitability of shareholders' equity:		
Profit/total average shareholders' equity for the year <sup>(1)</sup>	-0.04%	1.67%
Annual return on assets:		
Profit/average assets for the year	-0.02%	0.94%
Annual return on operating assets:		
Operating income <sup>(2)</sup> /average operating assets for the year <sup>(3)</sup>	5.06%	4.16%
Return on dividends:		
Dividends paid (rolling year) <sup>(4)</sup> /share market price <sup>(5)</sup>	0.57%	0.96%
Earnings per share (US\$):		
Net income for the year (profit attributable to the owner of the controller)/No. of shares <sup>(6)</sup>	0.00	0.06

<sup>(1)</sup> Average shareholders' equity for the year.

<sup>(2)</sup> Operating income defined in Table No. 1.

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

<sup>(4)</sup> Dividends are paid in US\$.

<sup>(5)</sup> Share market price: stock exchange share price at year-end.

<sup>(6)</sup> Considers the average number of shares in the year.



## 6. RISK 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 minimize 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 decentralized way through the different business units. At corporate level, the finance, controllership and internal audit managements co-ordinate and control the right execution of the prevention and mitigation policies for the main risks identified. There are also Audit and Hedging Committees that analyze the different proposals and activities on issues of their competence.

### 6.1. MARKET RISK

A large percentage of CMPC's sales comes from products deemed to be commodities and their prices depend on conditions prevailing in international markets on which the company has little influence and no control of the factors affecting them. Such factors include fluctuations in global demand (mainly determined by the economic situation in Asia, North America, Europe and Latin America), variations in the installed capacity in the industry, stock levels, business strategies and the competitive advantages of the major players in the forestry industry, the availability of substitute products and the product lifecycle stage. One of CMPC's main product categories is bleached kraft pulp, which accounts for 33% of the consolidated sales and is sold to around 270 customers in 44 countries in Asia, Europe, America, and Oceania. It should be noted that currently, aside from our expansion at Guaíba, there are various new wood

pulp production line projects, recently commissioned, under construction or in an advanced stage of development in Brazil and Indonesia, among other countries, so a large increase in supply is projected for the next few years and therefore a potential adverse effect on market prices.

Regarding this, CMPC leverages the business diversification and vertical integration of its operations, and has certain flexibility to thereby manage its exposure to pulp price swings. The impact of a possible drop in pulp prices is partially offset by a cost reduction in more elaborated products, especially tissue and cardboard.

### 6.2. FINANCIAL RISKS

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

CMPC follows the policy of concentrating a large part of its financial debt and funds placement operations, 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. Separate borrowing by subsidiaries occurs only when it is advantageous.

#### 6.2.1. RISK OF FINANCIAL MARKET CONDITIONS

(i) Exchange rate risk: CMPC is affected by exchange rate fluctuation expressed in two forms. The first is on the Company's income, costs and investment expenses, which directly or indirectly are



# FINANCIAL INFORMATION

denominated in currencies other than the functional currency. The second form in which exchange rate variations affect it is derived from foreign currency translation differences and the deferred tax provision, originated by possible accounting mismatch existing between assets and liabilities in the statement of financial position denominated in currencies other than the functional currency, which in the case of CMPC is the dollar.

During the year ended as of December 31, 2015, the exports of CMPC and its subsidiaries represented approximately 46% of sales for the year, the main destinations being the markets of Asia, Europe, Latin America and the United States. Most of these export sales were denominated in dollars

On the other hand, the domestic sales of CMPC in Chile and those of its subsidiaries in Argentina, Brazil, Colombia, Ecuador, Mexico, Peru and Uruguay, and in their respective countries, represented 54% of the company's total sales. Those sales were mainly made in local currencies.

Consequently, the flow of income in dollars or indexed to that currency is more than 50% of the Company's total sales. In turn, on the side of expenses, raw materials, supplies and spare parts required for processes such as investments in property, plant and equipment are also mostly denominated in dollars, or else indexed to that currency.

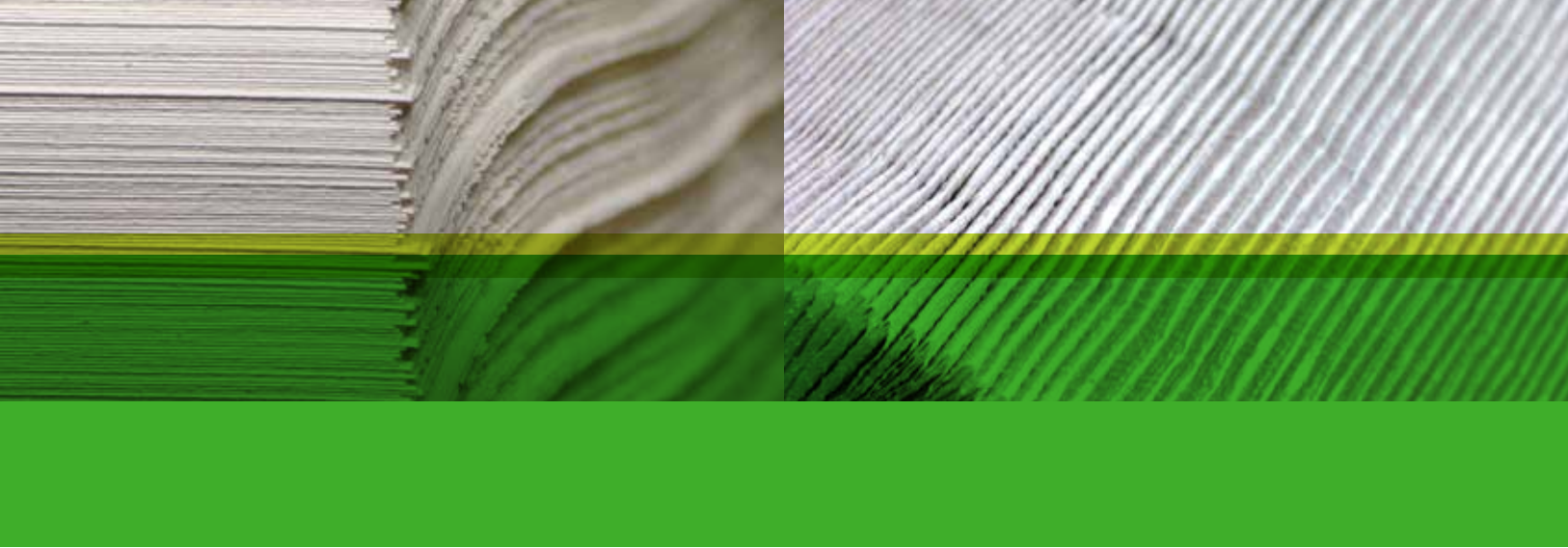
In particular cases, sales are made or payment commitments are undertaken in currencies other than the US dollar. To avoid the exchange rate risk of currencies other than the US dollar, hedging transactions are carried out by means of derivatives to fix the exchange rates involved. As of December 31, 2015, a significant proportion of the estimated sales of cardboard and lumber to Europe in euros up to 2017 have been hedged.

Considering that the structure of CMPC's cash flows is highly indexed to the dollar, most liabilities have been incurred in that currency. In the case of 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: managing the currency denomination of the financial investment portfolio, occasional contracting of short-term future 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.

From an accounting point of view, fluctuations in the exchange rate of local currencies have an impact on the deferred tax provision. This effect is originated by the difference in value of assets and liabilities in the financial accounting as opposed to the value reflected in the tax accounting when the functional currency (US dollar) is different from the tax currency (local currency of the respective business unit). This occurs mainly in the forestry, pulp and paper business segments of Chile and Brazil. Thus, a devaluation in the currencies of those countries in respect to the US dollar implies a higher deferred tax provision. Although these adjustments to the provision do not imply cash flows, they do introduce a volatility issue in the reported financial results.

**(ii) Interest rate risk:** the company's financial investments are preferably maintained at fixed interest rates, eliminating the risk of changes in the market interest rate. For debts with variable interest rates, CMPC minimizes the risk using derivative instruments.





CMPC had financial liabilities at floating interest rates amounting to US\$57.4 million as of December 31, 2015 at an average annual interest rate of 3.93% in dollars. A change of 100 basis points implies a change of US\$0.57 million in CMPC's annual finance cost.

### 6.2.2. CREDIT RISK

Credit risk arises mainly from the eventual insolvency of certain customers of CMPC subsidiaries, and therefore from the ability to collect on outstanding accounts receivable and concluding committed transactions.

CMPC manages these exposures through continuous review and evaluation of the payment capability of its customers, through a Corporate Credit Risk Committee and through risk transfer (using letters of credit or credit insurance) or guarantees, which altogether cover most export sales and domestic sales.

There is also credit risk in the execution of financial operations (counterparty risk). This risk for the Company arises when there is a likelihood that the counterparty to a financial contract will not be able to 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. 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.

### 6.2.3. LIQUIDITY RISK

This risk arises should the company not be able to fulfill its obligations as a result of insufficient liquidity. CMPC manages this risk through appropriate distribution, extension of due dates

and limits on the amount of its debt, as well as by maintaining an adequate liquidity reserve and prudent management of its operating and investment cash flows.

The company concentrates its financial debt with third parties in the subsidiary Inversiones CMPC S.A., which in turn finances the operating subsidiaries. Debts are incurred through bank loans and bonds placed in international markets and in the local Chilean market.

It should be noted that its prudent financial policy, contained in CMPC's Financial Objective Policy (see Note No. 3 to the consolidated financial statements), added to its market position and quality of assets enables Empresas CMPC S.A. to have an international credit rating of BBB according to Standard & Poor's, BBB+ according to Fitch Ratings, and Baa3 according to Moody's, one the highest in the world in the forestry, pulp and paper industry.

## 6.3. OPERATING RISKS

### 6.3.1. INDUSTRIAL AND FORESTRY OPERATING RISKS

Events that shutdown the Company's production facilities can stop us from fulfilling the needs of our customers, from reaching production goals and could force unscheduled disbursements in maintenance and investments in assets, all of which can adversely affect the profits of CMPC. The most significant events that can generate shutdowns include earthquakes, fires, equipment failures, interruption of supplies, spills, explosions, floods, droughts and terrorism. This point also includes the risk of shutdowns arising from illegal actions of others, such as occupations, blockages and sabotage.



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The operating risk management objectives at CMPC are to efficiently and effectively protect employees, the Company's assets, the environment, and the business operation in general. For this purpose, accident prevention measures and loss and insurance coverage are managed in a balanced manner. Loss prevention work is systematic and is carried out in accordance with pre-established guidelines, and periodic inspections by insurance company specialist engineers. In addition, CMPC has a continuous improvement plan for its operating risk conditions in order to minimize the probability of occurrence and attenuate the possible effects of losses. Each of the Company's business units manages these plans in accordance with regulations and standards established at a corporate level.

CMPC and its subsidiaries maintain insurance coverage to protect themselves from a substantial part of their main risks. These risks transfers are purchased from high standard local insurance and international reinsurance companies. The risks associated to the operating activities of the business are permanently reevaluated to optimize coverage, according to the market's competitive offers. In general, the conditions on limits and deductibles of insurance policies are established on the basis of maximum estimated losses for each risk category and the coverage offered in the market.

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

In turn, forest plantations can suffer losses due to fire and other risks of nature, which also have partial insurance coverage, limitations due to deductibles and maximum indemnities determined in accordance with historical losses. Other risks that are not covered, such as biological risks, could adversely affect plantations.

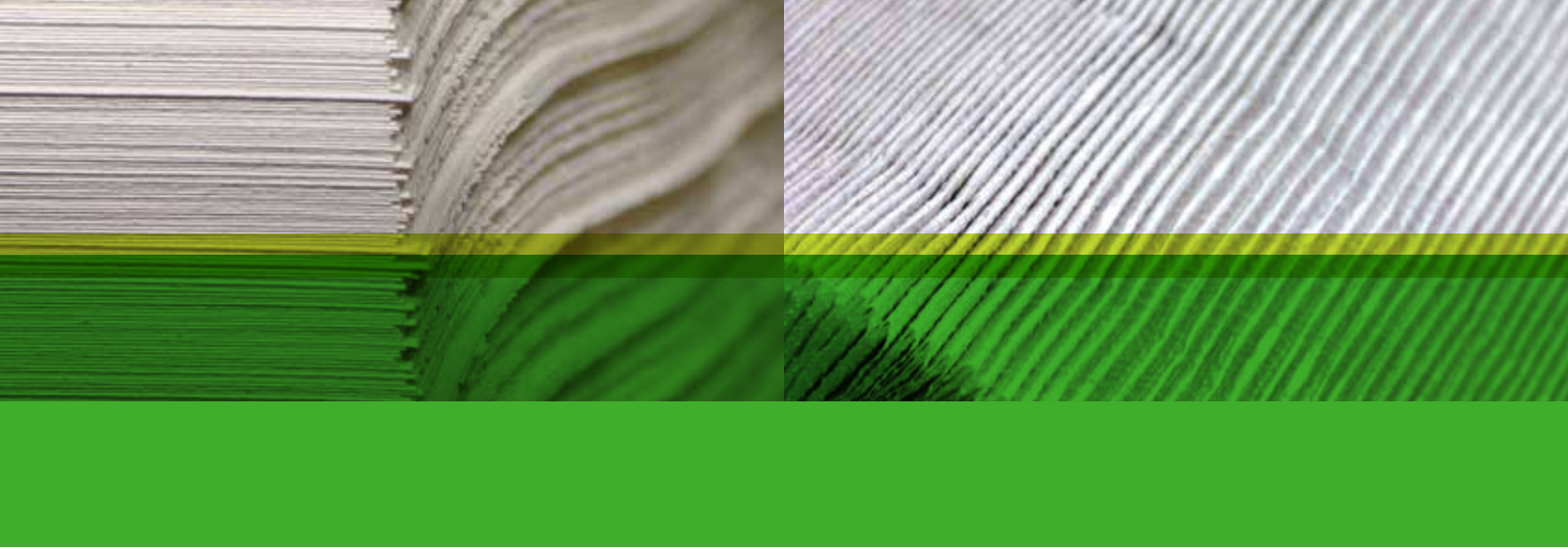
Although in the past these factors have not caused significant damages to the plantations of CMPC, one cannot discard the occurrence of events outside historical patterns that generate significant losses, beyond the purchased coverage. It should be noted that in the 2014–2015 season the south zone of Chile had one of the driest summers in the last 50 years, which generated fire hazard conditions and indirectly favors biological plague attacks.

## 6.3.2. CONTINUITY AND COST OF RAW MATERIALS AND SERVICES

The development of CMPC's businesses involves complex logistics, in which timely supply, quality, cost of supplies and services is fundamental to maintaining its operating continuity and competitiveness.

CMPC seeks to maintain a close long-term relationship with its contractors, with which there is ongoing and systematic work on developing high standards of operating, with an emphasis on employee safety and improvement of working conditions.

Concerning electric power, CMPC's industrial operations mostly have their own energy supply from generation based on biomass and/or supply contracts. In the last few years, CMPC has increased its own generating capacity through investments in co-generation units. It continues developing a plan to invest in new units and evaluates the convenience of incorporating additional projects in the future. Notwithstanding the above, in 2014 and 2015, the Company's own generation plus current supply contracts implied a net deficit in operations in Chile of 17% of the consumption, which had to be obtained from the spot market. In addition, plants have contingency plans to cope with restricted supply scenarios; however, the weaknesses of the Chilean electrical system continue generating higher costs



for CMPC. Despite the drop in the price of oil and other fuels, technological improvements in generation and reduction in the rhythm of growth of domestic demand, the relative level of energy prices in Chile for long-term contracts continues being a cause for concern. If this situation continues, it will affect the level of competitiveness of certain of the Company's businesses, where electric energy has a relevant effect on costs.

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 with the required level of quality, or the contractual relationship with those companies is affected by regulations, labor conflicts or other contingencies, the operations of CMPC could be affected.

### 6.3.3. ENVIRONMENTAL RISKS

CMPC's operations are regulated by environmental standards in Chile and in the other countries where it operates. CMPC is known for generating a basis of sustainable development in its business management. This has enabled the Company to adapt to modifications in applicable environmental legislation, so that the impact of its operations duly adjusts to those standards. Future changes in these environmental regulations or in the interpretation of these laws might have an impact on the Company's operations.

Since 2012, CMPC's plantations in Chile and Brazil have FSC®. These accreditations, granted by the Forest Stewardship Council®, represent a reaffirmation of CMPC's concern for the environment and sustainable development and complement similar long-standing certifications. In addition, CMPC has PEFC forestry management certification and has ISO 14.001 environmental management system certification in most of its operation.

### 6.3.4. COMMUNITY RELATION RISKS

CMPC seeks to develop smooth relations with the communities where it operates, collaborating in different areas, where we emphasize the support that the CMPC Foundation provides to the public school education process.

The mission of the CMPC Foundation is to strengthen education and culture in the communities where CMPC is present, by providing skills to local teachers and generating long-term alliances. Its objectives are to improve the educational results of children in elementary school and encourage good relations between the Company and neighboring communities. In 2015 its programs benefitted 7,996 students from 56 establishments in 11 communities and it has provided 7,057 hours of training to 431 teachers and directors of educational establishments as of December 31.

In certain zones of the Bio Bio and Araucanía regions violent events and intentional fires have continued to affect the land and machinery of farmers and forestry companies. These events have been caused by groups claiming ancestral rights over certain plots of land. The affected zones have a high level of poverty and serious social problems. To date, this situation has concentrated in specific zones and the effects on CMPC have been limited. The Company has made efforts to establish associations with the communities, generating employment and educational programs and promoting productive development and micro-entrepreneurial initiatives to mitigate the poverty situation of families living in those places. CMPC also protects 33 Mapuche cultural interest sites and 315 water catchments for consumption of water by the communities neighboring the Company's forestry areas. More details of these activities are included in CMPC's Sustainable Development Report.





# FINANCIAL INFORMATION

As a neighbor of the different communities, the Company has an open-door and collaborative attitude toward the desires and challenges of these communities.

## 6.3.5. COMPLIANCE RISKS

This risk is associated with the Company's ability to comply with legal, regulatory, contractual, and non-contractual liability obligations, beyond the aspects covered in the factors discussed above. Every part of corporate governance at CMPC regularly reviews its operating and administrative processes in order to ensure proper compliance with the laws and regulations applicable to each. In addition, CMPC is renowned for maintaining a proactive attitude in matters relating to safety, the environment, labor conditions, market operation and community relations. CMPC, with a history that spans 96 years, has a proven and recognized track record of rigor and prudence in the conduction of its businesses.

In compliance with Law 20,393 which establishes corporate criminal liability for money laundering, financing of terrorism and bribery activities, an offense "Prevention Model" has been implemented in order to regulate the behavior of its employees for preventing the perpetration of these unlawful acts and trying to avoid their occurrence. This Prevention Model was implemented with the support of experts, it has been certified by a qualified entity and was added to the Company's existing Internal Audit and Controllershship Management processes, whose objectives include ensuring strict compliance with applicable legal framework and internal standards.

We make reference to the essential event communicated to the market on October 28, 2015 and in December 15, 2015, relating

information on conducts contrary to free competition involving subsidiaries CMPC Tissue S.A. in Chile and Protisa Perú S.A. in Peru. As indicated in the mentioned communications, CMPC has adopted a series of measures, which have been incorporated and reproduced herein, in order to mitigate these compliance risks.

## 6.4. POLITICAL AND ECONOMIC RISKS IN COUNTRIES WHERE CMPC OPERATES

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

CMPC has industrial operations in 8 countries (Chile, Argentina, Brazil, Colombia, Ecuador, Mexico, Peru and Uruguay). The operations located in Chile concentrate 59% of total assets and originate 60% of sales. Brazil has increased its share (fundamentally due to the Guaíba II project) and currently represents approximately 32% of CMPC's total assets.

The governments of the countries in which CMPC operates have substantial influence over many aspects of the private sector, which include changes in tax regulations, monetary policies, exchange rates and public spending. They also have an influence on regulatory aspects, like labor and environmental regulations. CMPC's operations and its financial results can be adversely affected by these changes. In Chile in December 2014, parliament passed a bill that has substantially modified the tax system, increasing the tax burden on companies, which will partly limit the allocation of resources from reinvestment profits, which so far have had a major bearing on the Company's saving and investment process.



## 7. TRENDS AND SIGNIFICANT EVENTS

It is not CMPC's policy to make public forecasts of results or variable estimates that might have a major effect thereon. The consensus of industry analysts is a reasonable outlook for forestry products, if the global economy continues to grow. Nevertheless, it is not possible to rule out cycles of economic instability which, in addition to new productive capacity coming on stream and particularly in the case of the short-fiber pulp market, could affect market balances.

The following are the main projects that were executed or are under development:

- Expansion project of the Guaíba pulp mill in the state of Rio Grande do Sul in Brazil. In May 2015, the company completed the construction and started the commissioning process for a second pulp production line at such mill, with production capacity of 1.3 million tons a year of bleached short-fiber pulp, which entailed an investment of approximately US\$2,100 million. This project, which is the largest in CMPC's history, will increase CMPC's pulp output by 46% and with one of the lowest production costs in the industry. The project is currently in full operation and produced 498,000 tons of pulp in the second half of 2015.
- Power co-generation projects at the Puente Alto-Cordillera complex and at the Talagante mill. These two natural gas-fired electric and steam power generation projects are part of the company's strategy to be self-sufficient for electric power and attain greater process efficiency, and is currently in full operation. Both projects entailed a joint investment of about US\$102 million and will add own power generation of about 70 MW, accounting for approximately 19% of CMPC's total consumption in Chile.
- New paper machine and power cogeneration plant project at Absormex. In 2015, the company completed the construction of this project, which increased the tissue production capacity in Mexico and entailed an investment of approximately US\$127 million, including a new paper machine and various related conversion lines. Moreover, for this same location the project also envisaged a natural gas-fired electric and steam power cogenerating plant at an investment of around US\$34 million. Both projects are operating.
- Cartulinas CMPC is developing an operating continuity and quality and productivity improvement project at the Maule mill. It is envisaged that this project will be implemented in stages and are expected to be completed in the first quarter of 2018. It is estimated that its complete development will entail a total investment of US\$122 million.
- CMPC Tissue agreed to start the construction of a tissue roll product conversion unit in Cañete in Peru. Subsequent stages of the project consider the incorporation at the same site of a new paper machine and additional conversion, storage and distribution units. The total project investment is estimated to be US\$139 million, to be developed in approximately three years, and it will increase the output of that country by 54,000 tons a year.
- CMPC Celulosa is developing a set of projects to enhance the operation and environmental performance of line 1 of



# FINANCIAL INFORMATION

the Guaiba pulp mill. The investment will be around US\$44 million and it is expected to be completed in 2016.

- A CMPC Board meeting, held on January 29, 2016, approved a project to renew the lime kiln and caustification plant of the Laja pulp mill. The total approved investment is US\$125 million and it is expected to be completed by the first quarter of 2018.

On December 29, 2014, Law No. 20,780 modifying the income tax system and making changes to the tax system was enacted in Chile. The reform increased the tax burden on companies from 21% in 2014 to 27% as of 2018. On October 17, 2014, the SVS in circular letter No. 856 instructed that the differences of deferred tax assets and liabilities arising as a direct effect of the increase in the first bracket tax rate brought in by the mentioned law shall be accounted for in the respective year against shareholders' equity, i.e., without affecting the income statement. For the year ended December 2014, the company recognized an adjustment charge to accrued earnings, which meant a decrease in shareholders' equity of US\$305 million.

Ordinary Shareholders' Meeting No. 96 of Empresas CMPC S.A. held on April 17, 2015, approved the following: i) the balance sheets, financial statements and annual report for 2014; ii) the distribution of a final dividend charged to 2014 in the amount of Ch\$4 per share to be paid on April 28, 2015 to those shareholders registered in the Shareholders' Registry as of April 22, 2015; iii) acknowledgement of the dividend policy to be distributed in 2015 that was established as 30% of the net income; iv) appointment of EY as the company's independent auditors for 2015; and v) designation of Fitch Clasificadora de

Riesgo Ltda. and ICR Clasificadora de Riesgo Ltda as the risk rating agencies for 2015 in Chile.

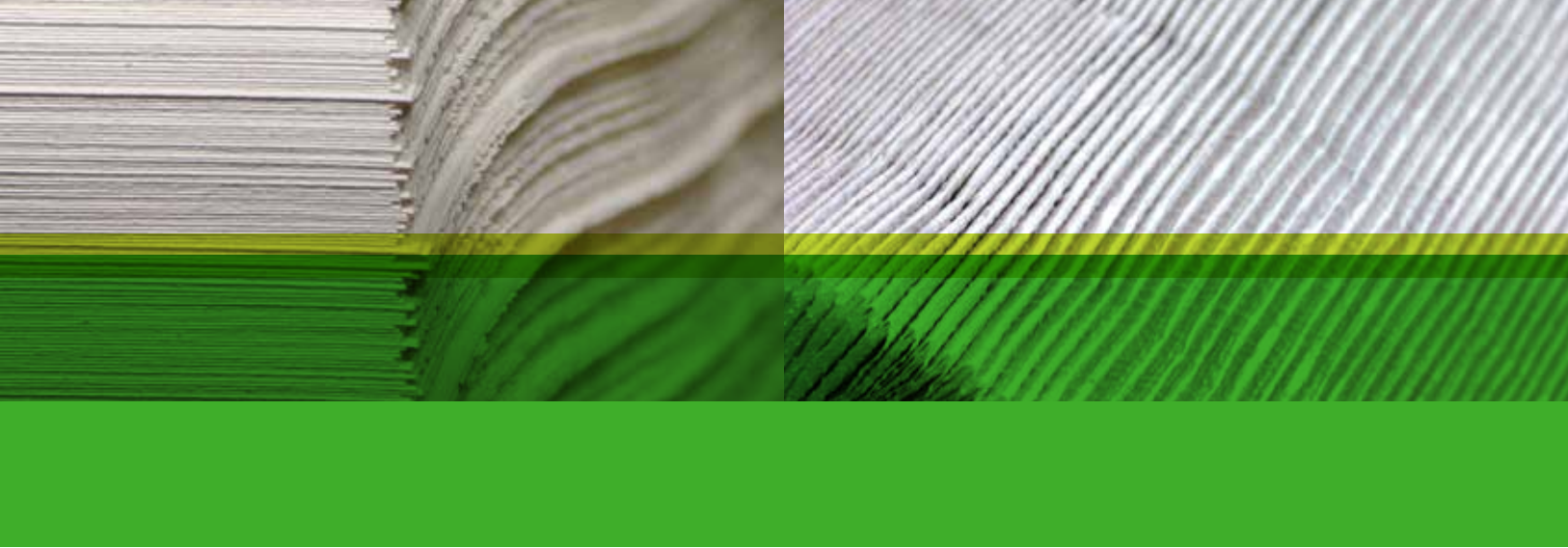
Deferred tax charges that arise from the depreciation of the Chilean peso and the Brazilian real against the US dollar have been significant in recent years. Although these provision adjustments do not entail cash flows, they do add volatility to the financial results reported. This effect arises in the forestry, pulp and paper businesses in Chile and Brazil. These businesses, under IFRS, have their financial accounting in US dollars but their tax accounting in the corresponding local currency. Hence, a devaluation of the currencies of these countries against the US dollar means that the tax value of assets measured in US dollars decreases and increases the gap with the financial value, causing a greater deferred tax provision.

The CMPC Board agreed to ask the Chilean Internal Revenue Service for authorization to carry tax accounting records in US dollars, which was granted as of January 1, 2016. This will apply to all the Chilean subsidiaries of CMPC, with the exception of CMPC Tissue. This change in the tax accounting currency will reduce the deferred tax effects of variations in the exchange rate of the Chilean peso to US dollar.

## ESSENTIAL EVENTS

On October 28, 2015 the company informed the market by means of an essential event under General Regulation No. 30 of the SVS regarding conduct contrary to free competition involving the management of subsidiary CMPC Tissue S.A. Such





communication, apart from informing of a recent requirement by the National Economic Affairs Investigation Bureau and the action taken by CMPC since learning the facts, informs of the discontinuance of confidentiality of the essential event dated March 27, 2015 and its update of August 12, 2015, which includes information on the aforementioned conduct. The content of each of these essential events is included and construed as reproduced in this reasoned analysis.

The company is analyzing how to compensate the impact that the offence might have had on consumers and evaluating the most suitable institutional channel to do so. It is not currently possible to quantify this impact. Furthermore, with the information available to date we cannot estimate the other effects that might have been caused by the mentioned event, so no provision has been established to this effect.

On 15 December 2015, the company informed the market as an essential event under General Regulation No. 30 of the SVS about conduct contrary to free competition involving subsidiary Protisa. Such communication informed of the commencement of a sanctioning administrative process that INDECOPI Peru notified to Protisa, along with the action taken by the Company to find out about the occurrence of these events. The investigation arises as part of self-reporting made by the company, which has actively collaborated with the respective authorities to clarify the facts. The contents of that communication and the information on the case are included and construed as reproduced in this reasoned analysis.

The CMPC Board decided to reorganize its forestry and pulp business areas, merging both businesses into one single

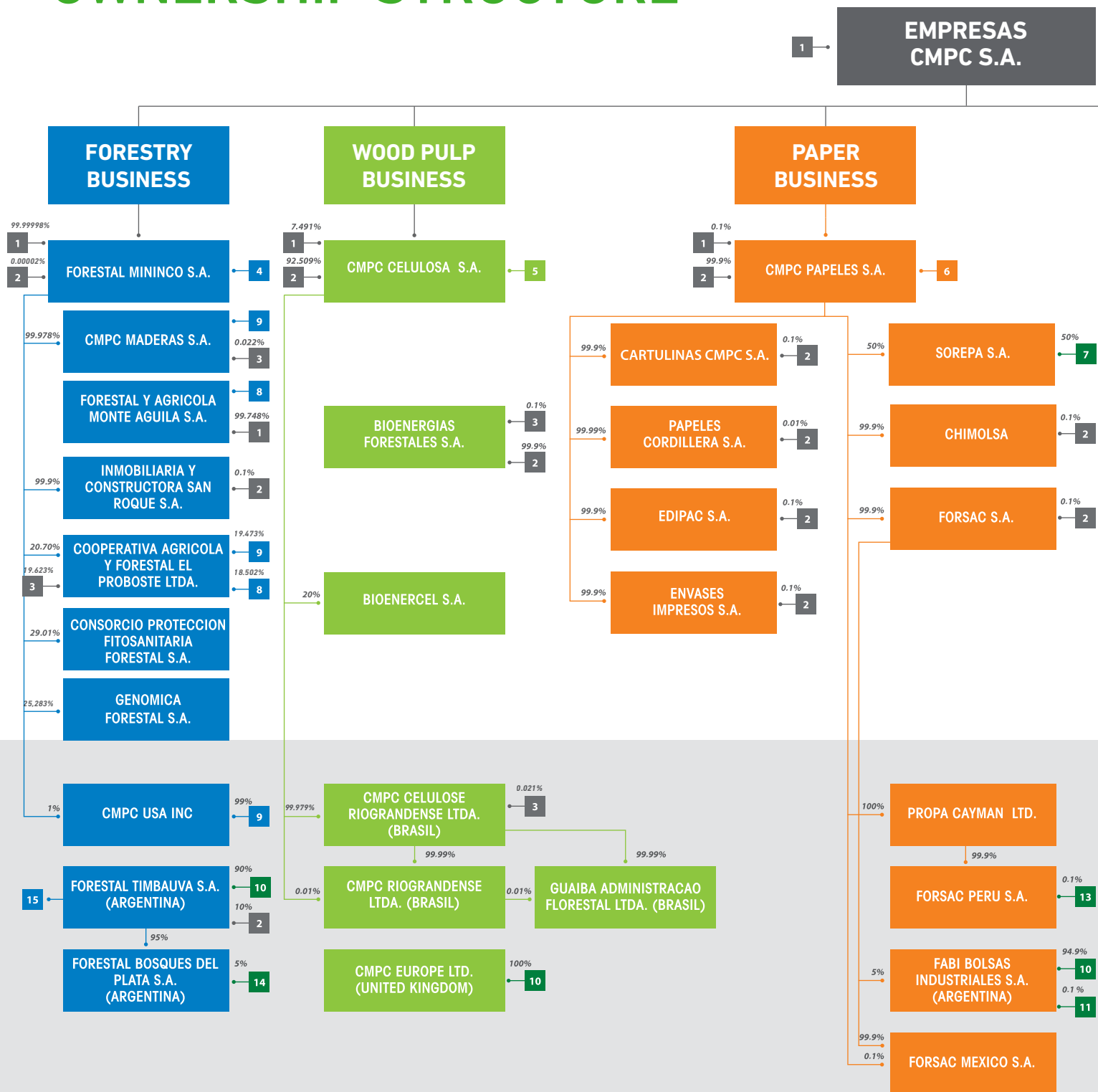
unit to achieve greater operating efficiencies and alignment with the company's strategy. The merger process started on January 1, 2016.

CMPC's Board agreed to call an Extraordinary Shareholders' Meeting, to be held on March 16, 2016, for shareholders to decide on the proposal to modify the company's articles of association to increase the number of company Board members from seven to nine.

Extraordinary Shareholders' Meeting No. 55 of CMPC was held in March and chaired by Eliodoro Matte. It approved the change in the articles of association to increase the number of directors from seven to nine. However, the renewal of such Board was agreed on for the Ordinary Shareholders' Meeting to be held in late April 2016. The approved modification is based on the reality of the company, upon completion of the intensive investment plan it has been undertaking in the last few years and the consequential growth of the company which, apart from the complexity of the businesses it develops, makes it advisable to strengthen the corporate governance structures to be managed. To such effect, the increase in the number of directors concerns the relative size CMPC has attained in its development and will add directors who provide a suitable balance of skills, experience, diversity of vision and independence.

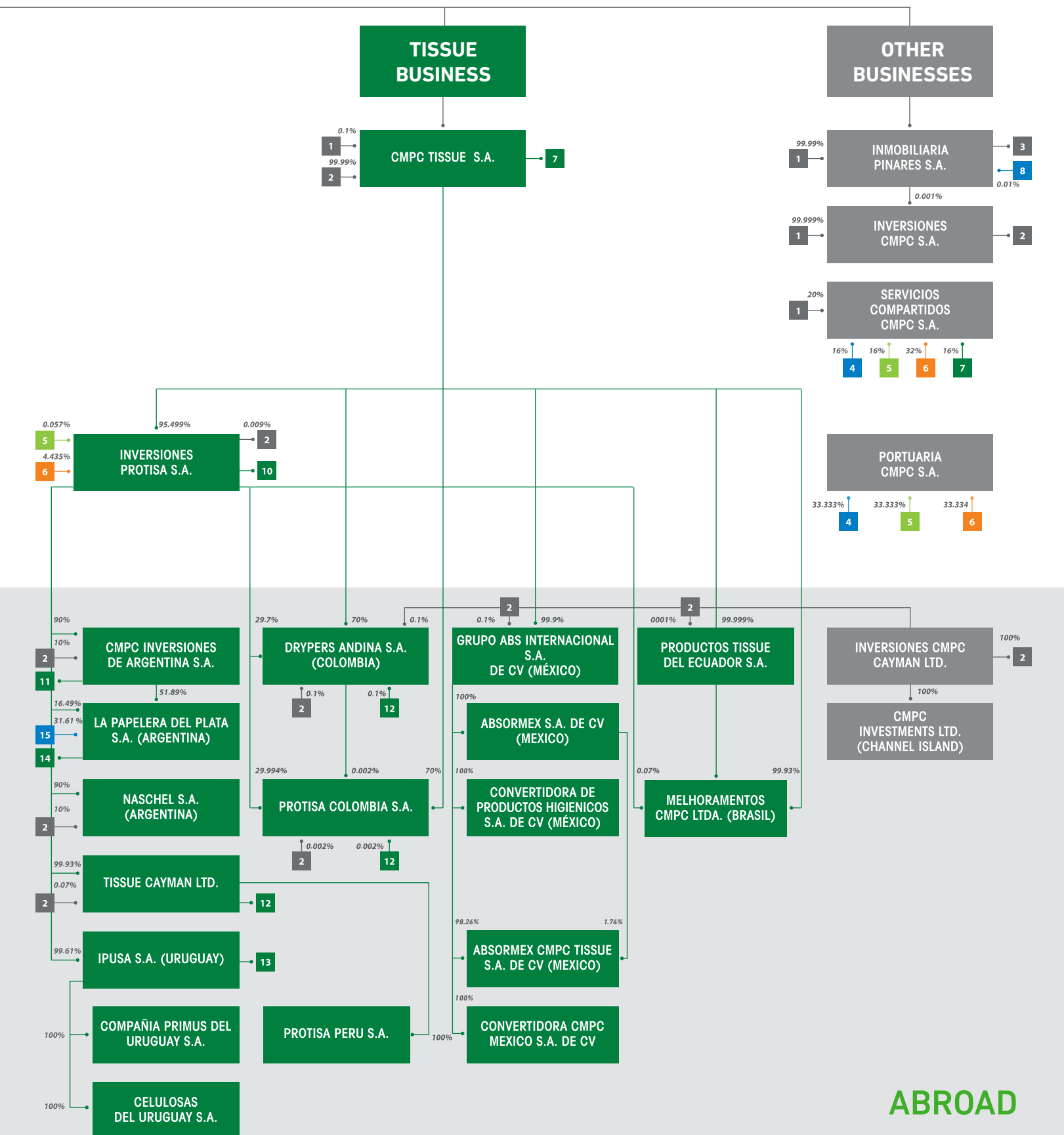
On March 18, 2016, Mr. Eliodoro Matte Larraín informed of his decision to not apply to be a director of Empresas CMPC S.A. in the election to be held at the Ordinary Shareholders' Meeting in April 2016, and therefore as of that time step down as Chairman of the company, a position he has held since 2002.

# OWNERSHIP STRUCTURE



- |   |                           |    |                                       |
|---|---------------------------|----|---------------------------------------|
| 1 | EMPRESAS CMPC S.A.        | 8  | FORESTAL Y AGRICOLA MONTE AGUILA S.A. |
| 2 | INVERSIONES CMPC S.A.     | 9  | CMPC MADERAS S.A.                     |
| 3 | INMOBILIARIA PINARES S.A. | 10 | INVERSIONES PROTISA S.A.              |
| 4 | FORESTAL MININCO S.A.     | 11 | CMPC INVERSIONES DE ARGENTINA S.A.    |
| 5 | CMPC CELULOSA S.A.        | 12 | TISSUE CAYMAN LTD.                    |
| 6 | CMPC PAPELES S.A.         | 13 | IPUSA S.A.                            |
| 7 | CMPC TISSUE S.A.          | 14 | LA PAPELERA DEL PLATA S.A.            |
|   |                           | 15 | FORESTAL TIMBAUVA S.A.                |

IN CHILE



ABROAD



# GENERAL INFORMATION

## SHARE CAPITAL

For the year ended December 31, 2015, the company's capital stock amounted to US\$1,454 divided into 2,500 million shares, and the shareholders' equity of Empresas CMPC S.A. was US\$7,924 million.

## ISSUED SHARE OWNERSHIP

Table A shows the 12 majority shareholders and the number of shares held by each of them for the year ended December 31, 2015

**TABLE A: TWELVE MAJORITY SHAREHOLDERS**

For the year ended December 31, 2015

SHAREHOLDERS	No. OF SHARES
Forestal Cominco S.A.	486,392,057
Forestal Constructora y Comercial del Pacifico Sur S.A.	476,205,596
Forestal O'Higgins S.A.	176,476,488
Banco de Chile on behalf of third parties	172,550,179
Forestal Bureo S.A.	106,457,955
Banco Itaú Chile S.A. on behalf of foreign investors	97,438,300
A.F.P. Provida S.A. for pension funds	76,442,867
A.F.P. Habitat S.A. for pension funds	64,035,299
A.F.P. Capital S.A. for pension funds	60,171,432
A.F.P. Cuprum S.A. for pension funds	54,209,421
Inmobiliaria Ñague S.A.	52,603,021
Banco Santander -JP Morgan	49,848,977
<b>TOTAL</b>	<b>1,872,831,592</b>

Table B provides a breakdown of the shares of Empresas CMPC S.A. owned by companies that directly or through some kind of mutual relationship control 55.64% of the voting capital for the year ended December 31, 2015.

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

For the year ended December 31, 2015.

SHAREHOLDERS	No. OF SHARES
Forestal Cominco S.A.	486,392,057
Forestal Constructora y Comercial del Pacifico Sur S.A.	476,205,596
Forestal O'Higgins S.A.	176,476,488
Forestal Bureo S.A.	106,457,955
Inmobiliaria Ñague S.A.	52,603,021
Coinindustria Ltda.	46,575,370
Forestal y Minera Ebro Ltda.	14,408,280
Forestal y Minera Volga Ltda.	8,823,060
Viecal S.A.	6,501,641
Forestal Peumo S.A.	5,141,294
Forestal Calle Las Agustinas S.A.	3,863,334
Forestal Choapa S.A.	2,332,209
Puertos y Logística S.A.	1,475,040
Elidoro Matte Larraín	1,187,078
Bernardo Matte Larraín	961,352
Patricia Matte de Larraín	961,342
Agrícola e Inmobiliaria Rapel LTDA.	617,993
Jorge Gabriel Larraín Bunster	134,844
<b>TOTAL</b>	<b>1,391,117,954</b>

The company is indirectly controlled in the way and shareholding by the following people, all members of the Larraín Matte, Matte Capdevila and Matte Izquierdo families: Patricia Matte Larraín, Chilean ID No. 4.333.299-6 (6.49%) and her children María Patricia Larraín Matte, Chilean ID No. 9.000.338-0 (2.56%); María Magdalena Larraín Matte, Chilean ID No. 6.376.977-0 (2.56%); Jorge Bernardo Larraín Matte, Chilean ID No. 7.025.583-9 (2.56%); and Jorge Gabriel Larraín Matte, Chilean ID No. 10.031.620-K (2.56%). Eliodoro Matte Larraín, Chilean ID No. 4.336.502-2 (7.21%) and his children Eliodoro Matte Capdevila, Chilean ID No. 13.921.597-4 (3.27%); Jorge Matte Capdevila, Chilean ID No. 14.169.037- K (3.27%); and María del Pilar Matte Capdevila, Chilean ID No. 15.959.356-8 (3.27%). Bernardo Matte Larraín, Chilean ID No. 6.598.728-7 (7.79%) and his children Bernardo Matte Izquierdo, Chilean ID No. 15.637.711-2 (3.44%); Sofía Matte Izquierdo, Chilean ID No. 16.095.796-4 (3.44%); and Francisco Matte Izquierdo, Chilean ID No. 16.612.252-K (3.44%). The shareholders mentioned above belong to the same business group by kinship and have a legalized agreement to act jointly

#### TABLE C: SHARES OWNED BY DIRECTORS AND SENIOR MANAGERS

For the year ended December 31, 2015

NAME	POSITION	NO. OF SHARES
ELIODORO MATTE LARRAIN	Chairman	1,187,078
BERNARDO MATTE LARRAIN	Director	961,352
JORGE GABRIEL LARRAIN BUNSTER	Director	134,844
JORGE EDUARDO MARIN CORREA	Director	5,631
MARTIN IGNACIO COSTABAL LLONA	Director	6,465
ERWIN OTTO HAHN HUBER	Director	21,829
HERNAN RODRIGUEZ WILSON	CEO	—
IGNACIO GOLDSACK TREBILCOCK	Senior Manager	—
GONZALO GARCIA BALMACEDA	Senior Manager	—
JACQUELINE ALEJANDRA SAQUEL MEDIANO	Senior Manager	—
RAFAEL COX MONTT	Senior Manager	—
RODRIGO ANDRES GOMEZ FUENTES	Senior Manager	—
FRANCISCO RUIZ-TAGLE EDWARDS	Senior Manager	—
LUIS ALFONSO LLANOS COLLADO	Senior Manager	22,471
GONZALO HERNAN DARRAIDOU DIAZ	Senior Manager	—
RODRIGO QUIROGA CORREA	Senior Manager	—
MARÍA INÉS GARRIDO SEPÚLVEDA	Senior Manager	—
RODRIGO LEVY WILSON	Senior Manager	—

Source: Shareholders' Registry of Empresas CMPC

# GENERAL INFORMATION

## SHARE TRANSACTIONS

Table D shows the total share transactions by number of shares, total and unit value, by quarter in the last three years

**TABLE D: QUARTERLY SHARE TRANSACTION STATISTICS**

QUARTER	NO. OF SHARES	STOCK MARKET TRANSACTIONS*	AMOUNT TRADED ThCh\$	AVERAGE PRICE CH\$/SHARE	STOCK MARKET PRESENCE %
1st Quarter 2013	70,998,894	BCS; BECH; BC	128,564,129	1,810.79	100
2nd Quarter 2013	91,764,188	BCS; BECH; BC	150,072,256	1,635.41	100
3rd Quarter 2013	100,206,655	BCS; BECH; BC	156,541,089	1,562.18	100
4th Quarter 2013	76,731,694	BCS; BECH; BC	107,870,274	1,405.81	100
1st Quarter 2014	113,232,184	BCS; BECH; BC	140,666,798	1,242.29	100
2nd Quarter 2014	76,223,198	BCS; BECH; BC	94,344,519	1,237.74	100
3rd Quarter 2014	121,803,112	BCS; BECH	167,152,588	1,372.32	100
4th Quarter 2014	79,617,508	BCS; BECH	115,815,618	1,454.65	100
1st Quarter 2015	78,464,997	BCS; BECH; BC	125,447,203	1,598.77	100
2nd Quarter 2015	75,556,556	BCS; BECH; BC	132,606,886	1,755.07	100
3rd Quarter 2015	73,251,742	BCS; BECH	130,596,018	1,782.84	100
4th Quarter 2015	99,135,235	BCS; BECH; BC	161,196,289	1,626.02	100

\* This column shows the stock markets on which share transactions were recorded in the quarter. BCS: Santiago Stock Market; BECH: Chilean Electronic Exchange; BC: Stockbroker Exchange.

## REMUNERATIONS AND FEES OF THE BOARD AND DIRECTORS COMMITTEE AND REMUNERATIONS OF KEY EXECUTIVES

In accordance with the provisions of Law 18,046, At the Ordinary General Shareholders' Meeting held on April 17, 2015 the shareholders established, in the same manner as in the previous year, that the remuneration of the Board shall be 1% of ordinary dividends paid in 2015, distributed in equal parts, and doubled for the Chairman.

As of December 31, 2015, a provision in the amount of US\$309,000 was established for concept, corresponding to 1% of dividends distributed in the year. This fee was paid in January 2016.

Table E shows the gross fees paid to the Board of Director in 2015 and 2014:

**TABLE E: BOARD FEES**

DIRECTOR	2015 (ThCh\$)	2014 (ThCh\$)
Eliodoro Matte Larraín	87,617	93,393
Arturo Mackenna Iñiguez*	43,809	46,697
Erwin Hahn	43,809	46,697
Jorge Marín Correa	43,809	46,697
Martín Costabal Llona	43,809	46,697
Jorge Gabriel Larraín Bunster	43,809	46,697
Bernardo Matte Larraín	43,809	46,697
<b>TOTAL</b>	<b>350,471</b>	<b>373,575</b>

\*The Director Mr. Arturo Mackenna resigned on 22 October 2015



These fees correspond to 1% of dividends paid in 2014 and 2013, which were agreed on and ratified by the respective Ordinary Shareholders' Meetings of the company. There are no incentive plans, such as bonuses, share-based payments, stock options or others in which the directors participate.

The remuneration of the members of the Directors Committee is based on a system that is equivalent to that of a director in its payment manner and the amount is one third of the remuneration received by a director. Thus, in 2015, the fees received by members of the Directors' Committee were the following:

**TABLE F:**  
**DIRECTORS COMMITTEE FEES**

DIRECTOR	2015 (ThCh\$)	2014 (ThCh\$)
Erwin Hahn Huber	14,603	15,566
Arturo Mackenna Iñiguez*	14,603	15,566
Jorge Marín Correa	14,603	15,566
<b>TOTAL</b>	<b>43,809</b>	<b>46,698</b>

\* The Director Mr. Arturo Mackenna resigned on 22 October 2015 and was replaced by Mr. Martín Costabal LL.

In addition, Mr. Martín Costabal LL. received Ch\$73,376,000 in 2015 for being the president of the Audit Committee.

In 2015, Board expenses amounted to Ch\$73,291,000, and of this total Ch\$54.8 million were for consulting services provided by Egon Zehnder and Ch\$18.5 million for other miscellaneous expenses.

Key executives have an incentive plan in addition to their fixed salary, consisting of a variable annual bonus and variable allowances during the year that depend on profits, achievement of strategic objectives and compliance of business profitability goals for each area. Total gross remuneration received by the Company's key executives amounted to Ch\$4,034 million in 2015, whose fixed component was Ch\$2,180 million and variable component was Ch\$1,854 million (Ch\$3,155 million, Ch\$1,962 million and Ch\$1,193 million, respectively, in 2014). The company has not had nor does it have any special compensation or benefit programs for its key or other executives, which consider payments based on company stock options.

## DIRECTORS' COMMITTEE

In 2015, the Directors' Committee met formally 15 times to review and address the corresponding issues pursuant to article No. 50 of Corporations Law 18,046. This report contains an overview of the annual management of the Committee which includes its activities and main recommendations.

The Committee analyzed the independent auditors' reports, the balance sheet and other financial statements presented by the company management prior to the Board meetings that addressed the approval of such reports, providing its opinion on them therein.

Thus the Committee analyzed the consolidated statement of financial position of the company and its subsidiaries as



# GENERAL INFORMATION

of December 31, 2014. The Committee also reviewed the report on those financial statements prepared by E&Y, the independent auditors appointed by shareholders for 2014, which had no observations. All this was reported to the Ordinary Shareholders' Meeting held on April 17, 2015.

In turn, the Committee reviewed the consolidated interim financial statements of the company and its subsidiaries as of March 31, 2015, June 30, 2015 and September 30, 2015, before the Board meetings in which such financial statements were reviewed and approved.

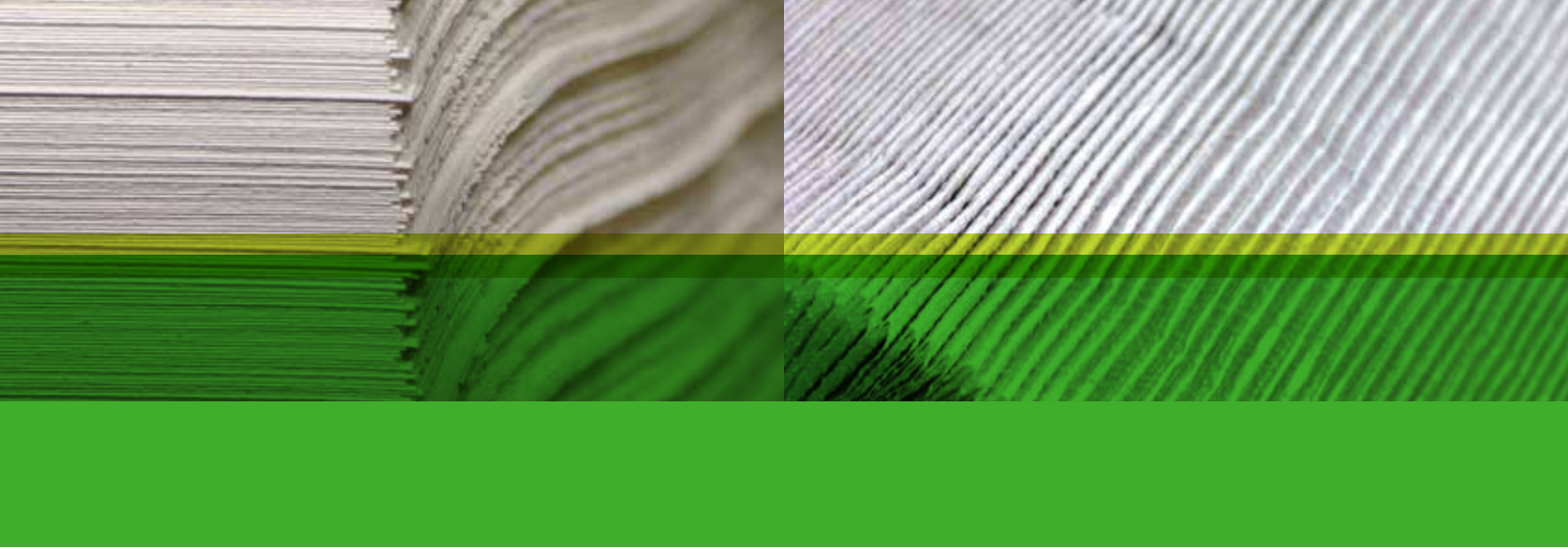
The Committee also proposed to the Board the names of companies for the designation of the Company's independent auditors and private risk rating agencies. To such effect, the Directors Committee supervised progress of the tender process for CMPC's independent auditor services.

The Directors' Committee began the selection process for the company's independent auditor in January 2015. For this it invited E&Y, BDO, Grant Thornton, KPMG and PwC to submit bids. Among other activities, the selection of the independent auditors involved the auditors visiting the offices and industrial operations of CMPC and submitting bids and the potential engagement teams involved. The evaluation process considered various factors, such as the qualification and structure of the audit team, the total audit hours contemplated and their distribution by category of professional level, the presence and knowledge of the local reality, work experience in the industry and large corporations and the transition plan and experience of the firm in previous work for CMPC.

After the corresponding analysis, the Committee decided that the most advantageous bids for the Company were those from E&Y and KPMG, which stood out not only for their presence and experience in the industry in addition to the qualification and experience of the engagement teams proposed and the partners in charge but also for the ability to provide a global service to CMPC. Based on this, the Directors' Committee agreed to propose these companies to the Board as options to be suggested to shareholders, giving priority to E&Y, due to the advantages provided for CMPC in the bid submitted and in order to take advantage of the experience gained by the auditor the previous year. The Board accepted the recommendation and presented those options to shareholders, who at the Ordinary Shareholders' Meeting, held on April 17, chose E&Y as the independent auditors for 2015.

Regarding controlling the work of the company's independent auditors, the Committee held two meetings with E&Y in relation to the audit plan for 2015 and its progress and main findings, addressing among other issues the report on internal control recommendations prepared by the auditor.

The presentation of the audit plan for 2015 contemplated the scope of the annual services, the engagement team, audit focus, internal control analysis, considerations on fraud risk factors and audit plan activities scheduled for the year. The key reporting dates were presented as were considerations regarding independence and compliance with Law 20,382. At the following meetings held on July 6, and December 1, 2015, audit progress and compliance with the plan presented were reviewed, along with the report on internal control recommendations prepared by the auditor.



In the meeting held on August 31 the risk rating agency ICR Clasificadores de Riesgo made a presentation to the Committee, in which it reviewed the risk rating procedures of that company, CMPC's vision and the rationale used to issue the risk rating and its basis.

In relation to transactions with related parties, at all the meetings held during the year the Committee analyzed the transactions that give rise to certain assumptions contained in the regulations of Title XVI of Corporations Law No. 18,046. In this respect, the Committee acknowledged the transactions which, approved by the Boards of the respective subsidiaries, were exempted from the normal approval procedures since they were considered usual and common operations in the line of business, as established in the policy approved by the company's Board.

At the Committee's request, the approval procedure for these transactions was reviewed in order for them to be known and approved by the respective Boards each year before their execution, informing these Boards and the Committee of compliance with these approvals. Any transaction that is usual and customary and not included in the mentioned approval or is not within such exception shall follow the normal approval procedures in accordance with the law. The follow-up reports for ordinary and customary transactions were presented in the Committee meetings and at the respective Board meetings. The detail of these transactions performed and contained in that report is presented in Note 39 to the company's consolidated financial statements.

Notwithstanding the transactions reviewed above, the Committee reviewed the contract between Empresas

CMPC S.A. and Nexos Comunicaciones SpA, a strategic communications company, in which one of its owners is the spouse of a company director. Regarding this, the information of the economic proposal was analyzed and the terms and conditions of the commercial relationship with Nexos were approved as they involve fair values similar to those that other companies of the same prestige and experience charge in the market.

Regarding the remuneration and compensation systems, the Committee reviewed the remuneration system and compensation plans for managers, executives and employees of the company for 2015. In particular, at the meeting held on August 3, the Committee was informed of changes in personnel management issues that are being driven by the Executives Development Management area. At that meeting it reviewed, in conjunction with CMPC's executive development manager, the fundamental characteristics of the design of the variable income system for executives and supervisors, whose purpose is to achieve greater alignment of personal objectives with business objectives, together with simplifying the current system and making it compatible with the performance evaluation methodologies implemented by CMPC. The Committee also analyzed the result of CMPC's performance evaluation process in the year, and gave details of a comparison of the payment of variable income as of June 2015, whose calculation included the percentage for the performance evaluation in 2014, according to the new policy.

Together with the above, the Committee was informed of the main features of the people management software that CMPC





# GENERAL INFORMATION

has put in place and finally assessed the progress with job position evaluation and measurement.

The Committee also complied with its obligation of informing the Board about the suitability of hiring the independent audit firm or not to provide services that are not part of the independent audit, when they are not prohibited in conformity with what is established in article 242 of Law No. 18,045, as to whether the nature of such services might generate a risk of loss of independence.

Regarding other matters inherent to its responsibility, the Committee assessed the follow-up made by management on the remarks made by the independent auditor in 2014 in its report on the internal control of the company and its subsidiaries.

The Directors' Committee analyzed the status and operation of the Company's prevention model related to Company Criminal Liability Law 20,393. A meeting was held on 4 May with the person in charge of prevention, in which details were given of the action taken as part of the procedures of the company's risk prevention model, and its certification status, as suggested by the Committee.

The Committee and the controller of CMPC analyzed progress made in the implementation of that management area, reviewing the Company's strategic objectives assigned to him, including assuring compliance with the corporate regulations and policies of CMPC at all subsidiaries and areas of the company and unifying risk control guidelines and criteria in the business units and subsidiaries. In a meeting held on

August 31, the Committee was informed of the actions taken to achieve those objectives.

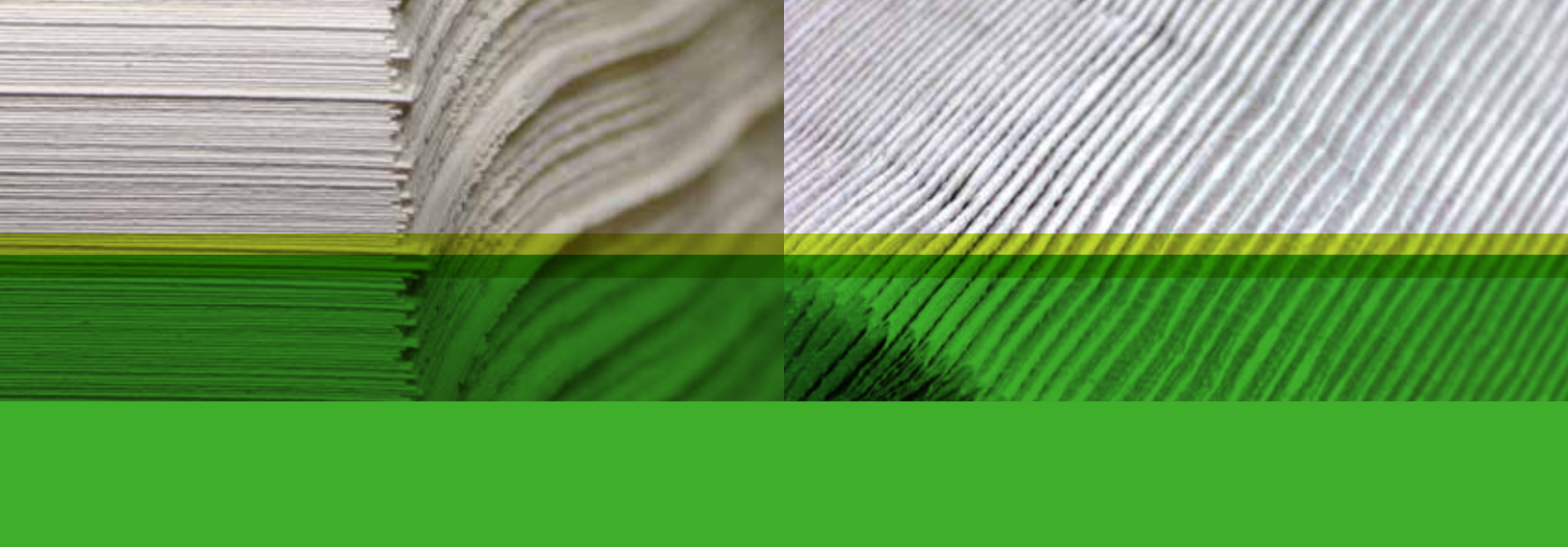
The Committee had no expenses related to its management in the exercising of its duties.

## FINANCIAL STATEMENTS

The financial statements of Empresas CMPC S.A. for the year ended December 31, 2015, submitted to shareholders, were prepared in accordance with International Financial Reporting Standards (IFRS) and instructions set forth by Superintendency of Securities and Insurance of Chile (SVS), specifically in respect to deferred tax arising from the Tax Reform contained in Law No. 20,780 published in the Official Gazette on September 29, 2014, which increased the income tax rate from 20% to 25% or 27% over a period of 4 to 5 years, respectively, depending on the tax system adopted, whose initial effect was recorded in retained earnings (losses) in shareholders' equity.

## DISTRIBUTION OF NET INCOME

The dividends policy for 2015 considered distributing a dividend of 30% of net income for the year ended December 31, 2015 by issuing two interim dividends in September and December 2015 or in January 2016 and a final dividend. This must be agreed by the Ordinary Shareholders' Meeting, and shall be paid on the date approved at such meeting, whose payment corresponds (if it has not been completed with the



interim dividends) to 30% of net income for 2015. Considering that in 2015 there was no net income, only the final dividend for 2014 was paid and a possible dividend charged to retained earnings.

Pursuant to circular No. 1,945 issued by the SVS, dated September 29, 2009, at the Board meeting held on November 26, 2009 the directors agreed to establish as a general policy that the net income for the purpose of paying the minimum mandatory dividend of 30%, established in article 79 of Law 18,046, shall be determined based on net income excluding those material variations in the fair value of unrealized assets and liabilities, which shall be re-entered to the calculation of net income for the year in which such variations are realized. Additional dividends shall be determined based on the aforementioned criteria, according to the agreement reached by the respective Shareholders' Meeting.

Consequently, the mentioned meeting agreed that, to determine the company's net distributable income, i.e., the net income to be considered to calculate the minimum mandatory dividend for 2015, income for the year shall exclude unrealized income from changes in the fair value of forest plantations; unearned income generated in the acquisition of other entities or companies at a lower value than the fair value of the net assets (deducting liabilities) of the entity acquired, and generally unearned income that arises from applying paragraphs No. 34, 39, 42 and 58 of revised IFRS 3 in reference to business combinations, mainly related to adjustments arising from the acquisition and takeover process and the effects of deferred taxes from adjustments related to the concepts mentioned in the previous points.

In 2015, there was no net income (US\$155,043,000 in 2014).

In accordance with general regulation No. 30 issued by the SVS, Table G shows the dividends per share paid in the last five years:

**TABLE G: DIVIDENDS PER SHARE**

YEAR	Ch\$/PER SHARE
2011	332
2012	27
2013	16
2014	14
2015	8

The Ordinary Shareholders' Meeting held on April 17, 2015 agreed to distribute final dividend No. 263 in the amount of Ch\$4 per share charged to net income for the year ended December 31, 2014. This dividend was paid as of April 28, 2015.

The Board Meeting, held on 14 August 2015, agreed to distribute possible interim dividend No. 264 in the amount of Ch\$4 per share charged to retained income. This dividend was paid as of September 10, 2015.

Note No. 31 to the consolidated financial statements includes a breakdown of the dividends paid in the year. In accordance with current legal provisions, the Shareholders' Meeting shall decide on the distribution of net income for the year and the allocation of dividends.

# GENERAL INFORMATION

## WORKFORCE

The company had a total workforce of 17,562 employees for the year ended December 31, 2015, distributed as shown in Table H below:

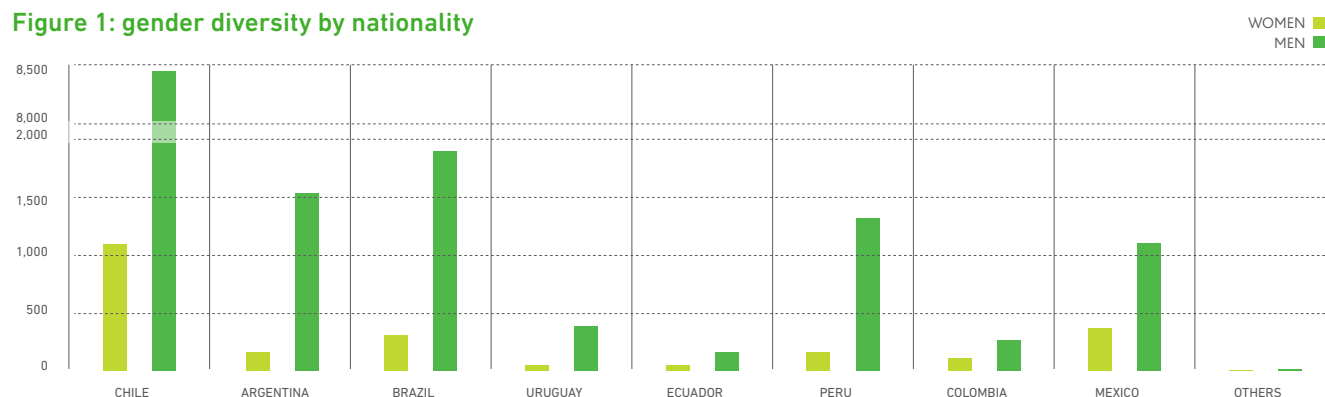
**TABLE H: COMPANY WORKFORCE**

BUSINESS AREA	MANAGERS & KEY EXECUTIVES	PROFESSIONAL & TECHNICIANS	EMPLOYEES	TOTAL
CMPC Forestal	23	759	1884	2,666
CMPC Celulosa S.A.	31	1,132	1,103	2,266
CMPC Papeles S.A.	42	991	2663	3,696
CMPC Tissue S.A.	74	2,335	6,127	8,536
Holding y Servicios Compartidos	13	381	4	398
<b>TOTALES</b>	<b>183</b>	<b>5,598</b>	<b>11,781</b>	<b>17,562</b>

Employees account for 13% (2,283) of the total, and 47% (1,073) are Chilean, whereas 87% of the total (15,279) are employees of whom 56% (8,556) are Chilean.

## GENDER DIVERSITY IN THE COMPANY

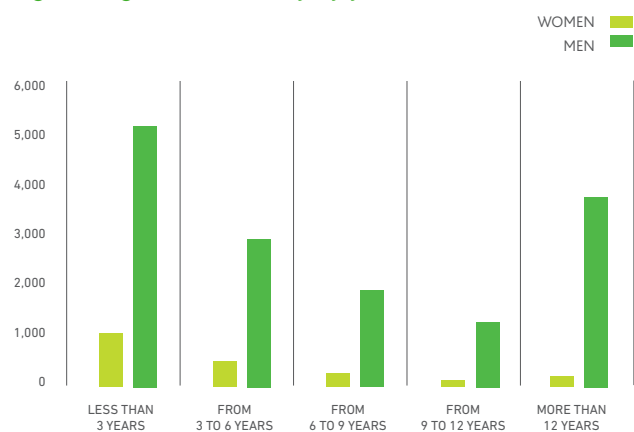
**Figure 1: gender diversity by nationality**



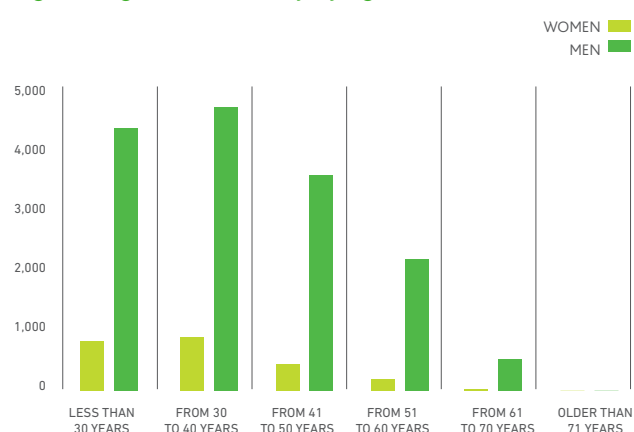
\* The information on gender diversity of the Board and general management is reported on pages 13 and 17, respectively.



**Figure 2: gender diversity by years of service**



**Figure 3: gender diversity by age**



For each job position, CMPC's remuneration structure considers variables of responsibility, job description, function undertaken, professional experience and equivalent performance evaluation. The scales or tiers of remuneration used at CMPC are therefore independent of gender.

**TABLE H: COMPANY WORKFORCE**

SALARY GAP BY GENDER	CHILE	OTHER COUNTRIES
Managers and Senior Executives	In this tier the gross average base salary of male executives is 6% higher than that of female executives.	In this tier the gross average base salary of male executives is 20% higher than that of female executives
Professionals and Technicians	In this tier the gross average base salary of male professionals and technicians is 17% higher than that of female professionals and technicians.	In this tier the gross average base salary of male professionals and technicians is 7% higher than that of female professionals and technicians.
Employees	In this tier the gross average base salary of male employees is 8% higher than that of female employees.	In this tier the gross average base salary of male employees is 14% higher than that of female employees.

The salary gap reported herein considers a general average by tier and is therefore not the real gap, since it does not consider differences of job position, experience, responsibility, function in the organization and performance evaluation, which here is assumed to be identical for all men and women in each tier. On incorporating the mentioned variables, the salary gap is greatly reduced.





CHAPTER

# 04

## FINANCIAL STATEMENTS

Financial Statements  
Summarized Financial Statements of Subsidiaries



# FINANCIAL STATEMENTS 2015



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## Report of the Independent Auditor

(Translation of a report originally issued in Spanish - See Note 2.1)

To the Shareholders and Directors  
Empresas CMPC S.A. and Subsidiaries

We have audited the accompanying consolidated financial statements of Empresas CMPC S.A. and Subsidiaries, which comprise the statement of financial position as of December 31, 2015 and 2014, and the comprehensive income statements, statements of changes in equity and statement of cash flows for the years then ended and the related notes to the consolidated financial statements.

## Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with the financial reporting preparation and presentation instructions and standards of the Superintendency of Securities and Insurance (SVS) as described in Note 2.1 to the consolidated financial statements. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free of material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with generally accepted auditing standards in Chile. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

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 entity'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 entity'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.



#### **Opinion on the accounting regulatory basis**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Empresas CMPC S.A. and Subsidiaries as of December 31, 2015 and 2014, and the results of its operations and its cash flows for the years then ended in conformity with the financial reporting preparation and presentation instructions and standards of the Superintendency of Securities and Insurance as described in Note 2.1.

#### **Basis of accounting**

As described in Note 2.1 to the consolidated financial statements, on October 17, 2014, the Superintendency of Securities and Insurance published Circular N° 856 instructing those entities under the supervision of the SVS to record during the relevant year and against the equity, all deferred tax asset and liability differences resulting directly from the increase in the first category tax rate established in Law 20780, which changed the financial reporting preparation and presentation standards used to that date, since the previous standards (IFRS) were to be adopted in a comprehensive, explicit and unqualified manner.

However, even though the consolidated comprehensive income statements and the corresponding consolidated statements of changes in equity for the years ended December 31, 2015 and 2014, were prepared on the same accounting bases, with regard to the recording of differences in deferred tax assets and liabilities, they are not comparative in accordance with the explanation given in the previous paragraph and of which the effect is explained in Note 21.

#### **Emphasis on a matter**

As described in Note 25 to the consolidated financial statements as of December 31, 2015, on October 28, 2015, CMPC received information that the Chilean National Economic Prosecutor had filed a complaint against its subsidiary CMPC Tissue S.A. in Chile before the Chilean Competition Tribunal, due to certain anti-trust conducts of some of the executives of said Company. In addition, action were undertaken for infringement of anti-trust legislation with regards to Productos Tissue del Perú S.A. in Peru and Drypers Andina S.A. in Colombia by the competent authorities of each country. As of the date of issuance of these consolidated financial statements, the Company was still analyzing the possible impacts that the aforementioned situation may have, as it was not yet possible to determine them. Our opinion is not modified with respect to this matter.



Víctor Zamora Q.

EY LTDA.

Santiago, March 7, 2016

# FINANCIAL STATEMENTS 2015

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# FINANCIAL STATEMENTS 2015

## CLASSIFIED STATEMENT OF FINANCIAL POSITION

	NOTE No.	AS OF 12/31/2015 ThUS\$	AS OF 12/31/2014 ThUS\$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	8	510,356	1,097,026
Other financial assets	8	74,477	49,568
Other non-financial assets	9	21,117	22,038
Trade and other accounts receivable	10	927,687	874,988
Accounts receivable from related parties	11	2,266	2,847
Inventory	12	1,066,528	1,037,347
Biological assets	13	415,197	345,684
Current tax assets	14	120,750	107,993
<b>TOTAL CURRENT ASSETS</b>		<b>3,138,378</b>	<b>3,537,491</b>
<b>NON-CURRENT ASSETS</b>			
Other financial assets	8	36,510	25,316
Other non-financial assets	9	317,589	313,657
Non-current accounts receivable	10	22,695	39,886
Investments accounted for using the equity method	16	250	488
Intangible assets other than goodwill	17	14,559	15,696
Goodwill	18	107,252	124,055
Property, plant and equipment	19	7,922,139	7,807,665
Biological assets	13	3,107,430	3,182,123
Current tax assets	14	55,467	100,454
Deferred tax assets	21	46,942	43,240
<b>TOTAL NON-CURRENT ASSETS</b>		<b>11,630,833</b>	<b>11,652,580</b>
<b>TOTAL ASSETS</b>		<b>14,769,211</b>	<b>15,190,071</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Other financial liabilities	22	252,342	519,734
Trade and other accounts payable	23	673,054	648,603
Accounts payable to related entities	24	9,070	5,406
Other current provisions	25	4,609	4,043
Current tax liabilities	14	60,848	31,713
Employee benefits provisions	26	45,849	49,462
Other non-financial liabilities	27	16,416	26,739
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,062,188</b>	<b>1,285,700</b>
<b>NON-CURRENT LIABILITIES</b>			
Other financial liabilities	22	3,942,151	4,123,899
Other provisions	25	36,765	23,014
Deferred tax liabilities	21	1,714,020	1,454,351
Current tax liabilities	14	2,867	8,809
Employee benefits provisions	26	80,626	86,809
Other non-financial liabilities	27	2,676	3,582
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>5,779,105</b>	<b>5,700,464</b>
<b>TOTAL LIABILITIES</b>		<b>6,841,293</b>	<b>6,986,164</b>
<b>SHAREHOLDERS' EQUITY</b>			
Issued capital	28	1,453,728	1,453,728
Retained earnings (losses)	29	6,924,340	6,949,882
Other reserves	30	(454,133)	(203,152)
<b>SHAREHOLDERS' EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>		<b>7,923,935</b>	<b>8,200,458</b>
Non-controlling interest		3,983	3,449
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>7,927,918</b>	<b>8,203,907</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>14,769,211</b>	<b>15,190,071</b>

## STATEMENT OF CHANGES IN EQUITY

	ISSUED CAPITAL NOTE 28 ThUS\$	CURRENCY TRANSLATION DIFFERENCES RESERVE NOTE 30 ThUS\$	CASH FLOW HEDGING RESERVES NOTE 30 ThUS\$	ACTUARIAL PROFITS OR (LOSSES) ON DEFINED BENEFIT PLANS RESERVES NOTE 30 ThUS\$	OTHER MISCELLANEOUS RESERVES NOTE 30 ThUS\$	OTHER RESERVES ThUS\$	RETAINED EARNINGS (LOSSES) NOTE 29 ThUS\$	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT ThUS\$	NON- CONTROLLING INTEREST ThUS\$	TOTAL EQUITY ThUS\$
<b>FOR THE YEAR ENDED AS OF DECEMBER 31, 2015</b>										
Current year beginning balance 01/01/2015	1,453,728	(331,810)	(104,083)	(16,045)	248,786	(203,152)	6,949,882	8,200,458	3,449	8,203,907
RESTATEd BEGINNING BALANCE	1,453,728	(331,810)	(104,083)	(16,045)	248,786	(203,152)	6,949,882	8,200,458	3,449	8,203,907
Changes in equity										
Comprehensive income										
Profit (loss)	-	-	-	-	-	-	(3,803)	(3,803)	679	(3,124)
Other comprehensive income	-	(239,568)	(11,072)	-	(341)	(250,981)	-	(250,981)	-	(250,981)
COMPREHENSIVE INCOME	-	(239,568)	(11,072)	-	(341)	(250,981)	(3,803)	(254,784)	679	(254,105)
Dividends	-	-	-	-	-	-	(21,739)	(21,739)	-	(21,739)
Increase (decrease) due to transfers and other changes	-	-	-	-	-	-	-	-	(145)	(145)
TOTAL CHANGES IN EQUITY	-	(239,568)	(11,072)	-	(341)	(250,981)	(25,542)	(276,523)	534	(275,989)
<b>ENDING BALANCE AS OF 12/31/2015</b>	<b>1,453,728</b>	<b>(571,378)</b>	<b>(115,155)</b>	<b>(16,045)</b>	<b>248,445</b>	<b>(454,133)</b>	<b>6,924,340</b>	<b>7,923,935</b>	<b>3,983</b>	<b>7,927,918</b>
<b>FOR THE YEAR ENDED AS OF DECEMBER 31, 2014</b>										
Previous year beginning balance 01/01/2014	1,206,714	(179,127)	(124,116)	(8,709)	249,715	(62,237)	7,171,047	8,315,524	4,245	8,319,769
RESTATEd BEGINNING BALANCE	1,206,714	(179,127)	(124,116)	(8,709)	249,715	(62,237)	7,171,047	8,315,524	4,245	8,319,769
Changes in equity										
Comprehensive income										
Profit (loss)	-	-	-	-	-	-	137,791	137,791	26	137,817
Other comprehensive income	-	(152,683)	20,033	(7,336)	(5)	(139,991)	-	(139,991)	-	(139,991)
COMPREHENSIVE INCOME	-	(152,683)	20,033	(7,336)	(5)	(139,991)	137,791	(2,200)	26	(2,174)
Equity issuance	247,014	-	-	-	-	-	-	247,014	-	247,014
Dividends	-	-	-	-	-	-	(53,444)	(53,444)	-	(53,444)
Increase (decrease) due to transfers and other changes	-	-	-	-	(924)	(924)	(305,512)	(306,436)	(822)	(307,258)
TOTAL DE CHANGES IN EQUITY	247,014	(152,683)	20,033	(7,336)	(929)	(140,915)	(221,165)	(115,066)	(796)	(115,862)
<b>ENDING BALANCE AS OF 12/31/2014</b>	<b>1,453,728</b>	<b>(331,810)</b>	<b>(104,083)</b>	<b>(16,045)</b>	<b>248,786</b>	<b>(203,152)</b>	<b>6,949,882</b>	<b>8,200,458</b>	<b>3,449</b>	<b>8,203,907</b>



# FINANCIAL STATEMENTS 2015

## INCOME STATEMENT, BY FUNCTION

	NOTE No.	FOR THE YEAR ENDED AS OF DECEMBER 31,	
		2015 ThUS\$	2014 ThUS\$
INCOME STATEMENT			
PROFIT (LOSS)			
Operating income	32	4,841,141	4,837,121
Cost of sales		(3,813,561)	(3,826,898)
GROSS PROFIT		1,027,580	1,010,223
Other income, by function	13	272,573	187,194
Distribution costs		(222,871)	(239,553)
Administrative expenses		(207,910)	(222,263)
Other expenses, by function		(193,972)	(202,943)
Other profits (losses)	33	(76,096)	(49,985)
PROFITS (LOSSES) FROM OPERATING ACTIVITIES		599,304	482,673
Finance income		11,059	20,422
Finance costs	34	(187,032)	(189,521)
Share in profits (losses) of associates and joint ventures accounted for using the equity method	16	177	(104)
Foreign currency translation differences	35	9,632	98,499
Income from indexation units		(15,415)	(39,427)
PROFIT (LOSS), BEFORE TAXES		417,725	372,542
Income tax expense	36	(420,849)	(234,725)
PROFIT (LOSS) FROM CONTINUING OPERATIONS		(3,124)	137,817
PROFIT (LOSS)		(3,124)	137,817
PROFIT (LOSS), ATTRIBUTABLE TO			
Profit (loss), attributable to owners of the parent		(3,803)	137,791
Profit (loss), attributable to non-controlling interest		679	26
PROFIT (LOSS)		(3,124)	137,817
EARNINGS PER SHARE			
BASIC EARNINGS PER SHARE			
Basic profit (loss) per share from continuing operations (US\$ per share)	31	(0,0015)	0,0567
Basic profit (loss) per share from discontinued operations (US\$ per share)		-	-
BASIC PROFIT (LOSS) PER SHARE		(0,0015)	0,0567
DILUTED EARNINGS PER SHARE			
Diluted profit (loss) per share from continuing operations (US\$ per share)	31	(0,0015)	0,0567
Diluted profit (loss) per share from discontinued operations (US\$ per share)		-	-
DILUTED PROFIT (LOSS) PER SHARE		(0,0015)	0,0567

## INCOME STATEMENT, BY FUNCTION

	NOTE No.	FOR THE YEAR ENDED AS OF DECEMBER 31.	
		2015 ThUS\$	2014 ThUS\$
COMPREHENSIVE INCOME STATEMENT			
Profit (loss)		(3,124)	137,817
OTHER COMPREHENSIVE INCOME			
COMPONENTS OF OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO INCOME FOR THE YEAR, BEFORE TAXES			
Other coprehensive income, before taxes, gains (losses) on new measurement of defined benefit plans		-	(10,437)
OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO INCOME FOR THE YEAR, BEFORE TAXES		-	(10,437)
COMPONENTS OF OTHER COMPREHENSIVE INCOME THAT WILL BE RECLASSIFIED TO INCOME FOR THE YEAR, BEFORE TAXES			
FOREIGN CURRENCY TRANSLATION DIFFERENCES			
Profits (losses) on foreign currency translation differences, before taxes		(239,568)	(152,683)
OTHER COMPREHENSIVE INCOME, BEFORE TAXES, FOREIGN CURRENCY TRANSLATION DIFFERENCES		(239,568)	(152,683)
CASH FLOW HEDGING			
Profits (losses) on cash flow hedging, before taxes		(18,583)	(25,174)
Reclassification adjustments on cash flow hedging, before taxes		(9,070)	(12,614)
Amounts eliminated from shareholders' equity and included in the carrying amount of non-financial assets (liabilities) acquired or incurred through a highly likely foreseen hedged transaction, before taxes		16,581	57,821
OTHER COMPREHENSIVE INCOME, BEFORE TAXES, CASH FLOW HEDGING		(11,072)	20,033
Share of other comprehensive income of associates and joint ventures accounted for using the equity method that will be reclassified to income for the year, before taxes		(341)	(5)
OTHER COMPREHENSIVE INCOME THAT WILL BE RECLASSIFIED TO INCOME FOR THE YEAR, BEFORE TAXES		(250,981)	(132,655)
Income taxes related to components of other comprehensive income that will not be reclassified to income for the year			
Income taxes related to new measurements of defined benefit plans of other comprehensive income		-	3,101
INCOME TAXES RELATED TO COMPONENTS OF OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO INCOME FOR THE YEAR		-	3,101
OTHER COMPREHENSIVE INCOME		(250,981)	(139,991)
COMPREHENSIVE INCOME		(254,105)	(2,174)
COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Comprehensive income attributable to owners of the parent		(254,784)	(2,200)
Comprehensive income attributable to non-controlling interest		679	26
COMPREHENSIVE INCOME		(254,105)	(2,174)

# FINANCIAL STATEMENTS 2015

## STATEMENT OF CASH FLOWS - DIRECT METHOD

	NOTE No.	FOR THE YEAR ENDED AS OF DECEMBER 31.	
		2015 ThUS\$	2014 ThUS\$
STATEMENT OF CASH FLOWS			
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES			
TYPE OF PROCEEDS FROM OPERATING ACTIVITIES			
Proceeds from goods sold and services rendered		5,279,966	5,416,318
Other proceeds from operating activities		310,037	240,267
TYPED OF CASH PAYMENTS FROM OPERATING ACTIVITIES			
Payments to suppliers for goods and services		(4,076,205)	(4,080,519)
Payments to and on account of employees		(400,441)	(429,138)
Payment of premiums and services, annuities and other obligations on policies subscribed		(21,972)	(22,655)
Other operating activity payments		(136,734)	(189,456)
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		954,651	934,817
Income taxes paid		(117,121)	(73,767)
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		837,530	861,050
CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		5,744	871
Additions to property, plant and equipment		(722,879)	(1,510,638)
Proceeds from sale of intangible assets		4,235	3,081
Addition of other non-current assets		(74,259)	(62,911)
Payments on future and forward contracts, options and financial swaps		(121,527)	(117,741)
Proceeds from future and forward contracts, options and financial swaps		80,462	62,633
Interest received		10,416	19,968
Other cash inflows (outflows)		(51,267)	92,119
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(869,075)	(1,512,618)
CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES			
Proceeds from share issuance		-	246,292
PROCEEDS FROM LOANS		541,071	1,917,959
Proceeds from non-current loans		155,150	1,657,988
Proceeds from current loans		385,921	259,971
Loans paid		(847,493)	(1,045,743)
Dividends paid		(30,014)	(57,283)
Interest paid		(178,752)	(168,611)
Other cash inflows (outflows)		(53)	(2,045)
NET CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES		(515,241)	890,569
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS, BEFORE THE EFFECT OF CHANGES IN THE EXCHANGE RATE		(546,786)	239,001
EFFECTS OF CHANGES IN THE EXCHANGE RATE ON CASH AND CASH EQUIVALENTS			
Effects of changes in the exchange rate on cash and cash equivalents		(39,884)	(69,224)
NET INCREASE IN CASH AND CASH EQUIVALENTS		(586,670)	169,777
Cash and cash equivalents at beginning of year	8	1,097,026	927,249
CASH AND CASH EQUIVALENTS AT END OF YEAR	8	510,356	1,097,026



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2015

### NOTE 1 - CORPORATE INFORMATION

Empresas CMPC S.A., the parent company, was established in Chile in 1920 as a stock corporation and is subject to the Chilean Corporations Act 18,046 dated October 22, 1981 and its subsequent amendments. It is registered in the Securities Registry of the Chilean Superintendency of Securities and Insurance (SVS) under number 0115. For Chilean tax purposes its taxpayer number is 90.222.000-3.

The Company is controlled by the Matte Group through shares in Empresas CMPC S.A. owned by legal entities and individuals belonging to that group (see Note 39).

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

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

CMPC has over 628,000 hectares of forest plantations, mainly pine and eucalyptus, of which 470,000 hectares are located in Chile, 57,000 hectares in Argentina and 101,000 hectares in Brazil. The Company also has usufruct, sharecropping and lease contracts with third parties covering 38,000 hectares of forest plantations distributed in Chile and Brazil.

CMPC has 44 manufacturing plants distributed in Chile, Argentina, Peru, Uruguay, Mexico, Colombia, Brazil and Ecuador and sells mainly in Chile, Asia, Europe, the United States and the rest of Latin America. At an aggregate level, more than 77% of income is generated by exports and foreign subsidiaries and close to 23% is generated in Chile. The Company also has subsidiaries for commercial and financial operations in Europe, the United States and the Cayman Islands.

As of December 31, 2015 CMPC comprises 55 companies: Empresas CMPC S.A., the parent company, 51 subsidiaries and 3 associates. CMPC has consolidated in its financial statements all companies in which it has control over their business operations, and in cases where it only has significant influence, these investments are carried using the equity method and its proportional share is recognized in equity and income. The total assets of the parent company as of December 31, 2015 amount to ThUS\$ 8,233,703 (ThUS\$ 8,565,533 as of December 31, 2014).

# FINANCIAL STATEMENTS 2015

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

CONSOLIDATE COMPANY	TAXPAYER NO.	COUNTRY OF ORIGIN	FUNCT. CURRENCY	INTEREST PERCENTAGE					
				DECEMBER 31, 2015			DECEMBER 31, 2014		
				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.	96.757.710-3	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 Celulosa S.A.	96.532.330-9	Chile	US\$	7.4909	92.5091	100.0000	7.4909	92.5091	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
Cooperativa Agrícola y Forestal El Proboste Ltda.	70.029.300-9	Chile	US\$	0.0000	78.2982	78.2982	0.0000	78.2982	78.2982
Bioenergías Forestales S.A.	76.188.197-3	Chile	US\$	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
Inmobiliaria y Constructora San Roque S.A.	76.395.604-0	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	99.9924	99.9924	0.0000	99.9924	99.9924
Melhoramentos CMPC 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
Guaba Administracao Florestal Ltda.	Foreign	Brazil	US\$	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
CMPC Investments Ltd.	Foreign	Channel Island	US\$	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
Drypers Andina S.A.	Foreign	Colombia	COP	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
Protisa Colombia S.A.	Foreign	Colombia	COP	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
Productos Tissue 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 Internacional S.A. de CV	Foreign	Mexico	MXN	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
Absormex S.A. de CV	Foreign	Mexico	MXN	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
Convertidora de Productos Higiénicos S.A. de CV	Foreign	Mexico	MXN	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
Convertidora CMPC México S.A. de CV	Foreign	Mexico	MXN	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
Absormex CMPC Tissue S.A. de CV	Foreign	Mexico	MXN	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
Forsac México S.A. de CV	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	0.0000	0.0000	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.	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

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

Changes occurred in the interest in and capital contributions to the subsidiaries included in consolidation are detailed as follows:

- i) In November 2015 subsidiary Papelera del Rimac S.A. - Perú merged by absorption with subsidiary Productos Tissue del Perú S.A. Productos Tissue del Perú S.A. is wholly owned by Tissue Cayman Ltd. This merger by absorption did not generate any effects on income.
- ii) During 2015 subsidiary CMPC Celulose Riograndense Ltda. of Brazil increased its stock capital by a total of ThUS\$ 322,300 (ThUS\$ 351,400 in 2014), which was fully paid by subsidiary CMPC Celulosa S.A. The new share in the capital of this subsidiary is CMPC Celulosa S.A. 99.98% and Inmobiliaria Pinares S.A. 0.02%.
- iii) During 2015 subsidiary Grupo ABS Internacional S.A. de CV of Mexico increased its share capital by a total of ThUS\$ 100,000 (ThUS\$ 31,000 in 2014), which was paid by its shareholders CMPC Tissue S.A. 99.90% and Inversiones CMPC S.A. 0.10%, which in turn capitalized these amounts in its subsidiary Absormex CMPC Tissue S.A. de CV of Mexico.
- iv) During 2015 subsidiary Melhoramentos CMPC Ltda. of Brazil increased its share capital by a total of ThUS\$ 51,000 (ThUS\$ 29,000 in 2014), which was paid by its shareholders CMPC Tissue S.A. 99.93% and Inversiones Protisa S.A. 0.07%.
- v) During 2015 subsidiary Protisa Colombia S.A. increased its share capital by a total of ThUS\$ 38,500 (ThUS\$ 1,000 in 2014), which was 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%. In turn, subsidiary Drypers Andina S.A. of Colombia increased its share capital by a total of ThUS\$ 12,500 (ThUS\$ 2,000 in 2014), which was 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%.
- vi) During 2015 subsidiary Forsac México S.A. de CV increased its share capital by a total of ThUS\$ 12,000 (ThUS\$ 6,000 in 2014), which was paid by its shareholders Forsac S.A. 99.90% and CMPC Papeles S.A. 0.10%.
- vii) During 2015 subsidiary Productos Tissue del Ecuador S.A. increased its share capital by a total of ThUS\$ 500 (ThUS\$ 4,000 in 2014) which was fully paid by subsidiaries CMPC Tissue S.A. (99.999%) and Inversiones CMPC S.A. (0.001%).
- viii) In November 2014, subsidiary Inmobiliaria y Constructora San Roque S.A. was established in Chile with capital of ThUS\$ 10 divided into 1,000 shares. The share in the capital of this new company is as follows: Forestal Mininco S.A. 99.90% and Inversiones CMPC S.A. 0.10%.
- ix) In June 2014 subsidiary Envases Roble Alto S.A. merged and was absorbed by subsidiary Envases Impresos S.A. The share in the capital of Envases Impresos S.A. is as follows: CMPC Papeles S.A. 99.90% and Inversiones CMPC S.A. 0.10%. This merger by absorption generated no effect on income.
- x) In June 2014 subsidiary CMPC Papeles S.A. merged and was absorbed by subsidiary CMPC Productos de Papel S.A. In turn the latter changed its name to CMPC Papeles S.A. The new share in the capital of CMPC Papeles S.A. is as follows: Inversiones CMPC S.A. 99.90% and Empresas CMPC S.A. 0.10%. This merger by absorption generated no effect on income.
- xi) At the Extraordinary Shareholders' Meetings of subsidiaries CMPC Celulosa S.A. and Papeles Río Vergara S.A. held on May 30, 2014, the shareholders approved the merger of both companies, by virtue of which the former absorbed the latter. The new share in the capital of CMPC Celulosa S.A. is as follows: Inversiones CMPC S.A. 92.51% and Empresas CMPC S.A. 7.49%. This merger by absorption generated no effect on income.

Considering the Company's history of profitable operations, the plans for new investments at a local and international level and its access to resources in the financial market, management declares that the principle of going concern is fully complied with.



# FINANCIAL STATEMENTS 2015

The total workforce of CMPC and its subsidiaries as of December 31, 2015 consists of 17,564 employees (16,824 as of December 31, 2014) distributed among the various operating segments detailed as follows:

SEGMENT	MANAGERS	PROFESSIONALS & TECHNICIANS	EMPLOYEES	TOTAL
Forestry	23	759	1,884	2,666
Pulp	31	1,132	1,103	2,266
Paper	42	989	2,667	3,698
Tissue	74	2,335	6,127	8,536
Other	13	381	4	398
<b>TOTAL</b>	<b>183</b>	<b>5,596</b>	<b>11,785</b>	<b>17,564</b>

The average number of CMPC employees during the year ended as of December 31, 2015 was 17,444 (16,601 as of December 31, 2014).

These financial statements are consolidated and include the classified statement of financial position, comprehensive income statement, by function, statement of cash flows - direct method, statement of changes in equity, net and the accompanying notes with disclosures to those financial statements.

CMPC and its subsidiaries use the United States dollar (hereinafter the "dollar") as their presentation and functional currency, except for subsidiaries of the tissue operating segment, which use the local currency of each country as their functional currency, because local factors prevail in their business and due to the relevance of those currencies in the functional currency allocation factors. However they also use the dollar as the presentation currency for their financial statements and to report to CMPC Holding for consolidation purposes.

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

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

In the accompanying statement of financial position, assets and liabilities are classified in terms of their maturity as current those with maturities equal to or less than twelve months, and non-current, those maturing in more than twelve months. In turn, in the comprehensive income statement expenses are classified by function, identifying depreciation and personnel expenses based on their nature in notes. The statement of cash flows is presented using the direct method.

The consolidated financial statements show a true picture of the equity and financial position as of December 31, 2015, as well as the results of operations, changes in equity and consolidated cash flows produced at CMPC in the year then ended.

The figures in the statement of financial position, statement of changes in equity, income statement, statement of cash flows and their explanatory notes are presented compared to the previous year as required by International Financial Reporting Standards ("IFRS").

The Company's management declares that these financial statements have been prepared in conformity with IFRS and what is stated in Note 2.1.

These consolidated financial statements have been approved by the Board Meeting held on March 7, 2016, where the directors authorized management to publish them and transmit them to the corresponding regulatory and market authorities. The financial statements of the subsidiaries were approved by their respective Boards.

## CAPITAL MANAGEMENT

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

To meet these objectives, the Company is constantly monitoring the returns obtained by each business, maintaining their correct operation and thus maximizing financial returns for the shareholders.

Part of this follow up of each business consists of ensuring that decision-making for investment in financial instruments is in line with the Company's conservative profile, and is undertaken under favorable market conditions. Financial instruments are constantly monitored by the Company's Board. Among the activities relating to capital management, the Company reviews its balance of cash daily in order to make its investment decisions.

CMPC manages its capital structure so that its indebtedness does not put at risk its ability to pay its obligations or obtain an adequate return for its investors. In certain debt instruments CMPC has the obligation to maintain a ratio between financial obligations with third parties and equity (adjusted for contracts) equal to or less than 0.8. As of December 31, 2015 and 2014 this ratio was comfortably complied with, reaching levels of 0.52 and 0.56, respectively (see Note 22.2.e).

Together with the above, and as part of the financial covenants that CMPC must fulfill, at the end of each quarter the Company must maintain minimum equity (adjusted for contracts) of Chilean Unidades de Fomento ("CLF") 71,580,000 plus 85% of new capital issuances after March 31, 2012 (equivalent as of December 31, 2015 to US\$ 3,185 million and to US\$ 3,507 million as of December 31, 2014), condition that is comfortably met since equity (adjusted for contracts) amounts to US\$ 7,802 million as of December 31, 2015 (US\$ 8,061 million as of December 31, 2014) (see Note 22.2.e).

## **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The main accounting policies adopted in the preparation of these consolidated financial statements are described below. As required by IAS 1, these policies have been designed considering IAS and IFRS in force as of December 31, 2015, together with the standard changes which became effective as of January 1, 2015, and have been consistently applied to the years presented in these consolidated financial statements when applicable.

### **2.1. BASIS OF PREPARATION**

These consolidated financial statements of Empresas CMPC S.A. as of December 31, 2015 were prepared in accordance with IFRS and instructions set forth by the SVS, specifically in relation to deferred taxes derived from the Tax Reform contained in Law 20,780 published in the Official Gazette on September 29, 2014 which increased the income tax rate from 20% to 25% or 27% over a period of 4 to 5 years, respectively, depending on the adopted tax regime. The initial effect of the above was recorded in retained earnings (losses) in shareholders equity, in the financial statements for 2014. The previous criteria differ from what is indicated in IAS 12, which establishes that the effect of the change in the tax rate must be recorded in income for the year in which the law modifying those taxes is published.

Certain accounting practices applied by the Company that conform to IFRS may not conform to generally accepted accounting principles in the United States ("US GAAP") or to generally accepted accounting principles in Chile ("Chile GAAP").

For the convenience of the reader, the financial statements and their accompanying notes have been translated from Spanish to English.

The preparation of the consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates and also requires that management exercise its judgment in the process of applying the Company's accounting policies. Note 4 to these consolidated financial statements disclose the areas that imply a higher degree of judgment or complexity or areas where the hypotheses and estimates are significant to the consolidated financial statements.

The Company generally uses cost accounting as its criteria to value its assets and liabilities, except for hedging financial instruments, certain financial assets and liabilities and biological assets which are recorded at fair value, since this manner of periodic measurement eliminates or reduces incoherence in their valuation and/or yield.

### **2.2. BASIS OF PRESENTATION**

#### **A) SUBSIDIARIES**

Subsidiaries are considered to be all companies where Empresas CMPC S.A. directly or indirectly controls most of the substantive voting rights or else has entitlements that grant it the present capacity to direct their relevant activities, considering for this purpose the potential voting rights in its power, or those belonging to third parties, exercisable or convertible as of each year-end. In addition, CMPC is exposed or entitled to the variable returns of these companies and has the capacity to influence these amounts.

Subsidiaries are consolidated as of the date on which control is transferred to Empresas CMPC S.A. and are excluded from consolidation on the date on which it ceases.

# FINANCIAL STATEMENTS 2015

CMPC uses the purchase method of accounting to account for a business combination and it applies the provisions of IFRS 3. This method requires: a) identification of the buyer, b) determination of the acquisition date, c) recognition and measurement of identifiable assets acquired, liabilities assumed and any non-controlling interest acquired, and d) recognition and measurement of goodwill or gain due to purchase under very advantageous terms.

CMPC recognizes goodwill on the date of acquisition measured as the excess between: a) the sum of the consideration transferred plus the amount of any non-controlling participation in the acquired company and b) the sum of the net value of the amounts on the date of acquisition of the identifiable assets acquired and of the liabilities assumed. If the sum of the net value of the amounts on the date of acquisition of the identifiable assets acquired and of the liabilities assumed exceeds the sum of the consideration transferred plus the amount of any non-controlling interest in the acquired company, the difference is recognized directly as profit in the income statement (see Note 2.8.).

## **B) NON-CONTROLLING INTERESTS AND TRANSACTIONS**

As part of the consolidation process, transactions, balances receivable and/or payable and unearned income from transactions between related CMPC companies are eliminated. The accounting policies of subsidiaries are consistent with those of the parent company.

Non-controlling interests are presented in net equity in the statement of financial position. The profit or loss attributable to non-controlling interests is shown in the income statement as profit (loss) for the year. Results of transactions between non-controlling shareholders and the shareholders of the companies where ownership is shared are accounted for in equity and are therefore shown in the statement of changes in equity.

## **C) ASSOCIATES**

Associates are all entities over which Empresas CMPC S.A. has significant influence but not control over the financial and operating policies. Investments in associates are accounted for using the equity method, except when the investment fulfills the exemption requirements of IAS 28, paragraphs 17 to 19.

In accordance with the equity method, the investment in an associate or joint venture is initially recorded at cost, and the carrying amount is increased or decreased to recognize the share of CMPC in the income of the investee for the period, after the date of acquisition. CMPC's share in the income of the investee for the period is recognized in CMPC's income for the period. Distributions received from the investee reduce the carrying amount of the investment. Changes in the comprehensive income of the investee that arise from revaluation of property, plant and equipment and foreign currency translation differences are recognized in CMPC's comprehensive income.

When the share of CMPC in the losses of an associate is equal to or exceeds its investment in the associate, including any other unsecured accounts receivable, CMPC does not recognize additional losses unless it has incurred obligations or made payments on behalf of the associate.

At the time of the acquisition of the investment, any difference between the cost of the investment and CMPC's share in the net fair value of the identifiable assets and liabilities of the investee are accounted for in the following manner: a) goodwill related to an associate or a joint venture is included in the carrying amount of the investment. Amortization of this goodwill is not permitted and b) any excess on the part of CMPC in the net fair value of identifiable assets and liabilities of the investee over the cost of the investment is considered as income in the determination of CMPC's share in the associate or joint venture's income for the period in which the investment is acquired (Note 2.8.).

## **2.3. SEGMENT REPORTING**


IFRS 8 Operating Segments requires that entities adopt "the management focus" when disclosing information on income from operating segments. In general, this is the information that management uses internally to assess the performance of the segments and decide how to allocate resources to them.

CMPC presents information by segment (which correspond to business areas) based on the financial information made available for decision makers, regarding matters such as measuring profitability and allocation of investments, and on the basis of differentiation of products, as indicated in IFRS 8 Operating Segments.

Segments thus determined, which reflect the current business management structure, are detailed as follows:

Forestry  
Pulp  
Paper  
Tissue





Income from areas other than the mentioned segments, related to CMPC and others not transferred to operating segments, is presented under "Other" and do not individually represent amounts that are significant enough for their designation as an operating segment.

## **2.4. FOREIGN CURRENCY TRANSACTIONS**

### **PRESENTATION AND FUNCTIONAL CURRENCY**

Items included in the financial statements of each of the entities of CMPC are valued using the currency of the main economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in dollars, which is the functional currency of the parent company and its relevant businesses (except for the tissue business, where the functional currency is the local currency of each country) and therefore the presentation currency of the consolidated financial statements of the Company and its subsidiaries is the dollar

### **TRANSACTIONS AND BALANCES**

All operations performed by Empresas CMPC S.A. or its subsidiaries in a currency other than the functional currency of each company are treated as foreign currency and are recorded at the exchange rate prevailing on the transaction date.

Balances of monetary assets and liabilities denominated in foreign currencies are presented valued at the exchange rate at each year-end. The variation between the original and closing value is recorded in foreign currency translation differences, except when these changes are deferred in net equity, such as cash flow hedges.

Changes in the fair value of investments in debt instruments denominated in foreign currency and classified as available for sale, if any, are separated into foreign currency translation differences and the increase corresponding to the profit of the investment measured in the functional currency. Foreign currency translation differences are recognized in income for the year and the investment's profit is recognized in net equity.

### **CMPC ENTITIES**

The profits and financial position of all CMPC entities (none of which operate with the currency of a hyperinflationary economy) with a functional currency other than the presentation currency are converted to the presentation currency as follows:

- a) The assets, liabilities and equity of each statement of financial position are converted at the year-end exchange rate;
- b) The income and expenses of each income statement account are converted at the daily exchange rate or when this is not possible, the average monthly exchange rate is used as a reasonable approximation; and
- c) All resulting foreign currency translation differences are recognized in the conversion reserve in net equity.

The change determined for foreign currency translation differences on the investment accounted for in a company whose functional currency is different from the functional currency of the subsidiary is recorded as other comprehensive income, forming part of equity as foreign currency translation differences reserves.

Foreign currency translation differences generated on balances maintained in long-term current accounts between subsidiaries with different functional currencies are eliminated from income and recorded in the foreign currency translation differences reserves account under net equity, since they are treated as net investments in those subsidiaries.

# FINANCIAL STATEMENTS 2015

## FOREIGN CURRENCY EXCHANGE RATE

As of December 31, 2015 and 2014 the exchange rates of the main foreign currencies used in the accounting processes of CMPC companies with respect to the dollar are detailed as follows:

CURRENCY		12/31/2015		12/31/2014	
		CLOSING	CUMULATIVE MONTHLY AVERAGE	CLOSING	CUMULATIVE MONTHLY AVERAGE
Chilean peso	CLP	710.16	654.07	606.75	570.37
Unidad de fomento *	CLF	0.028	0.026	0.025	0.024
Argentinean peso	ARS	12.98	9.24	8.55	8.13
Peruvian new sol	PEN	3.41	3.18	2.99	2.84
Mexican peso	MXN	17.21	15.86	14.72	13.30
Uruguayan peso	UYU	29.95	27.31	24.37	23.24
Colombian peso	COP	3,149.47	2,741.22	2,392.46	2,000.70
Euro	EUR	0.92	0.91	0.82	0.75
Brazilian real	BRL	3.90	3.33	2.66	2.35

\* The Unidad de fomento (CLF) is a monetary unit denominated in Chilean pesos indexed to Chile's inflation rate. Its value is established daily in advance, on the basis of the variation of the Consumer Price Index (CPI) of the previous month. The effects generated from restatement of assets and liabilities in CLF are recorded under income from indexation units in the income statement by function.

## 2.5. PROPERTY, PLANT AND EQUIPMENT

Additions to property, plant and equipment are accounted for at acquisition cost. Additions purchased in a currency other than the functional currency are converted to that currency at the exchange rate on the date of acquisition.

In the event that an asset is financed through direct and indirect loans, the policy on interest is to capitalize that interest cost during the construction or acquisition period, if the assets qualify due to the period of time to their placement in operation and the magnitude of the investment involved. The cost may also include profits or losses on qualified cash flow hedging of foreign currency purchases of property, plant and equipment transferred from net equity.

Depreciation of assets is calculated using the straight-line method, distributed systematically over their useful lives. Useful lives have been determined on the basis of the expected natural wear, technical or commercial obsolescence derived from changes and/or improvements in production and changes in market demand for the products obtained in the operation of such assets. Land included in this account, whether forestry or industrial, is not depreciated.

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

Costs derived from daily maintenance and common repairs are recognized in the income statement for the year, unlike replacement of parts or pieces and spare parts with significant useful lives, which are capitalized and depreciated over the lives of the main assets, on the basis of the component approach.


Profits and losses on disposal of property, plant and equipment are calculated comparing the proceeds to the carrying amount (net of depreciation) and are included in the income statement.

On the first-time application of IFRS (January 1, 2008), the Company reflected its main property, plant and equipment items at fair value, assimilating it to historical cost, based on the IFRS transition standard, specifically IFRS 1, paragraph D 5. Property, plant and equipment acquired as of that date, except for assets contained in newly acquired companies are valued at cost.

Property, plant and equipment items acquired through business combinations are accounted for at fair value, as required by IFRS 3 paragraph 18, and that is subsequently considered to be the cost of the asset.

## 2.6. BIOLOGICAL ASSETS (FOREST PLANTATIONS)

Forest plantations are presented in the statement of financial position at fair value. Groups of forests are accounted for at fair value at a "standing timber" level, i.e. discounting harvesting costs and transportation expenses to the point of sale.



The discounted cash flows method is used to determine fair value, i.e. updating cash flows of future operations up to the harvesting time of the forests, taking their potential growth into account. This means that the fair value of biological assets is measured as the "present value" of the harvest on the present growth cycle of productive plantations. In their first year plantations are valued at their cost of establishment.

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

The costs of setting up forest plantations are classified as biological assets and the maintenance expenses for these assets are recorded as expenses in the year in which they are incurred and are shown as cost of sales.

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

## **2.7. INTANGIBLE ASSETS**

Intangible assets refer mainly to trademarks, water rights, emission entitlements, electric line easements and expenses incurred in the acquisition and development of computer software.

### **A) TRADEMARKS**

CMPC has a portfolio of trademarks mostly developed internally, and some acquired from others. These are valued at their registration cost in the Public Trademarks Registry or purchase value, respectively. Disbursements incurred in trademark development are recorded as operating expenses in the period in which they are incurred. The Company considers that trademarks maintain their value through its investment in marketing and are therefore considered to have indefinite lives and are not amortized; however they are annually tested for impairment.

### **B) WATER RIGHTS**

Water rights acquired by the Company correspond to the right to use water from natural sources and were recorded at purchase value. Since these rights are perpetual, they are not amortized; however they are annually tested for impairment.

### **C) EMISSION ENTITLEMENTS**

In Chile there are particulate material and NOx (nitrogen oxides) emission allocated by the National Environment Commission ("CONAMA" or Comisión Nacional del Ambiente) and purchased from third parties, which are necessary for the normal operation of factories. These entitlements are recorded at purchase value, provided that payment exists; from the time the Company is in a position to exert emission controls and measurement. These entitlements are not amortizable since they can be transferred to new owned equipment to offset emissions or can be traded in the market for the same purpose. However, they are annually subjected to impairment testing.

### **D) ELECTRICITY LINE EASEMENTS**

The Company has paid to carry out power line work on third-party land for electricity line easements which are necessary for the operation of industrial plants. Since these rights are perpetual, they are not amortized; however, they are annually tested for impairment. The values paid are capitalized as of the contract date.

### **E) COMPUTER SOFTWARE ACQUISITION AND DEVELOPMENT EXPENSES**

The cost of acquiring and developing computer software that is relevant and specific to the Company is capitalized and amortized in the year in which revenue is generated from its use.

## **2.8. GOODWILL**

Goodwill is determined on the date of acquisition of a subsidiary and is measured as the excess between: a) the sum of the consideration transferred plus the amount of any non-controlling interest in the acquired company and b) the sum of the net value of the amounts of identifiable assets acquired and liabilities assumed on the acquisition date. Goodwill related to the acquisition of subsidiaries is annually tested for impairment, recognizing corresponding cumulative impairment losses. Profits and losses from the sale of an entity include the carrying amount of the goodwill related to the entity sold.



# FINANCIAL STATEMENTS 2015

Goodwill originated from the acquisition of companies whose functional currency is other than the dollar is booked in the same way as if they were foreign currency assets, i.e. they are adjusted by 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 to the CGUs that are expected to benefit from the business combination from 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

Intangible assets with indefinite useful lives and goodwill, which are not amortized, are tested annually or before if there is evidence of impairment, in order to ensure that their carrying amount does not exceed their recoverable value.

Assets subject to depreciation (property, plant and equipment) are tested for impairment provided that some event or change in business circumstances indicates that the carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount is greater than the recoverable value. The recoverable value of an asset is its fair value less cost of sale or its value in use, whichever is higher. In order to assess impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

Non-financial assets other than goodwill with impairment losses are tested on each financial statement closing date to check for possible reversal of losses. Impairment losses can be reversed only up to the amount of the losses recognized in previous years, in order for the carrying amount of these assets not to exceed the value they would have had if such adjustments had not been recorded. This reversal is recorded in other profits (losses).

## 2.10. FINANCIAL INSTRUMENTS

CMPC classifies its financial instruments in the following categories: financial instruments at fair value through profit or loss, financial assets held to maturity, loans and accounts receivable and available-for-sale financial assets. Management determines the classification of its financial instruments at the time of their initial recognition, based on the purpose for which those financial instruments were acquired.

Investments are initially recognized at fair value plus transaction costs for all financial assets not controlled at fair value through profit or loss. Financial instruments at fair value through profit or loss are initially recognized at fair value and transaction costs are charged to the income statement.

Investments are derecognized when the right to receive cash flows from the investments has expired or has been transferred and the Company has substantially transferred all the risks and advantages derived from ownership.

### A) FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial instruments at fair value through profit or loss are instruments held for trading acquired mainly for the purpose of selling them in the short-term. Derivatives are also classified as held for trading unless they are designated as hedges. Instruments in this category are classified as current assets or liabilities. They are subsequently valued by determining their fair value and recording any change in value in the income statement under other profits (losses).

### B) FINANCIAL ASSETS HELD TO MATURITY

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

### C) LOANS AND ACCOUNTS RECEIVABLE

Loans and accounts receivable are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. This category includes current trade and other accounts receivable, except for those maturing in more than 12 months from the date of the financial statement, which are classified as non-current assets. They are recognized at amortized cost, and accrued income as per agreed conditions is recorded directly in the income statement.

## D) AVAILABLE-FOR-SALE FINANCIAL ASSETS

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

As of the date of each financial statement, CMPC evaluates whether there is objective evidence that a financial instrument or group of financial instruments has suffered impairment losses.

## 2.11. HEDGING INSTRUMENTS

Derivatives are initially recognized at fair value on the date a derivative contract is subscribed and are subsequently re-measured at their fair value on each accounting close date. The method for recognizing the resulting profit or loss depends on whether the derivative has been designated as a hedge instrument or not, and if it has been so designated, it shall depend on the nature of the item that is being hedged. CMPC designates certain derivatives as:

- Fair value hedges on recognized assets and liabilities (fair value hedge).
- Hedges on a particular risk associated to a recognized liability or a highly probable foreseen transaction (cash flow hedge).

At inception of the transaction the Company documents the transaction relationship between the hedging instrument and the hedged item, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Company also documents its assessment, both at the beginning and end of each year, as to whether the derivatives used in hedging transactions are highly effective in offsetting changes in the fair value or cash flows of the hedged items.

The fair value of derivative instruments used for hedging purposes is disclosed in Notes 8 and 22 (hedging assets and liabilities, respectively). Movements in the cash flows hedge reserve in equity are disclosed in Note 30. The total fair value of hedging derivatives is classified as a non-current asset or liability when the hedged item matures in more than 12 months or as a current asset or liability if the hedged item matures in less than 12 months.

### A) FAIR VALUE HEDGE

Changes in the fair value of derivatives that are designated and qualify as fair value hedges of existing assets and liabilities are recorded in the same income statement accounts where changes in the value of those underlying assets and liabilities are recorded.

### B) CASH FLOW HEDGES

The objective of currency forwards and of cross currency swaps are to reduce the financial risk of income and expense flows committed in currencies other than the dollar. The objective of oil price swaps is to hedge the risk of potential changes in the cost of oil which affect the rates of pulp transportation marine freight. In particular, currency forwards are used to hedge financial risks associated to the volatility of sales in euros of the lumber and cardboard product business and to hedge against changes in the price of the Brazilian currency (BRL) associated to the investment in the second pulp production line in Brazil.

Hedges are documented and tested to measure their effectiveness.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in net equity under cash flow hedge reserves. The profit or loss related to the non-effective portion is recognized immediately in the income statement under other profits (losses).

In the case of currency forwards, at the time of accrual of underlying income or at the time of payment of obligations on investments in property, plant and equipment, the amount accumulated in equity (cash flow hedge reserves) up to that date is transferred to income for the year (income or costs from operating activities) or to property, plant and equipment, respectively.

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Each time the hedged obligation in a cross currency swap affects income for the year, the respective amount is reclassified from equity (cash flow hedge reserves) to adequately reflect the effects of the hedge.

## VALUATION METHODOLOGIES:

CMPC values its derivative contracts based on computer models, which are mainly based on discounting future cash flows at relevant market rates.

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

Main data:

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

For oil derivatives, valuation is obtained from information provided by third parties (at least two banks).

## 2.12. INVENTORY

Finished products are presented at production cost, which is lower than their net realizable value, considering production cost to be the value determined using the weighted average cost method.

The net realizable value is the estimated selling price in the ordinary course of business, less distribution and selling expenses. Should market conditions lead to their cost exceeding their net realizable value, an allowance is established for the difference in value.

Such allowance also takes into account amounts related to obsolescence due to slow turnover, technical obsolescence and products withdrawn from the market.

The cost of finished products and work in progress includes raw materials, direct labor, depreciation of industrial property, plant and equipment, other direct costs and expenses related to the production and maintenance of the industrial plant, excluding finance costs.

The allocation of indirect or fixed expenses to production considers the normal production capacity of the factory or plant that generates such expenses.

Supplies and raw materials acquired from others are valued initially at acquisition price and when consumed are included in the cost of finished products using the average cost method.

## 2.13. TRADE AND OTHER ACCOUNTS RECEIVABLE

Commercial credit is presented initially at fair value, quantifying the real collection value and subsequently at amortized cost. This means that income associated to the sale is recognized separately from income arising from implicit interest associated to the collection terms. For this determination, CMPC considers 90 days as a normal collection period. Income associated to longer payment terms is recorded as deferred income in current liabilities and the accrued portion is recorded in revenue.

In addition, doubtful accounts are estimated on the basis of an objective review of all amounts pending payment at the end of each year. Impairment losses associated to doubtful trade credit are recorded in the comprehensive income statement in the year they are produced. Trade credits are included in current assets in trade and other accounts receivable, to the extent that their estimated collection period does not exceed one year from the date of the financial statements.



## 2.14. CASH AND CASH EQUIVALENTS

Cash and cash equivalents considers cash on hand and bank account balances, time deposits and other financial investments (money market securities subject to insignificant change in value) maturing in less than 90 days from the date of the investment. This item also includes investments inherent to cash management such as repurchase and resale agreements with maturities as defined above.

Bank overdraft facilities used are included in interest bearing loans in current liabilities.

## 2.15. ISSUED CAPITAL

Ordinary shares are classified as net equity.

## 2.16. TRADE AND OTHER ACCOUNTS PAYABLE

Accounts payable to suppliers are initially recognized at fair value and are subsequently valued at amortized cost using the effective interest rate method, for significant transactions with terms exceeding 90 days.

## 2.17. INTEREST BEARING LOANS

Interest bearing loans, classified in other financial liabilities, are initially recognized at fair value, which corresponds to the value of the debt net of directly associated transactions expenses, and are then controlled using the amortized cost method using the effective rate.

Management believes that the Company can obtain financing at a price and on terms similar to those of the outstanding debt therefore it considers the carrying amount of the debt as its fair value.

## 2.18. CURRENT AND DEFERRED INCOME TAXES

The income tax expense includes the taxes of Empresas CMPC S.A. and its subsidiaries, based on their taxable income for the year, together with tax adjustments for previous years and changes in deferred taxes.

Deferred income tax is calculated using the liabilities method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts. However, deferred tax is not recorded if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction does not affect accounting income or taxable income or loss. Deferred tax is determined using income tax rates under current laws or laws that are on the verge of being enacted, in each country of operation, on the date of the financial statement and which are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets are recorded when it is considered likely that the group entities will generate sufficient future taxable income against which temporary differences can be used.

In accordance with IAS 12, no deferred taxes have been recognized on temporary differences arising between the taxable and accounting value generated by investments in related parties, since the Company maintains control of the time of reversal of the temporary difference. Therefore deferred tax arising from foreign currency translation or shares in other comprehensive income of associates recorded directly in net equity in the other comprehensive income statement has not been recorded.

In accordance with Circular 856 dated October 17, 2014 issued by the SVS, the Company has reflected, with a charge to retained earnings (losses) under equity, the initial effect of reflecting the increase in the tax rate from 20% to 25% or 27% as of September 30, 2014. IAS 12 establishes that the effect of a change in tax rate must be reflected in income for the year (see Note 21).

## 2.19. EMPLOYEE BENEFITS

A large number of the subsidiaries of CMPC located in Chile have collective agreements with their employees which grant all events termination benefits due to voluntary retirement or termination. This liability is therefore recognized according to technical standards using an actuarial methodology that takes into account turnover, discount rate, salary increase rate and average retirement. This value so determined is presented at present value using the projected unit credit method.

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Regarding employees of foreign subsidiaries whose country legislation establishes the providing of seniority benefits to employees, this obligation is recorded on the basis of actuarial studies carried out using the projected unit credit method.

In addition, Brazilian subsidiary Melhoramentos CMPC Ltda. signed a commitment in 1997 with the employee labor union to provide medical assistance for life to its retired employees as of that date. The amount recorded in the current financial statements refers to the actuarial calculation of the obligation generated by this commitment. In turn, Brazilian subsidiary CMPC Celulose Riograndense Ltda. has a collective agreement with its employees that establishes annual accrual of profit sharing according to established goals, payable every three years.

Profits or losses due to changes in actuarial variables, if any, are recognized in other comprehensive income for the year in which they are produced.

The Company recognizes a liability for bonuses paid to its main executives, when it is contractually obligated or when past practices have created an implicit obligation, which is presented in current liabilities, under current employee benefits provision.

## 2.20. PROVISIONS

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

Restructuring provisions are recognized in the year in which CMPC is legally or constructively committed to the plan. Relevant costs are only those which are incremental or incurred as a result of the restructuring.

The main concepts for which provisions are established with a charge to income are civil, labor and tax lawsuits.

## 2.21. REVENUE RECOGNITION

Revenue is composed of sale of products, raw materials and services, less taxes related to the sale not transferred to third parties and discounts made to customers converted at the exchange rate on the day of the transaction in consideration of the functional currency defined for each company.

Income from sale of goods is recognized after the Company has transferred the risks and benefits of ownership to the buyer and it does not have a right to dispose of them, or maintain effective control. Generally, this means that sales are recorded at the moment of transfer of the risks and benefits to customers in accordance with the terms of commercial agreements.

In general, the delivery terms of CMPC for export sales are based on Incoterms 2010, which are the official rules for interpretation of trade terms issued by the International Chamber of Commerce.

The revenue recognition structure is based on the grouping of Incoterms, into the following groups:

- "DAT (Delivered at Terminal), DAP (Delivered at Place), DDP (Delivered Duty Paid) and similar", whereby the Company is obligated to deliver the merchandise to the buyer at the port of destination or on the last means of transportation used, or at the agreed upon destination, in which case the sale is completed at the time of delivery to the purchaser, recognizing income at the time of delivery of the product.
- "CIF (Cost, Insurance & Freight) and similar", whereby the Company organizes and pays expenses for 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 relevant terms. The point of sale is therefore the delivery of the merchandise to the carrier engaged by the seller for transportation to the destination.
- "FOB (Free on Board) and similar terms", where the buyer organizes and pays for the transportation. Therefore, the point of sale is the delivery of the merchandise to the carrier engaged by the buyer.

Should any discrepancy exist between the trade agreements and the Incoterms defined for the operation, the terms set out in the contract shall prevail.

In case of local sales, the sale of merchandise that has been dispatched to customers is considered operating income.

Sales that fail to meet the aforementioned conditions are recognized as unearned income in current liabilities, and are subsequently recognized as operating income once the conditions of transfer of risks, benefits and ownership of the goods are met, as described above.

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

Operating income from sale of services is recorded when the service has been provided. A service is considered to be provided upon satisfactory reception by the customer.

## **2.22. LEASES**

Leases of property, plant and equipment, where the Company has substantially all the risks and benefits of ownership, are classified as finance leases.

At the beginning of the finance lease, it is recognized in the statement of financial position as an asset and a liability for the same amount, equal to the fair value of the leased asset, or else the present value of minimum lease payments, if lower, determined at the beginning of the lease. When calculating the present value of minimum lease payments, the implicit interest rate of the lease is used as the discount factor as long as it can be determined. Any initial lease cost is added to the amount recognized as an asset.

The corresponding lease obligations at present value are presented in interest bearing loans. Property, plant and equipment acquired under finance lease contracts are depreciated over the expected technical useful life of the asset.

Leases, under which the lessor reserves all the rights and benefits of ownership, are classified as operating leases, and the lease payments are expensed throughout the term of the lease on a straight-line basis.

## **2.23. DIVIDENDS DISTRIBUTED**

Dividends distributed to the shareholders are recognized as a liability on the closing date of the financial statements, in function of the dividend policy approved by the Shareholders' Meeting.

## **2.24. ENVIRONMENT**

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

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 presented in administrative expenses in the comprehensive income statement, and are recorded in the year in which they are incurred.

## **2.26. ADVERTISING EXPENSES**

Advertising expenses are recognized in income when they are incurred.

## **2.27. EARNINGS PER SHARE**

Earnings per share are calculated by dividing the net profit attributable to the shareholders that are owners of the parent company by the weighted average number of ordinary shares subscribed and paid during the year.

## **2.28. GOODS AND SERVICES INSURANCE EXPENSES**

Payments of insurance policies purchased by the Company are recognized in expenses in proportion to the period of time they cover, regardless of the payment terms. Amounts paid and not consumed are recognized as other non-financial assets under current assets.



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The costs of claims are recognized in income immediately after they are known. Recoverable amounts are recorded in trade and other accounts receivable as a reimbursable asset by the insurance company, calculated according to the terms of the insurance policies, once all the conditions that guarantee their recovery are met.

## NOTE 3 - RISK MANAGEMENT

Empresas CMPC and its subsidiaries are exposed to a combination of market, financial and operating risks inherent to their businesses. CMPC seeks to identify and manage such risks in the most adequate manner in order to minimize potential adverse effects. The Board of CMPC establishes the strategy and the general framework under which the Company's risk management operates, and it is implemented on a decentralized basis through the different business units. At a corporate level, finance management and internal audit, coordinate and control the proper execution of prevention and mitigation policies of the main risks identified. In addition, there are Audit and Hedging Committees that analyze the different proposals and activities in their areas of competence.

### 3.1. MARKET RISK

A considerable percentage of the sales of CMPC come from products considered to be commodities, whose prices depend on the situation prevailing in the international markets in which the Company has an insignificant impact and has no control over the factors that affect prices. These factors include the fluctuation in global demand (determined mainly by the economic conditions of Asia, North America, Europe and Latin America), variations in the installed capacity of the industry, inventory levels, business strategies and competitive advantages of the main players in the forestry industry, availability of substitute products and the stage of the product's life cycle. One of the main categories of products of CMPC is bleached kraft pulp, which represents 33% of consolidated sales and is commercialized to approximately 270 customers in 44 countries in Asia, Europe, America and Oceania. It should be noted that currently, in addition to our expansion in Guaíba, there are several projects for new pulp production lines recently placed in operation, under construction or in an advanced stage of development in Brazil and Indonesia, among others, therefore a relevant increase in the supply is foreseen in the next few years and thus a potentially adverse effect on market prices.

In this respect, CMPC benefits from business diversification and vertical integration of its operations, with certain flexibility to thus manage its exposure to changes in the price of pulp. The impact caused by a possible decrease in the price of pulp is partially offset with a reduction in the cost of more elaborated products, especially tissue and cardboard.

### 3.2. FINANCIAL RISK

The main financial risks identified by CMPC are: risk of financial market conditions (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 debt and funds placement operations, 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. Separate borrowing by subsidiaries occurs only when it is advantageous.

#### A) RISK OF FINANCIAL MARKET CONDITIONS

i) Exchange rate risk: CMPC is affected by exchange rate fluctuation expressed in two forms. The first is on the Company's income, costs and investment expenses, which directly or indirectly are denominated in currencies other than the functional currency. The second form in which exchange rate variations affect it is derived from foreign currency translation differences and the deferred tax provision, originated by possible accounting mismatch existing between assets and liabilities in the statement of financial position denominated in currencies other than the functional currency, which in the case of CMPC is the dollar.

During the year ended as of December 31, 2015, the exports of CMPC and its subsidiaries represented approximately 46% of sales for the year, the main destinations being the markets of Asia, Europe, Latin America and the United States. Most of these export sales were denominated in dollars.

On the other hand, the domestic sales of CMPC in Chile and those of its subsidiaries in Argentina, Brazil, Colombia, Ecuador, Mexico, Peru and Uruguay, and in their respective countries, represented 54% of the Company's total sales. Those sales were carried out mainly in local currencies.

Consequently, the flow of income in dollars or indexed to that currency is more than 50% of the Company's total sales. In turn, on the side of expenses, raw materials, supplies and spare parts required for processes such as investments in property, plant and equipment are also mostly denominated in dollars, or else indexed to that currency.

In particular cases, sales are carried out or payment commitments are acquired in a currency other than the United States dollar. Derivative hedging transactions are carried out in order to fix the exchange rates in question. As of December 31, 2015 a significant proportion of the estimated sales of cardboard and lumber to Europe in euros up to 2017 have been hedged.

Considering that the structure of CMPC's cash flows is highly indexed to the dollar, most liabilities have been incurred in that currency. In the case of 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: managing the currency denomination of the financial investment portfolio, occasional contracting of short-term future 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.

From an accounting point of view, fluctuations in the exchange rate of local currencies have an impact on the deferred tax provision. This effect is originated by the difference in value of assets and liabilities in the financial accounting as opposed to the value reflected in the tax accounting when the functional currency (US dollar) is different from the tax currency (local currency of the respective business unit). This occurs mainly in the forestry, pulp and paper business segments of Chile and Brazil. Thus, devaluation in the currencies of those countries in respect to the US dollar implies a higher deferred tax provision. Although these adjustments to the provision do not imply cash flows, they do introduce a volatility issue in the reported financial results.

#### SENSITIVITY ANALYSIS

CMPC has an asset accounting exposure in relation to currencies other than the dollar (more assets than liabilities denominated in currencies other than the dollar), including the underlying rights and obligations of current derivative contracts, in the amount of US\$ 489 million as of December 31, 2015 (US\$ 739 million as of December 31, 2014). If the total exchange rates of these currencies (mainly Brazilian reals and Chilean pesos) were to appreciate or depreciate by 10%, the effect on the Company's equity is estimated to be an increase or decrease of US\$ 49 million respectively (US\$ 74 million as of December 31, 2014). The previously mentioned effect would be recorded as a credit or charge to foreign currency translation differences reserves and as a loss or gain for the year, detailed as follows:

	DECEMBER 31, 2015		DECEMBER 31, 2014	
	10% APPRECIATION THUS\$	10% DEPRECIATION THUS\$	10% APPRECIATION THUS\$	10% DEPRECIATION THUS\$
Effect of foreign currency translation differences on reserves	58,151	(58,151)	89,889	(89,889)
Effect on profit (loss)	(9,298)	9,298	(16,021)	16,021
<b>NET EFFECT ON EQUITY</b>	<b>48,853</b>	<b>(48,853)</b>	<b>73,868</b>	<b>(73,868)</b>

ii) Interest rate risk: the Company's financial investments are preferably maintained at fixed interest rates, eliminating the risk of changes in the market interest rate. For debts with variable interest rates, CMPC minimizes the risk using derivative instruments.

CMPC has financial liabilities at floating interest rates amounting to US\$ 57.4 million as of December 31, 2015, at an average annual interest rate of 3.93% in dollars (US\$ 346 million as of December 31, 2014). A change of 100 basis points implies a change of US\$ 0.57 million in CMPC's annual finance cost.

#### B) CREDIT RISK

Credit risk arises mainly from the eventual insolvency of certain customers of CMPC subsidiaries, and therefore from the ability to collect on outstanding accounts receivable and concluding committed transactions.

CMPC manages these exposures through continuous review and evaluation of the payment capability of its customers, through a Corporate Credit Risk Committee and through risk transfer (using letters of credit and credit insurance) or guarantees, which altogether cover most export sales and domestic sales.

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Trade accounts receivable according to coverage as of each year-end are detailed as follows

	12/31/2015	12/31/2014
<b>ACCOUNTS RECEIVABLE</b>	<b>100%</b>	<b>100%</b>
Credit insurance or letters of credit	75%	65%
Not covered	25%	35%

Effective management of credit risk and wide distribution and diversity of sales has resulted in very low customer portfolio credit losses, which in the current year amount to 0.05% of sales (0.11% of sales in 2014).

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

The financial institutions in which CMPC has investments are detailed as follows:

ISSUER	12/31/2015		12/31/2014	
	PORTFOLIO %	THU\$	PORTFOLIO %	THU\$
Banco BBVA - Chile	18.89%	113,164	0.62%	7,071
Citibank N.A. - Chile	17.35%	103,840	-	-
Morgan Stanley - United States	16.71%	100,030	6.12%	70,023
Banco Santander - Chile	8.90%	53,259	15.90%	181,929
Banco Corpbanca - Chile	7.27%	43,485	2.66%	30,479
BNP Paribas - United States	6.68%	40,007	-	-
Banco BCI - United States	3.68%	22,011	-	-
HSBC Bank plc - England	2.59%	15,500	0.82%	9,406
Banchile Corredores de Bolsa S.A. - Chile	2.53%	15,166	4.53%	51,897
Consorcio Corredores de Bolsa S.A. - Chile	2.35%	14,093	-	-
J.P. Morgan Chase Bank N.A. - United States	2.29%	13,702	18.42%	210,611
Banco de Crédito del Perú	1.95%	11,700	1.01%	11,613
Banco HSBC - Mexico	1.73%	10,327	0.50%	5,775
Banco BBVA - United States	1.67%	10,003	0.87%	10,001
Banco BBVA - Peru	1.23%	7,333	1.13%	12,893
Banco BBVA Bancomer - Mexico	1.08%	6,478	0.29%	3,311
J.P. Morgan Chase Bank N.A. - Brazil	0.82%	4,922	-	-
Banco Santander - Brazil	0.58%	3,448	0.45%	5,167
Citibank N.A. - England	0.40%	2,408	0.21%	2,436
Banco Bradesco - Brazil	0.32%	1,932	0.39%	4,466
Banco Colombia (TIDIS)	0.21%	1,234	-	-
Banco Santander - Mexico	0.17%	1,017	0.09%	1,051
BNP Paribas - France	0.14%	811	-	-
Banco de Chile	0.11%	683	8.82%	100,965
Banco Itaú - Brazil	0.08%	470	0.52%	5,926
BancoEstado - Chile	0.06%	334	5.25%	60,131
Citibank N.A. N.Y. - United States	0.05%	275	0.05%	550
Banco do Brasil	0.04%	237	0.24%	2,748
BBH & Co. Money Market Fund - United States	0.03%	190	0.02%	203
Banco BCI - Chile	0.03%	154	12.19%	139,494
Scotiabank - Chile	0.02%	114	-	-
Bank of America Merrill Lynch Banco Múltiplo S.A. - Brazil	0.01%	68	-	-
Banco BICE - Chile	0.01%	54	0.00%	4
Citibank - Peru	0.01%	53	-	-
Banco Banrisul - Brazil	0.01%	32	0.00%	7
J.P. Morgan S.A. - Brazil	0.00%	4	-	-
Citibank - Brazil	0.00%	3	-	-
Banco HSBC - Chile	-	-	6.12%	70,011
BBVA Corredores de Bolsa S.A. - Chile	-	-	5.25%	60,058
BancoEstado S.A. Corredores de Bolsa - Chile	-	-	5.08%	58,139
BICE Agente de Valores S.A. - Chile	-	-	1.50%	17,163
Banco Security - Chile	-	-	0.87%	10,003
J.P. Morgan Chase Bank N.A. - Chile	-	-	0.08%	922
<b>SUBTOTAL</b>	<b>100.00%</b>	<b>598,541</b>	<b>100.00%</b>	<b>1,144,453</b>
Plus: cash and bank accounts		22,802		27,457
<b>TOTAL CASH AND CASH EQUIVALENTS AND OTHER FINANCIAL ASSETS</b>		<b>621,343</b>		<b>1,171,910</b>



### C) LIQUIDITY RISK

This risk arises should the Company not be able to fulfill its obligations as a result of insufficient liquidity. CMPC manages this risk through appropriate distribution, extension of due dates and limits on the amount of its debt, as well as by maintaining an adequate liquidity reserve and prudent management of its operating and investment cash flows.

The Company has a policy of concentrating its financial debts in subsidiary Inversiones CMPC S.A. which finances operating subsidiaries. Debts are incurred through bank loans and bonds placed in international markets and in the local Chilean market.

The prudent financial policy followed by CMPC, contained in its financial objectives policy, added to its market position and quality assets, enables Empresas CMPC S.A. to have an international credit rating of BBB- according to Standard & Poor's, BBB+ according to Fitch Ratings and Baa3 according to Moody's, one of the highest in the world in the forestry, pulp and paper industry (see analysis of settlement of liabilities in Note 22.2 letter g).

It should also be noted that the Board of Empresas CMPC S.A. together with its management, have established a policy of financial objectives, beyond those required by creditors in order to maintain a solid financial position.

The financial objectives policy considers the following criteria

- i) Cash (\*) > debt amortization + finance costs in the next 18 months.
- ii) Net financial debt (\*\*) / EBITDA < 2.5 over a horizon of 24 months.
- iii) Financial debt with third parties (\*\*\*) over equity (adjusted for contracts) < 0.50.
- iv) Interest coverage [(EBITDA + finance income) / finance costs] > 5.0.

(\*) Cash: Cash and cash equivalents plus time deposits 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 swap and cross currency swap operations + hedging liabilities - assets on swaps and cross currency swaps - hedging assets (see Note 22 letter e).

The Board and management constantly ensure compliance with these objectives. In case of non-compliance, the necessary measures are taken to recover the levels defined within 6 months, either through increases in long-term debt, reduction of the dividends policy or capital increases, among other things.

## 3.3. OPERATING RISKS

### A) INDUSTRIAL AND FORESTRY OPERATING RISKS

Events that shutdown the Company's production facilities can stop us from fulfilling the needs of our customers, from reaching production goals and could force unscheduled disbursements in maintenance and investments in assets, all of which can adversely affect the profits of CMPC. The most significant events that can generate shutdowns include earthquakes, fires, equipment failures, interruption of supplies, spills, explosions, floods, droughts and terrorism. This point also includes the risk of shutdowns arising from illegal actions of others, such as occupations, blockages and sabotage.

The operating risk management objectives at CMPC are to efficiently and effectively protect employees, the Company's assets, the environment and business operations in general. For this purpose, accident prevention measures and loss and insurance coverage are managed in a balanced manner. Loss prevention work is systematic and is carried out in accordance with pre-established guidelines and periodic inspections by insurance company specialist engineers. In addition, CMPC has a continuous improvement plan for its operating risk conditions in order to minimize the probability of occurrence and attenuate the possible effects of losses. Each of the Company's business units manages these plans in accordance with regulations and standards established at a corporate level.

CMPC and its subsidiaries maintain insurance coverage to protect themselves from a substantial part of their main risks. These risk transfers are purchased from high standard local insurance and international reinsurance companies. The risks associated to the operating activities of the business are permanently reevaluated to optimize coverage, according to the market's competitive offers. In general, the conditions on limits and deductibles of insurance policies are established on the basis of maximum estimated losses for each risk category and the coverage conditions offered in the market.

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

In turn, forest plantations can suffer losses due to fire and other risks of nature, which also have partial insurance coverage, with limitations due to deductibles and maximum indemnities determined in accordance with historical losses. Other risks that are not covered, such as biological risks, could adversely affect the plantations. Although in the past these factors have not caused significant damages to the plantations of CMPC, one cannot discard the occurrence of events outside historical patterns that generate significant losses, beyond the purchased coverage. It should be noted that in the 2014 - 2015 season the south zone of Chile had one of the driest summers in the last 50 years, which generated fire hazard conditions and indirectly favors biological plague attacks.

## **B) CONTINUITY AND COSTS OF PROVIDING SUPPLIES AND SERVICES**

The development of CMPC's businesses involves complex logistics in which timely supply, quality and cost of supplies and services is fundamental to maintaining its operating continuity and competitiveness.

CMPC seeks to maintain a close long-term relationship with its contractors, with which there is ongoing and systematic work on developing high standards of operation, with an emphasis on employee safety and improvement of working conditions.

The industrial operations of CMPC mostly have their own energy supply from generation based on biomass and/or supply contracts. In the last few years, CMPC has increased its own generating capacity through investments in co-generation units. It continues developing a plan to invest in new units and evaluates the convenience of incorporating additional projects in the future. Notwithstanding the above, in 2014 and 2015, the Company's own generation plus current supply contracts imply a net deficit in operations in Chile of 17% of consumption, which will be obtained from the spot market. In addition, plants have contingency plans to cope with restricted supply scenarios; however, the weaknesses of the Chilean electrical system continue generating higher costs for CMPC. In spite of the drop in the price of oil and other fuel, technological improvements in generation and reduction in the rhythm of growth of domestic demand, the relative level of energy prices in Chile for long-term contracts continues being a cause for concern, a situation that if maintained, could affect the level of competitiveness of certain of the Company's businesses where electric energy has a relevant effect on costs.

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 with the required level of quality, or the contractual relationship with those companies is affected by regulations, labor conflicts or other contingencies, the operations of CMPC could be affected.

## **C) ENVIRONMENTAL RISK FACTORS**


CMPC's operations are regulated by environmental standards in Chile and in the other countries where it operates. CMPC is known for generating a basis of sustainable development in its business management. This has enabled the Company to adapt to modifications in applicable environmental legislation, so that the impact of its operations duly adjusts to those standards. Future changes in these environmental regulations or in the interpretation of these laws might have an impact on the Company's operations.

Since 2012 CMPC's plantations in Chile and Brazil have FSC® certification. These accreditations, granted by the Forest Stewardship Council®, represent a reaffirmation of CMPC's concern for the environment and sustainable development and complement similar long-standing certifications. In addition, CMPC has PEFC forestry management certification and has ISO 14.001 environmental management system certification in most of its operations.

## **D) RISKS ASSOCIATED TO COMMUNITY RELATIONS**

CMPC seeks to develop smooth relations with the communities where it operates, collaborating in different areas, where we emphasize the support that the CMPC Foundation provides to the public school education process.

The mission of the CMPC Foundation is to strengthen education and culture in the communities where CMPC is present, by providing skills to local teachers and generating long-term alliances. Its objectives are to improve the educational results of children in elementary school and encourage good relations between the Company and neighboring communities. In 2015 its programs benefitted 7,996 students from 56 establishments in 11 communities and it has provided 7,057 hours of training to 431 teachers and directors of educational establishments as of December 31.



In certain zones of the Bio Bio and Araucanía regions violent events and intentional fires have continued to affect the land and machinery of farmers and forestry companies. These events have been caused by groups claiming ancestral rights over certain plots of land. The affected zones have a high level of poverty and serious social problems. To date, this situation has concentrated in specific zones and the effects on CMPC have been limited. The Company has made efforts to establish associations with the communities, generating employment and educational programs and promoting productive development and micro-entrepreneurial initiatives to mitigate the poverty situation of families living in those places. CMPC also protects 33 Mapuche cultural interest sites and 315 water catchments for consumption of water by the communities neighboring the Company's forestry areas. More details of these activities are included in CMPC's Sustainable Development Report.

As a neighbor of the different communities, the Company has an open-door and collaborative attitude toward 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, and non-contractual liability obligations, beyond the aspects covered in the factors discussed above. Every part of corporate governance at CMPC regularly reviews its operating and administrative processes in order to ensure proper compliance with the laws and regulations applicable to each. In addition, CMPC is renowned for maintaining a proactive attitude in matters relating to safety, the environment, labor conditions, market operation and community relations. CMPC, with a history that spans 96 years, with a proven and recognized track record of rigor and prudence in the conduction of its businesses.

In compliance with Law 20,393 which establishes corporate criminal liability for money laundering, financing of terrorism and bribery activities, an offense "Prevention Model" has been implemented in order to regulate the behavior of its employees for preventing the perpetration of these unlawful acts and trying to avoid their occurrence. This Prevention Model was implemented with the support of experts, it has been certified by a qualified entity and was added to the Company's existing Internal Audit and Controllship Management processes, whose objectives include ensuring strict compliance with applicable legal framework and internal standards.

We make reference to the essential event communicated to the market on October 28, 2015 and in December 15, 2015, relating information on conducts contrary to free competition involving subsidiaries CMPC Tissue S.A. in Chile and Protisa Perú S.A. in Peru. As indicated in the mentioned communications, CMPC has adopted a series of measures, which have been incorporated and reproduced herein, in order to mitigate these compliance risks.

#### **F) RISK OF POLITICAL AND ECONOMIC CONDITIONS IN THE COUNTRIES WHERE CMPC OPERATES**

Changes in the political or economic conditions in countries where CMPC has industrial operations could affect the Company's finance income, as well as the development of its business plan.

CMPC has industrial operations in 8 countries (Chile, Argentina, Brazil, Colombia, Ecuador, Mexico, Peru and Uruguay). The operations located in Chile concentrate 59% of total assets and originate 60% of sales. In turn, Brazil has increased its share (fundamentally due to the Guaíba II project) and currently represents approximately 32% of CMPC's total assets.

The governments of the countries where CMPC operates have substantial influence over many aspects of the private sector, which include changes in tax regulations, monetary policies, exchange rates and public spending. Regulatory aspects such as labor and environmental standards also affect the operations of CMPC and its profits could be adversely affected by these changes. In September 2014 the Chilean congress approved a bill that substantially modified the tax system, increasing the corporate tax burden, which will partially limit the destination of resources arising from profits to reinvestment, which up to now have been determinant in the Company's savings and investment process.

### **NOTE 4 - ACCOUNTING ESTIMATES AND JUDGMENT**

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 consolidated financial statements under IFRS requires estimates and judgments concerning assets and liabilities, exposure to contingent assets and liabilities on the dates of the financial statements, and amounts of income and expenses during the year. Consequently, real results observed later could differ from these estimates.

# FINANCIAL STATEMENTS 2015

The accounting principles and areas requiring more estimates and judgments in the preparation of the financial statements are biological assets, termination benefits obligations, litigation, other contingencies, useful lives, impairment testing and fair value of derivative contracts or other financial instruments.

## 4.1. BIOLOGICAL ASSETS

Forest plantations are shown in the statement of financial position at fair value. Forest groups are accounted for at fair value at a "standing timber" level, i.e. discounting harvesting costs and expenses incurred to transfer to the points of sale.

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

Fair value is determined using the discounted cash flows method, i.e. updating of cash flows from future operations up to the time of forest harvesting, taking into account potential growth. 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 their fair value separately from the land.

Management therefore includes, among other things, estimates of future price levels, sales and cost 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.

Long-term lumber price estimates are based on historical information dating back several years and on the forecasting of variables that might affect the future economic environment. The upper limit of these prices is real values that have been historically observed. Variations from one consecutive year to another are small and are not corrected if they are not significant. The short-term price established for the first two years of the valuation model is based on market conditions.

Timber price variation percentages will affect the valuation of plantations in the following way: a positive change of 5% in average prices modifies the value of the asset by 9.1% (9.3% in 2014).

In addition, a direct costs sensitivity test was performed (including harvesting and transportation), where variations of 5% generate a change in the value of the asset of 4.2% (4.4% in 2014).

In addition, the Company performed a sensitivity test on forest plantation yield and its effect on the final value of biological assets, finding that a 5% variation in the volume obtained (affected by rainfall, temperatures, soil quality, variety of plants, types of fertilizers, etc.) affects the final value of the asset by no more than 5.3% (5.2% in 2014).

Lastly, downward variations in the discount rate of 100 bps (basis points) increases the value of plantations by 4.0% (4.2% in 2014). This test considers a base annual discount rate of 8% in Chile, 12% in Argentina and 8% in Brazil.

## 4.2. POST-EMPLOYMENT BENEFITS OBLIGATIONS

The Company recognizes this liability in accordance with technical standards, using actuarial methodology that considers estimates of employee turnover, discount rate, salary increase rate and average retirement. This value determined in this way is presented at actuarial value using the projected unit credit method.

## 4.3. LITIGATION AND OTHER CONTINGENCIES

CMPC is involved in various lawsuits for which it cannot accurately determine the possible economic effects on the financial statements in case of unfavorable sentences. In cases where management and the Company's legal counsel believe that favorable results will be obtained, or that the results are uncertain and the lawsuits are pending sentencing, no provisions have been established. Where in the opinion of the Company's management and legal counsel results will be totally or partially unfavorable, provisions have been charged to expenses based on estimates of the most likely amounts payable.

These lawsuits and contingencies are detailed in Note 25 to these financial statements.



#### 4.4. USEFUL LIVES AND IMPAIRMENT TESTING

Industrial plants and equipment are depreciated on the basis of the useful lives that management has estimated for each of these production 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.

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

In addition, in accordance with IAS 36, as of each year-end, or before if there is any indication of impairment, CMPC evaluates the recoverable value of property, plant and equipment, grouped in cash generating units (CGUs), including proportional goodwill determined, to verify whether there are impairment losses. If as a result of this evaluation, the fair value is lower than the net carrying amount, an impairment loss is recorded as an operating item in the income statement.

#### 4.5. FAIR VALUE OF DERIVATIVE CONTRACTS OR OTHER FINANCIAL INSTRUMENTS

The fair value of 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 inception of a contract to market variables at the time of valuation to then calculate the present value of such differences, by discounting future cash flows at relevant market rates, which determines market value as of the valuation date.

### NOTE 5 - ACCOUNTING CHANGES AND CORRECTIONS

The financial statements as of December 31, 2015 present no changes in accounting policies in comparison to the financial statements as of December 31, 2014.

### NOTE 6 - NEW ACCOUNTING PRONOUNCEMENTS

The following new accounting pronouncements were effectively applied as of January 1, 2015:

STANDARDS, INTERPRETATIONS AND AMENDMENTS	MANDATORY APPLICATION:
Amendment to IAS 19: Employee Benefits	Annual periods beginning on or after July 1, 2014.
Improvements to IFRS: Corresponds to a series of improvements that amend the following standards: IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24, IAS 38 and IAS 40	Annual periods beginning on or after July 1, 2014.

The application of these pronouncements has not had significant effects for CMPC. Other accounting criteria applied in 2015 have not changed in comparison to those used in 2014.

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As of the date of issuance of these consolidated financial statements, the following accounting pronouncements had been issued by the International Accounting Standards Board ("IASB") but their application was not yet mandatory:

STANDARDS, INTERPRETATIONS AND AMENDMENTS	MANDATORY APPLICATION:
Amendment to IFRS 11: Joint Agreements	Annual periods beginning on or after January 1, 2016.
Amendment to IAS 16 and IAS 38: Accepted Methods of Depreciation and Amortization	Annual periods beginning on or after January 1, 2016.
Improvements to IFRS: correspond to a series of improvements that amend the following standards: IFRS 5, IFRS 7, IAS 19 and IAS 34	Annual periods beginning on or after January 1, 2016.
Amendment to IFRS 10 and IAS 28: Sale and Contribution of Assets	Annual periods beginning on or after January 1, 2016.
Amendment to IAS 27: Equity Method in Separate Financial Statements	Annual periods beginning on or after January 1, 2016.
Amendment to IAS 1: Disclosure Initiative	Annual periods beginning on or after January 1, 2016.
Amendment to IFRS 10, IFRS 12 and IAS 28: Investment Entities, Application of the Consolidation Exception	Annual periods beginning on or after January 1, 2016.
Amendment to IAS 16 and IAS 41: Accounting Treatment of Bearer Plants	Annual periods beginning on or after January 1, 2016.
IFRS 15: Revenue from Contracts with Customers	Annual periods beginning on or after January 1, 2017.
IFRS 9: Financial Instruments: Classification and Measurement	Annual periods beginning on or after January 1, 2018.

CMPC's management believes 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 year of their first application.

## NOTE 7 - SEGMENT REPORTING

Operating segments are reported in a manner consistent with the presentation of internal reports used by management in the business analysis, management control and decision making process.

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

Operating segments thus determined are detailed 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 managing the solid lumber business. Its main products are logs for the manufacturing of cellulose pulp and solid lumber products, such as sawn lumber, remanufactured products and plywood sheets.

CMPC currently has more than 628,000 hectares of forest plantations, mainly pine and eucalyptus, of which 470,000 hectares are located in Chile, 57,000 hectares in Argentina and 101,000 hectares in Brazil. Forestal Mininco S.A. and Forestal y Agrícola Monte Águila S.A. are the main subsidiaries in terms of forest resources in Chile. In addition, the Company has usufruct, sharecropping ("aparcerías") and lease contracts with third parties comprising approximately 38,000 hectares of forest plantations distributed in Chile and in Brazil. The Company's forest plantations have CERTFOR-PEFC (Chile), CERTFLOR-PEFC (Brazil) and FSC (Chile and Brazil) certification.

CMPC Maderas S.A. has four sawmills in the Maule and Bío Bío Regions of Chile: Las Cañas, Bucalemu, Mulchén and Nacimiento with annual production capacity of close to 1.3 million cubic meters of sawn lumber, of which it exports approximately 63%. It also has two remanufacturing plants, in Coronel and Los Ángeles, Chile, which are capable of producing approximately 190,000 cubic meters of products manufactured from dry sawn lumber (moldings, sheets and laminates), approximately 85% of its production is exported, and one plywood plant recently expanded to reach production capacity of 500,000 cubic meters annually, which exports approximately 65% of its production.

The main lumber customers are industrial plants of the Company's pulp and paper segments. The main external customers of the solid lumber products are in the construction materials distribution sector 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 subsidiary CMPC Celulosa S.A. This company operates 4 production lines in Chile and two in Brazil, with total annual production capacity of approximately 4,0 million metric tons of pulp (plus 140,000 tons of paper of different kinds and weights). Pulp installed production capacity is 800,000 tons of bleached softwood kraft pulp (BSKP, using Radiata pine lumber) and 3.2 million tons of bleached hardwood kraft pulp (BHKP, using eucalyptus wood). All of them are ISO 9001, ISO 14001 and OHSAS 18001 certified. In addition the plants in Chile have their chain of custody certified under CERTFOR-PEFC standards, guaranteeing that their raw materials come from cultivated forests or controlled origin plantations, free of controversies and perfectly traceable from the forest up to their final destination.

Of the total pulp produced, approximately 520,000 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 in the world industry and has an efficient logistics network which enables it to provide excellent dispatch services to its customers. The main external markets are based in Asia (China and South Korea), Europe (Italy, Germany and Holland) and Latin America (Venezuela and Colombia).

Subsidiary Bioenergías Forestales S.A. also forms part of this segment and has a biomass electric energy production plant located in Nacimiento (Bío Bío Region in Chile) with nominal capacity of 90 MW.

## PAPER

This business area comprises eleven subsidiaries. One of them participates in the production and marketing of cardboard and another produces paper for corrugation. There are seven subsidiaries whose line of business is manufacturing and marketing elaborated paper products, such as corrugated cardboard boxes, bags or industrial sacks and molded pulp trays. This business area also has a subsidiary specializing in the distribution of paper and another dedicated to paper recycling.

Subsidiary Cartulinas CMPC S.A. sells 360,000 tons of cardboard annually in 45 countries in Latin America, Europe, Asia, North America and Oceania, which are produced in Chile, in the factories in Maule (Maule Region) and in Valdivia (Los Ríos Region).

Subsidiary Papeles Cordillera S.A., located in Puente Alto (Metropolitan Region of Chile) markets a variety of paper for corrugation, wrapping, construction, laminated paper and paper for industrial use, produced in three paper machines. The main one produces paper for corrugation using recycled fibers and has an annual production capacity of 290,000 tons.

The corrugated cardboard boxes business is addressed through Envases Impresos S.A., which manufactures cardboard boxes for the fruit and winemaking sectors and for the salmon industry in its three plants in Chile. Two are located in the Metropolitan Region, in Buin and Til-Til and one in Los Lagos Region, in Osorno.

Subsidiary Chimolsa S.A., whose plant is located in Puente Alto (Metropolitan Region of Chile) manufactures and markets molded pulp trays destined to the exporting of apples and avocados, and egg trays and cartons. The main customers belong to the orchards, industrial and winemaking areas and are located in South America (Chile, Peru and Argentina).

The multi-ply paper sacks business is operated by subsidiary Forsac S.A. in Chile with a plant in Chillán (Bío-Bío Region of Chile); Fabi Bolsas Industriales S.A. in Argentina is located in Hinojo; Forsac Perú S.A., operates in Lima, and Forsac México S.A. operates in Zapopan in the State of Jalisco. The respective local markets are serviced from these different locations, particularly the cement and construction materials industry and there are also exports to various countries in Latin America and the United States.

In addition to these paper production subsidiaries, the segment includes Edipac S.A., a distribution company in charge of marketing paper in the Chilean market and Sorepa S.A., a company that is responsible for collecting used cardboard boxes in Chile to be recycled as raw materials in CMPC's various paper mills.

## TISSUE

This business area is engaged in the production and selling of tissue products (toilet paper, paper towels, paper napkins and facial tissues), sanitary products (baby diapers, wipes, adult diapers and sanitary napkins) and specialized hygiene products for consumption in institutions and public places, in Chile, Argentina, Brazil, Colombia, Ecuador, Mexico, Peru and Uruguay.

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The main production and marketing subsidiaries in this segment are CMPC Tissue S.A. (Chile), La Papelera del Plata S.A. (Argentina), Melhoramentos CMPC Ltda. (Brazil), Protisa Perú S.A. (Peru), Industria Papelera Uruguay S.A., Absormex CMPC Tissue S.A. de CV (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 operates. Products are mainly sold under its own brands which have achieved high levels of recognition by consumers.

Elite® is the regional trademark used by CMPC. Similarly, 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, wipes, and sanitary napkins are marketed under the trademarks Babysec®, Cotidian® and Ladysoft®, respectively.

The main customers belong to the retail distribution area and are based in Latin America (Chile, Argentina, Brazil, Peru, Uruguay, Ecuador, Colombia and Mexico).

## OTHER

Revenues from 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 "Other" and do not represent sufficient individually significant amounts to be designated as an operating segment.

On December 3, 2015, the Board of Directors of Empresas CMPC S.A. decided to reorganize its forestry and pulp businesses, in order to achieve greater operating efficiencies. The corporate modifications required and the merger of the current forestry and pulp segments will be carried out as of January 1, 2016. In this manner the Company seeks to empower a comprehensive vision of the forestry and industrial resources of those operations and thus be more in line with the Company's strategy.

With the new structure to be implemented, Empresas CMPC S.A. will have its operations divided into three business areas: Pulp/Forestry, Paper and Tissue.



General information on income and cash flows as of December 31, 2015 and 2014 is detailed as follows:

DESCRIPTION	BUSINESS AREAS (OPERATING SEGMENTS) THUSS						ADJUSTMENTS AND ELIMINATIONS	TOTAL ENTITY
	FORESTRY	PULP	PAPER	TISSUE	TOTAL SEGMENTS	OTHER (3)		
ACCUMULATED AS OF DECEMBER 31, 2015								
OPERATING INCOME FROM EXTERNAL CUSTOMERS	541,192	1,614,300	889,551	1,796,098	4,841,141	-	-	4,841,141
Operating income between operating segments of the same entity	407,866	341,452	60,697	2,406	812,421	46,023	(858,444)	
Income from external and related customers	949,058	1,955,752	950,248	1,798,504	5,653,562	46,023	(858,444)	4,841,141
Cost of sales	(951,486)	(1,520,692)	(783,164)	(1,257,103)	(4,512,445)	(1,315)	700,199	(3,813,561)
Distribution costs	(130,998)	(26,263)	(24,734)	(154,992)	(336,987)	-	114,116	(222,871)
Administrative costs	(31,609)	(49,716)	(40,345)	(68,455)	(190,125)	(60,363)	42,578	(207,910)
Raw materials and supplies used	(660,838)	(1,072,645)	(691,359)	(1,197,428)	(3,622,270)	(1,279)	680,500	(2,943,049)
Employee benefits expenses	(65,953)	(94,124)	(82,512)	(221,433)	(464,022)	(23,659)	-	(487,681)
Depreciation and amortization expense	(33,855)	(239,955)	(45,098)	(58,618)	(377,526)	(3,479)	7,320	(373,685)
Interest income	25	2,332	8,020	4,460	14,837	211,806	(215,584)	11,059
Interest expense	(35,023)	(136,857)	(15,704)	(49,163)	(236,747)	(165,869)	215,584	(187,032)
Other significant income (expense) items	(18,078)	(13,573)	2,399	(23,257)	(52,509)	(42,649)	19,063	(76,095)
Total other significant income (expense) items	(53,076)	(148,098)	(5,285)	(67,960)	(274,419)	3,288	19,063	(252,068)
Share in income of associates	(3)	180	-	-	177	-	-	177
Income tax (charge) credit	(145,891)	(201,676)	(33,378)	(28,068)	(409,013)	(11,836)	-	(420,849)
EBITDA DETERMINED BY SEGMENT (1)	188,680	580,625	133,415	225,137	1,127,857	(12,220)	(16,630)	1,099,007
OPERATING PROFIT (LOSS) (2)	95,607	340,670	88,317	166,519	691,113	(15,699)	(14)	675,400
PROFIT (LOSS) BEFORE TAXES	133,745	303,605	94,821	(52,549)	479,622	8,851	(70,748)	417,725
PROFIT (LOSS)	(12,146)	101,929	61,443	(80,617)	70,609	(2,985)	(70,748)	(3,124)
Assets	5,846,917	5,476,280	1,402,967	1,900,029	14,626,193	5,117,847	(4,974,829)	14,769,211
Investments accounted for using the equity method	183	67	-	-	250	-	-	250
Increase in non-current assets (4)	126,738	453,522	56,253	143,500	780,013	90	-	780,103
Liabilities	1,787,840	4,359,128	482,462	1,528,553	8,157,983	3,394,414	(4,711,104)	6,841,293
Asset impairment losses recognized in income	(40,095)	(2,240)	(2,697)	(6,696)	(51,728)	-	-	(51,728)
Reversal of asset impairment losses recognized in income	924	-	1,079	2,026	4,029	-	-	4,029
Cash flows from operating activities	168,624	447,934	106,864	109,221	832,643	4,887	-	837,530
Cash flows from investing activities	(133,220)	(467,339)	(70,169)	(149,434)	(820,162)	(100,361)	51,448	(869,075)
Cash flows from financing activities	(33,778)	27,140	(30,928)	28,105	(9,461)	(454,332)	(51,448)	(515,241)

(1) Corresponds to gross profit plus depreciation and amortization, plus cost of formation of harvested plantations, plus higher cost of the exploited and sold part of the plantations derived from revaluation for their natural growth (see Note 13 Biological Assets), less distribution costs, less administrative expenses and less other expenses, by function.

(2) Corresponds to profits (losses) before income tax expense, finance income and costs, foreign currency translation differences, income from indexation units, other profits (losses) and income of associates.

(3) Corresponds to the operations of Empresas CMPC S.A., Inversiones CMPC S.A., Servicios Compartidos CMPC S.A. and Portuaria CMPC S.A. not included in the main segments.

(4) The increase in non-current assets does not include financial instruments, deferred tax assets or rights derived from insurance contracts.

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DESCRIPTION	BUSINESS AREAS (OPERATING SEGMENTS) THUSS						ADJUSTMENTS AND ELIMINATIONS	TOTAL ENTITY
	FORESTRY	PULP	PAPER	TISSUE	TOTAL SEGMENTS	OTHER (3)		
ACCUMULATED AS OF DECEMBER 31, 2014								
Operating income from external customers	572,478	1,411,876	997,812	1,854,955	4,837,121	-	-	4,837,121
Operating income between operating segments of the same entity	349,879	359,528	54,585	3,171	767,163	48,761	(815,924)	
INCOME FROM EXTERNAL AND RELATED CUSTOMERS	922,357	1,771,404	1,052,397	1,858,126	5,604,284	48,761	(815,924)	4,837,121
Cost of sales	(941,865)	(1,399,624)	(852,263)	(1,319,790)	(4,513,542)	(2,353)	688,997	(3,826,898)
Distribution costs	(113,617)	(21,525)	(28,266)	(167,351)	(330,759)	-	91,206	(239,553)
Administrative costs	(33,307)	(53,894)	(47,551)	(71,219)	(205,971)	(62,340)	46,048	(222,263)
Raw materials and supplies used	(642,872)	(1,018,015)	(754,365)	(1,248,492)	(3,663,744)	(1,804)	658,999	(3,006,549)
Employee benefits expenses	(74,338)	(100,428)	(91,244)	(236,946)	(502,956)	(26,410)	-	(529,366)
Depreciation and amortization expense	(34,341)	(207,404)	(45,597)	(69,044)	(356,386)	(1,763)	7,563	(350,586)
Interest income	68	3,423	8,803	4,705	16,999	223,762	(220,339)	20,422
Interest expense	(40,776)	(123,285)	(19,237)	(57,261)	(240,559)	(169,301)	220,339	(189,521)
Other significant income (expense) items	11,524	(9,299)	(7,850)	(28,523)	(34,148)	(8,646)	(7,191)	(49,985)
Total other significant income (expense) items	(29,184)	(129,161)	(18,284)	(81,079)	(257,708)	45,815	(7,191)	(219,084)
Share in income of associates	(8)	(96)	-	-	(104)	-	-	(104)
Income tax (charge) credit	(64,341)	(108,476)	(35,476)	(9,427)	(217,720)	(17,005)	-	(234,725)
EBITDA DETERMINED BY SEGMENT (1)	145,638	490,889	155,516	203,964	996,007	(14,217)	4,324	986,114
OPERATING PROFIT (LOSS) (2)	8,654	283,485	109,919	134,920	536,978	(15,980)	11,660	532,658
PROFIT (LOSS) BEFORE TAXES	65,479	344,176	117,367	(43,456)	483,566	155,219	(266,243)	372,542
PROFIT (LOSS)	1,138	235,700	81,891	(52,883)	265,846	138,214	(266,243)	137,817
Assets	5,810,583	5,138,396	1,388,879	2,052,459	14,390,317	5,592,088	(4,792,334)	15,190,071
Investments accounted for using the equity method	274	214	-	-	488	-	-	488
Increase in non-current assets (4)	115,852	1,325,417	17,577	122,516	1,581,362	53,489	-	1,634,851
Liabilities	1,729,961	4,118,920	511,126	1,491,609	7,851,616	3,675,425	(4,540,877)	6,986,164
Asset impairment losses recognized in income	(2,671)	-	(4,236)	(13,100)	(20,007)	-	-	(20,007)
Reversal of asset impairment losses recognized in income	4	431	280	1,366	2,081	-	-	2,081
Cash flows from operating activities	147,313	433,574	124,744	158,459	864,090	(3,040)	-	861,050
Cash flows from investing activities	(131,333)	(1,228,848)	(141,018)	(141,556)	(1,642,755)	173,004	(42,867)	(1,512,618)
Cash flows from financing activities	(13,450)	770,139	16,159	(17,005)	755,843	91,859	42,867	890,569

(1) Corresponds to gross profit plus depreciation and amortization, plus cost of formation of harvested plantations, plus higher cost of the exploited and sold part of the plantations derived from revaluation for their natural growth (see Note 13 Biological Assets), less distribution costs, less administrative expenses and less other expenses, by function.

(2) Corresponds to profits (losses) before income tax expense, finance income and costs, foreign currency translation differences, income from indexation units, other profits (losses) and income of associates.

(3) Corresponds to the operations of Empresas CMPC S.A., Inversiones CMPC S.A., Servicios Compartidos CMPC S.A. and Portuaria CMPC S.A. not included in the main segments.

(4) The increase in non-current assets does not include financial instruments, deferred tax assets or rights derived from insurance contracts.

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

The accounting criteria for transactions between CMPC subsidiaries is for them to be carried out at market prices, and consider that balances, transactions and profits or losses remain in the segment of origin and are only eliminated in the entity's consolidated financial statements.

CMPC's policy of concentrating a large part of its financial operations in its subsidiary Inversiones CMPC S.A. results in balances in current accounts between subsidiaries, which are subject to market interest rates.

Administration services provided by subsidiaries Inversiones CMPC S.A. and Servicios Compartidos CMPC S.A. are charged to each segment on the basis of actual use.

Since the Company uses market conditions, in general there are no special conditions or criteria for transactions between subsidiaries that might affect the results or valuation of the assets and liabilities of each segment.

As of each year-end income from sales to CMPC's external customers are distributed in the following geographical areas:

MARKETS	YEAR	
	2015 THUS\$	2014 THUS\$
Chile (Company's country of domicile)	1,106,968	1,111,178
Brazil	379,091	488,829
Argentina	542,669	493,580
Peru	346,896	347,795
Mexico	313,373	335,254
Rest of Latin America	408,572	420,229
United States and Canada	228,885	198,519
Asia	822,396	748,086
Europe	578,142	569,365
Other	114,149	124,286
<b>TOTAL</b>	<b>4,841,141</b>	<b>4,837,121</b>

Revenue allocated to the different regions considers exports to those zones and local sales made by the subsidiaries domiciled in those geographic zones.

Non-current assets that are not financial instruments, deferred tax assets or rights derived from insurance contracts, by geographical area, are detailed as follows:

GEOGRAPHIC AREA DESCRIPTION	12/31/2015		12/31/2014	
	%	THUS\$	%	THUS\$
Chile (Company's country of domicile)	60.10%	6,940,437	62.49%	7,238,737
Brazil	33.35%	3,850,609	30.96%	3,586,052
Argentina	2.35%	271,584	2.49%	288,420
Peru	1.14%	131,220	1.12%	129,586
Mexico	2.15%	248,736	1.81%	210,113
Colombia	0.51%	59,077	0.67%	77,551
Uruguay	0.28%	31,866	0.34%	39,823
Ecuador	0.12%	13,755	0.12%	13,645
United States	0.00%	97	0.00%	97
<b>TOTAL</b>	<b>100.00%</b>	<b>11,547,381</b>	<b>100.00%</b>	<b>11,584,024</b>

# FINANCIAL STATEMENTS 2015

## NOTE 8 - FINANCIAL ASSETS

Financial assets in each year, classified according to the categories established in IAS 39, are detailed as follows:

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\$
<b>BALANCE AS OF DECEMBER 31, 2015</b>					
CASH AND CASH EQUIVALENTS	382	-	509,974	-	510,356
Time deposits from 90 days to one year	-	-	51,013	-	51,013
Currency forward transactions	1,409	-	-	-	1,409
Hedging assets	22,055	-	-	-	22,055
OTHER CURRENT FINANCIAL ASSETS	23,464	-	51,013	-	74,477
Hedging assets	36,510	-	-	-	36,510
OTHER NON-CURRENT FINANCIAL ASSETS	36,510	-	-	-	36,510
<b>TOTAL FINANCIAL ASSETS</b>	<b>60,356</b>	<b>-</b>	<b>560,987</b>	<b>-</b>	<b>621,343</b>
<b>BALANCE AS OF DECEMBER 31, 2014</b>					
CASH AND CASH EQUIVALENTS	401	-	1,096,625	-	1,097,026
Cross-currency swap transactions	43,552	-	-	-	43,552
Currency forward transactions	4,819	-	-	-	4,819
Hedging assets	1,197	-	-	-	1,197
OTHER CURRENT FINANCIAL ASSETS	49,568	-	-	-	49,568
Hedging assets	25,316	-	-	-	25,316
OTHER NON-CURRENT FINANCIAL ASSETS	25,316	-	-	-	25,316
<b>TOTAL FINANCIAL ASSETS</b>	<b>75,285</b>	<b>-</b>	<b>1,096,625</b>	<b>-</b>	<b>1,171,910</b>

### 8.1. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on 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, 2015 and 2014 cash and cash equivalents, classified by currency of origin are detailed as follows:

CASH AND CASH EQUIVALENTS	CHILEAN PESO THUS\$	US DOLLAR THUS\$	EURO THUS\$	ARGENTINEAN PESO THUS\$	URUGUAYAN PESO THUS\$	PERUVIAN NEW SOL THUS\$	COLOMBIAN PESO THUS\$	MEXICAN PESO THUS\$	STERLING POUND THUS\$	BRAZILIAN REAL THUS\$	SWEDISH KRONA THUS\$	TOTAL THUS\$
<b>BALANCE AS OF DECEMBER 31, 2015</b>												
Cash	97	71	3	9	3	10	3	8	3	1	-	208
Cash in bank accounts	1,886	7,831	10	5,125	501	705	491	4,914	18	1,113	-	22,594
Time deposit at less than 90 days	141,618	295,817	1,529	-	-	5,138	-	4,853	651	6,194	879	456,679
Money market securities	29,259	328	54	-	-	-	1,234	-	-	-	-	30,875
<b>TOTAL</b>	<b>172,860</b>	<b>304,047</b>	<b>1,596</b>	<b>5,134</b>	<b>504</b>	<b>5,853</b>	<b>1,728</b>	<b>9,775</b>	<b>672</b>	<b>7,308</b>	<b>879</b>	<b>510,356</b>
<b>BALANCE AS OF DECEMBER 31, 2014</b>												
Cash	99	131	2	209	4	11	-	12	-	-	-	468
Cash in bank accounts	4,274	4,247	153	7,334	417	736	600	3,391	-	1,935	3,902	26,989
Time deposit at less than 90 days	234,043	598,793	2,875	-	-	23,820	-	3,516	550	18,314	-	881,911
Money market securities	187,257	341	60	-	-	-	-	-	-	-	-	187,658
<b>TOTAL</b>	<b>425,673</b>	<b>603,512</b>	<b>3,090</b>	<b>7,543</b>	<b>421</b>	<b>24,567</b>	<b>600</b>	<b>6,919</b>	<b>550</b>	<b>20,249</b>	<b>3,902</b>	<b>1,097,026</b>



Cash in banks and in bank checking accounts are available resources and their carrying amount is equal to their fair value (ThUS\$ 22,802 as of December 31, 2015 and ThUS\$ 27,457 as of December 31, 2014).

Time deposits recorded at amortized cost maturing in less than 90 days are detailed as follows:

ENTITY	CURRENCY	12/31/2015 THUS\$	12/31/2014 THUS\$
Citibank N.A. - Chile	US\$	103,840	-
Morgan Stanley - United States	US\$	100,030	70,023
Banco BBVA - Chile	CLP	97,504	-
Banco Santander - Chile	CLP	43,428	-
Banco Corpbanca - Chile	US\$	32,479	30,007
Banco BCI - United States	US\$	22,011	-
J.P. Morgan Chase Bank N.A. - United States	US\$	13,506	166,757
Banco BBVA - United States	US\$	10,003	10,001
Banco de Crédito del Perú	US\$	8,365	686
Banco BBVA - Peru	US\$	5,583	-
Banco HSBC - Mexico	MXN	3,836	2,465
Banco Santander - Brazil	BRL	3,448	5,167
Banco de Crédito del Perú	PEN	3,335	10,927
Banco Bradesco - Brazil	BRL	1,932	4,466
Banco BBVA - Peru	PEN	1,750	12,893
Citibank N.A. - England	EUR	1,529	2,436
Banco Santander - Mexico	MXN	1,017	1,051
Citibank N.A. - England	SEK	879	-
Banco de Chile	CLP	683	100,933
Banco Itaú - Brazil	BRL	470	5,926
HSBC Bank plc - England	GBP	376	440
Citibank N.A. N.Y. - United States	GBP	275	550
Banco do Brasil	BRL	237	2,748
Bank of America Merrill Lynch Banco Múltiplo S.A. - Brazil	BRL	68	-
Citibank - Peru	PEN	53	-
Banco Banrisul - Brazil	BRL	32	7
JP Morgan - Brazil	BRL	4	-
Banco BICE - Chile	CLP	3	4
Citibank - Brazil	BRL	3	-
Banco Security - Chile	US\$	-	10,003
BancoEstado - Chile	US\$	-	60,010
Banco Santander - Chile	US\$	-	65,002
Banco Santander - Chile	CLF	-	110,764
Banco BCI - Chile	US\$	-	116,292
Banco BCI - Chile	CLP	-	22,342
Banco HSBC - Chile	US\$	-	70,011
<b>TOTAL</b>		<b>456,679</b>	<b>881,911</b>

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

# FINANCIAL STATEMENTS 2015

Money market securities are detailed as follow:

ENTITY	CURRENCY	12/31/2015 THUS\$	12/31/2014 THUS\$
<b>MARKETABLE SECURITIES:</b>			
Banco Colombia - Colombia (TIDIS)	COP	1,234	-
<b>INVESTMENTS IN INVESTMENT FUND UNITS (ABROAD):</b>			
BBH & Co. Money Market Fund - United States	US\$	190	203
J.P. Morgan Chase Bank N.A. - United States	US\$	138	138
J.P. Morgan Chase Bank N.A. - United States	EUR	54	60
<b>MARKETABLE SECURITIES WITH RESALE COMMITMENTS</b>			
Banchile Corredores de Bolsa S.A. - Chile	CLP	15,166	51,897
Consorcio Corredores de Bolsa S.A. - Chile	CLP	14,093	-
BICE Agente de Valores S.A. - Chile	CLP	-	17,163
BancoEstado S.A. Corredores de Bolsa - Chile	CLP	-	58,139
BBVA Corredores de Bolsa S.A. - Chile	CLP	-	60,058
<b>TOTAL</b>		<b>30,875</b>	<b>187,658</b>

As of December 31, 2015 and 2014 the carrying amount of time deposits and money market securities does not differ from their fair value.

Cash and cash equivalents presented in the statement of cash flows are detailed as follows:

CLASSES OF ASSETS	12/31/2015 THUS\$	12/31/2014 THUS\$
Cash and cash equivalents	510,356	1,097,026
<b>CASH AND CASH EQUIVALENTS PRESENTED IN THE STATEMENT OF CASH FLOWS</b>	<b>510,356</b>	<b>1,097,026</b>

## 8.2. OTHER CURRENT FINANCIAL ASSETS

These assets represent investments typical of cash management, such as time deposits and repurchase and resale agreements whose maturity exceeds 90 days. The cumulative results of derivative contracts subscribed in order to properly manage the Company's exchange and interest rate risks are also included. Other current financial assets also incorporate the effects of currency forward contract used to hedge the financial risks associated with the volatility of sales in euros of the lumber products and cardboard businesses.

As of December 31, 2015 and 2014 other financial assets are detailed as follows:

### - BALANCE AS OF DECEMBER 31, 2015

#### A) TIME DEPOSITS AND AGREEMENTS FROM 90 DAYS TO ONE YEAR

ENTITIES	CURRENCY	THUS\$
BNP Paribas - United States	US\$	40,007
Banco Corpbanca - Chile	US\$	11,006
<b>SUBTOTAL</b>		<b>51,013</b>

#### B) CURRENCY FORWARD TRANSACTIONS

ENTITIES	RIGHTS		OBLIGATIONS		FAIR VALUE OF THE NET ASSET THUS\$	EFFECT ON INCOME PROFIT (LOSS) THUS\$	MATURITY
	CURRENCY	AMOUNT THUS\$	CURRENCY	AMOUNT THUS\$			
BancoEstado - Chile	US\$	15,005	CLP	14,682	323	323	01/06/2016
Banco BBVA - Chile	US\$	15,005	CLP	14,679	326	326	01/06/2016
Banco BBVA - Chile	US\$	18,006	CLP	17,615	391	391	01/06/2016
Banco BBVA - Chile	US\$	17,005	CLP	16,636	369	369	01/06/2016
<b>SUBTOTAL</b>		<b>65,021</b>		<b>63,612</b>	<b>1,409</b>	<b>1,409</b>	

### C) HEDGING ASSETS

ENTITIES	NATURE OF THE RISKS HEDGED	RIGHTS		OBLIGATIONS		FAIR VALUE OF NET ASSET THUS\$	MATURITY
		CURRENCY	AMOUNT THUS\$	CURRENCY	AMOUNT THUS\$		
Banco HSBC - Mexico	Bank obligations	US\$	25,000	MXN	18,509	6,491	Semiannual
Banco BBVA Bancomer - Mexico	Bank obligations	US\$	25,000	MXN	18,522	6,478	Semiannual
HSBC Bank plc - England	Cash flows from sale of cardboard and lumber to Europe	US\$	6,909	EUR	5,472	1,437	Quarterly
HSBC Bank plc - England	Cash flows from sale of cardboard and lumber to Europe	US\$	6,909	EUR	5,489	1,420	Quarterly
HSBC Bank plc - England	Cash flows from sale of cardboard and lumber to Europe	US\$	6,909	EUR	5,506	1,403	Quarterly
HSBC Bank plc - England	Cash flows from sale of cardboard and lumber to Europe	US\$	6,949	EUR	5,524	1,425	Quarterly
HSBC Bank plc - England	Cash flows from sale of cardboard and lumber to Europe	US\$	2,105	EUR	1,641	464	Quarterly
HSBC Bank plc - England	Cash flows from sale of cardboard and lumber to Europe	US\$	2,105	EUR	1,647	458	Quarterly
HSBC Bank plc - England	Cash flows from sale of cardboard and lumber to Europe	US\$	2,105	EUR	1,652	453	Quarterly
HSBC Bank plc - England	Cash flows from sale of cardboard and lumber to Europe	US\$	2,105	EUR	1,657	448	Quarterly
HSBC Bank plc - England	Cash flows from sale of cardboard and lumber to Europe	US\$	1,054	EUR	824	230	Quarterly
HSBC Bank plc - England	Cash flows from sale of cardboard and lumber to Europe	US\$	1,054	EUR	826	228	Quarterly
HSBC Bank plc - England	Cash flows from sale of cardboard and lumber to Europe	US\$	1,054	EUR	829	225	Quarterly
J.P. Morgan Chase Bank N.A. - United States	Cash flows from sale of cardboard to Europe	US\$	996	EUR	992	4	Quarterly
BNP Paribas - France	Cash flows from sale of cardboard to Europe	US\$	4,017	EUR	3,937	80	Quarterly
BNP Paribas - France	Cash flows from sale of cardboard to Europe	US\$	2,811	EUR	2,741	70	Quarterly
BNP Paribas - France	Cash flows from sale of cardboard to Europe	US\$	2,807	EUR	2,741	66	Quarterly
BNP Paribas - France	Cash flows from sale of cardboard to Europe	US\$	4,389	EUR	4,287	102	Quarterly
BNP Paribas - France	Cash flows from sale of cardboard to Europe	US\$	3,171	EUR	3,086	85	Quarterly
BNP Paribas - France	Cash flows from sale of cardboard to Europe	US\$	2,512	GBP	2,449	63	Quarterly
Banco BBVA - Chile	Cash flows from sale of cardboard to Europe	US\$	2,511	GBP	2,450	61	Quarterly
Banco BBVA - Chile	Cash flows from sale of cardboard to Europe	US\$	2,508	GBP	2,450	58	Quarterly
BNP Paribas - France	Cash flows from sale of cardboard to Europe	US\$	2,502	GBP	2,451	51	Quarterly
Scotiabank - Chile	Cash flows from sale of cardboard to Europe	US\$	2,500	GBP	2,450	50	Quarterly
Scotiabank - Chile	Cash flows from sale of cardboard to Europe	US\$	2,502	GBP	2,449	53	Quarterly
BancoEstado - Chile	Cash flows from sales of Edipac S.A.	US\$	339	CLP	328	11	Quarterly
HSBC Bank plc - England	Cash flows from sales of Edipac S.A.	US\$	492	CLP	476	16	Quarterly
HSBC Bank plc - England	Cash flows from sales of Edipac S.A.	US\$	492	CLP	476	16	Quarterly
Banco BCI - Chile	Cash flows from sale of cardboard to Europe	US\$	571	EUR	550	21	Quarterly
Banco BBVA - Chile	Cash flows from sale of cardboard to Europe	US\$	1,145	EUR	1,102	43	Quarterly
Banco BICE - Chile	Cash flows from sales of lumber to Europe	US\$	648	GBP	638	10	Quarterly
Banco BICE - Chile	Cash flows from sales of lumber to Europe	US\$	552	GBP	543	9	Quarterly
Banco BICE - Chile	Cash flows from sales of lumber to Europe	US\$	629	GBP	619	10	Quarterly
Banco BBVA - Chile	Cash flows from sales of lumber to Europe	US\$	670	GBP	659	11	Quarterly
Banco BBVA - Chile	Cash flows from sale of cardboard to Europe	US\$	715	EUR	710	5	Quarterly
<b>SUBTOTAL</b>			<b>128,737</b>		<b>106,682</b>	<b>22,055</b>	
<b>TOTAL OTHER CURRENT FINANCIAL ASSETS</b>							<b>74,477</b>



# FINANCIAL STATEMENTS 2015

## - BALANCE AS OF DECEMBER 31, 2014

### A) CROSS-CURRENCY SWAP TRANSACTIONS

ENTITIES	RIGHTS			OBLIGATIONS			FAIR VALUE OF THE NET ASSET THUS\$	EFFECT ON INCOME PROFIT (LOSS) THUS\$	MATURITY
	CURRENCY	INTEREST RATES %	AMOUNT THUS\$	CURRENCY	INTEREST RATES %	AMOUNT MUS\$			
J.P. Morgan Chase Bank N.A. - United States	CLF	2.68	143,038	US\$	Libor+0.58	100,306	42,732	303	03/01/2015
Banco Santander - Chile	CLF	2.70	40,404	US\$	3.87	40,056	348	15	03/01/2015
Banco Corpbanca - Chile	CLF	2.68	40,408	US\$	3.83	39,936	472	15	03/01/2015
<b>SUBTOTAL</b>			<b>223,850</b>			<b>180,298</b>	<b>43,552</b>	<b>333</b>	

## B) CURRENCY FORWARD TRANSACTIONS

ENTITIES	RIGHTS		OBLIGATIONS		FAIR VALUE OF THE NET ASSET THUS\$	EFFECT ON INCOME PROFIT (LOSS) THUS\$	MATURITY
	CURRENCY	AMOUNT THUS\$	CURRENCY	AMOUNT THUS\$			
J.P. Morgan Chase Bank N.A. - United States	US\$	1,517	EUR	1,461	56	194	03/16/2015
J.P. Morgan Chase Bank N.A. - United States	US\$	1,517	EUR	1,463	54	192	06/15/2015
J.P. Morgan Chase Bank N.A. - United States	US\$	1,517	EUR	1,464	53	190	09/15/2015
J.P. Morgan Chase Bank N.A. - United States	US\$	1,517	EUR	1,465	52	189	12/15/2015
J.P. Morgan Chase Bank N.A. - United States	US\$	1,517	EUR	1,461	56	194	03/16/2015
J.P. Morgan Chase Bank N.A. - United States	US\$	1,517	EUR	1,462	55	192	06/15/2015
J.P. Morgan Chase Bank N.A. - United States	US\$	1,517	EUR	1,465	52	190	09/15/2015
J.P. Morgan Chase Bank N.A. - United States	US\$	1,517	EUR	1,465	52	189	12/15/2015
J.P. Morgan Chase Bank N.A. - United States	US\$	3,050	EUR	2,922	128	388	03/16/2015
J.P. Morgan Chase Bank N.A. - United States	US\$	3,050	EUR	2,925	125	384	06/15/2015
J.P. Morgan Chase Bank N.A. - United States	US\$	3,050	EUR	2,929	121	379	09/15/2015
J.P. Morgan Chase Bank N.A. - United States	US\$	3,050	EUR	2,930	120	378	12/15/2015
Banco BCI - Chile	US\$	10,016	CLP	9,587	429	429	01/27/2015
Banco BCI - Chile	US\$	10,016	CLP	9,587	429	429	01/27/2015
Banco Santander - Chile	US\$	10,024	CLP	9,603	421	420	01/27/2015
Banco Santander - Chile	US\$	10,024	CLP	9,603	421	420	01/27/2015
Banco Santander - Chile	US\$	15,024	CLP	14,389	635	635	01/28/2015
J.P. Morgan Chase Bank N.A. - Chile	US\$	10,015	CLP	9,635	380	381	01/30/2015
J.P. Morgan Chase Bank N.A. - Chile	US\$	10,015	CLP	9,635	380	381	01/30/2015
Banco BBVA - Chile	US\$	20,039	CLP	19,556	483	483	02/03/2015
J.P. Morgan Chase Bank N.A. - Chile	US\$	10,019	CLP	9,857	162	162	02/11/2015
Banco de Chile	CLP	10,140	CLF	10,108	32	32	02/11/2015
Banco BCI - Chile	CLP	12,583	US\$	12,582	1	1	01/22/2015
Banco BCI - Chile	CLP	9,895	US\$	9,894	1	1	01/22/2015
BancoEstado - Chile	CLP	9,903	US\$	9,817	86	86	01/08/2015
BancoEstado - Chile	CLP	4,027	US\$	3,992	35	35	01/09/2015
<b>SUBTOTAL</b>		<b>176,076</b>		<b>171,257</b>	<b>4,819</b>	<b>6,954</b>	

### C) HEDGING ASSETS

ENTITIES	TOTAL OTHER CURRENT FINANCIAL ASSETS	RIGHTS		OBLIGATIONS		FAIR VALUE OF NET ASSET THUS\$	MATURITY
		CURRENCY	AMOUNT THUS\$	CURRENCY	AMOUNT THUS\$		
HSBC Bank plc - England	Cash flows from sale of cardboard and lumber to Europe	US\$	6,909	EUR	6,106	803	Quarterly
Banco BBVA - Chile	Cash flows from sales of lumber to Europe	US\$	944	GBP	865	79	Quarterly
Banco BBVA - Chile	Cash flows from sales of lumber to Europe	US\$	1,162	GBP	1,064	98	Quarterly
Banco BBVA - Chile	Cash flows from sales of lumber to Europe	US\$	1,198	GBP	1,097	101	Quarterly
Banco BBVA - Chile	Cash flows from sales of lumber to Europe	US\$	1,198	GBP	1,096	102	Quarterly
Banco Santander - Chile	Cash flows from sales of Edipac S.A.	US\$	779	CLP	773	6	Monthly
Banco Santander - Chile	Cash flows from sales of Edipac S.A.	US\$	497	CLP	493	4	Monthly
Banco Santander - Chile	Cash flows from sales of Edipac S.A.	US\$	280	CLP	277	3	Monthly
Banco Santander - Chile	Cash flows from sales of Edipac S.A.	US\$	46	CLP	45	1	Monthly
SUBTOTAL			13,013		11,816	1,197	
TOTAL OTHER CURRENT FINANCIAL ASSETS						49,568	



### 8.3. OTHER NON-CURRENT FINANCIAL ASSETS

#### HEDGING ASSETS

These assets represent the accumulated results of currency forwards used to hedge the financial risk associated to the volatility of sales in euros of the lumber and cardboard products businesses and changes in the price of the currencies associated to bank obligations.

BALANCE AS OF DECEMBER 31, 2015 ENTITIES	TOTAL OTHER CURRENT FINANCIAL ASSETS	RIGHTS		OBLIGATIONS		FAIR VALUE OF NET ASSET THUS\$	MATURITY
		CURRENCY	AMOUNT THUS\$	CURRENCY	AMOUNT THUS\$		
Banco BBVA - Chile	Bank obligations	US\$	35,153	COP	20,808	14,345	Semiannual
Banco Santander - Chile	Bank obligations	US\$	25,177	COP	15,346	9,831	Semiannual
J.P. Morgan S.A. - Brazil	Bank obligations	US\$	35,217	BRL	30,295	4,922	Semiannual
HSBC Bank plc - England	Cash flows from sale of cardboard and lumber to Europe	US\$	6,949	EUR	5,548	1,401	Quarterly
HSBC Bank plc - England	Cash flows from sale of cardboard and lumber to Europe	US\$	6,949	EUR	5,574	1,375	Quarterly
HSBC Bank plc - England	Cash flows from sale of cardboard and lumber to Europe	US\$	6,949	EUR	5,603	1,346	Quarterly
HSBC Bank plc - England	Cash flows from sale of cardboard and lumber to Europe	US\$	2,106	EUR	1,665	441	Quarterly
HSBC Bank plc - England	Cash flows from sale of cardboard and lumber to Europe	US\$	2,106	EUR	1,673	433	Quarterly
HSBC Bank plc - England	Cash flows from sale of cardboard and lumber to Europe	US\$	2,106	EUR	1,681	425	Quarterly
HSBC Bank plc - England	Cash flows from sale of cardboard and lumber to Europe	US\$	2,105	EUR	1,691	414	Quarterly
HSBC Bank plc - England	Cash flows from sale of cardboard and lumber to Europe	US\$	1,054	EUR	832	222	Quarterly
HSBC Bank plc - England	Cash flows from sale of cardboard and lumber to Europe	US\$	1,054	EUR	836	218	Quarterly
HSBC Bank plc - England	Cash flows from sale of cardboard and lumber to Europe	US\$	1,054	EUR	841	213	Quarterly
HSBC Bank plc - England	Cash flows from sale of cardboard and lumber to Europe	US\$	1,054	EUR	845	209	Quarterly
HSBC Bank plc - England	Cash flows from sale of cardboard and lumber to Europe	US\$	1,054	EUR	850	204	Quarterly
BNP Paribas - France	Cash flows from sale of cardboard and lumber to Europe	US\$	931	EUR	885	46	Quarterly
BNP Paribas - France	Cash flows from sale of cardboard and lumber to Europe	US\$	934	EUR	889	45	Quarterly
BNP Paribas - France	Cash flows from sale of cardboard to Europe	US\$	938	EUR	893	45	Quarterly
Banco BBVA - Chile	Cash flows from sale of cardboard to Europe	US\$	1,157	EUR	1,106	51	Quarterly
BNP Paribas - France	Cash flows from sale of cardboard to Europe	US\$	1,161	EUR	1,111	50	Quarterly
BNP Paribas - France	Cash flows from sale of cardboard to Europe	US\$	1,166	EUR	1,116	50	Quarterly
Banco BCI - Chile	Cash flows from sale of cardboard to Europe	US\$	1,152	GBP	1,111	41	Quarterly
Banco BCI - Chile	Cash flows from sale of cardboard to Europe	US\$	1,157	EUR	1,116	41	Quarterly
Banco BCI - Chile	Cash flows from sale of cardboard to Europe	US\$	1,161	EUR	1,121	40	Quarterly
BNP Paribas - France	Cash flows from sale of cardboard to Europe	US\$	1,149	EUR	1,106	43	Quarterly
Banco BICE - Chile	Cash flows from sale of cardboard to Europe	US\$	695	EUR	684	11	Quarterly
Banco BICE - Chile	Cash flows from sale of cardboard to Europe	US\$	696	EUR	685	11	Quarterly
Scotiabank - Chile	Cash flows from sale of cardboard to Europe	US\$	695	EUR	684	11	Quarterly
Banco BCI - Chile	Cash flows from sale of cardboard to Europe	US\$	696	EUR	685	11	Quarterly
BNP Paribas - France	Cash flows from sale of cardboard to Europe	US\$	359	EUR	356	3	Quarterly
BNP Paribas - France	Cash flows from sales of lumber to Europe	US\$	361	GBP	358	3	Quarterly
BNP Paribas - France	Cash flows from sales of lumber to Europe	US\$	362	GBP	359	3	Quarterly
BNP Paribas - France	Cash flows from sales of lumber to Europe	US\$	364	GBP	361	3	Quarterly
BNP Paribas - France	Cash flows from sales of lumber to Europe	US\$	365	GBP	362	3	Quarterly
<b>TOTAL</b>			<b>145,586</b>		<b>109,076</b>	<b>36,510</b>	

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BALANCE AS OF DECEMBER 31, 2014 ENTITIES	TOTAL OTHER CURRENT FINANCIAL ASSETS	RIGHTS		OBLIGATIONS		FAIR VALUE OF NET ASSET THUS\$	MATURITY
		CURRENCY	AMOUNT THUS\$	CURRENCY	AMOUNT THUS\$		
Banco HSBC - Mexico	Bank obligations	US\$	25,000	MXN	21,690	3,310	Monthly
Banco BBVA Bancomer - Mexico	Bank obligations	US\$	25,000	MXN	21,689	3,311	Monthly
Banco Santander - Chile	Bank obligations	US\$	25,000	COP	20,676	4,324	Monthly
Banco BBVA - Chile	Bank obligations	US\$	35,000	COP	28,792	6,208	Monthly
HSBC Bank plc - England	Cash flows from sale of cardboard and lumber to Europe	US\$	6,909	EUR	6,114	795	Quarterly
HSBC Bank plc - England	Cash flows from sale of cardboard and lumber to Europe	US\$	6,909	EUR	6,132	777	Quarterly
HSBC Bank plc - England	Cash flows from sale of cardboard and lumber to Europe	US\$	6,909	EUR	6,153	756	Quarterly
HSBC Bank plc - England	Cash flows from sale of cardboard and lumber to Europe	US\$	6,949	EUR	6,179	770	Quarterly
HSBC Bank plc - England	Cash flows from sale of cardboard and lumber to Europe	US\$	6,949	EUR	6,205	744	Quarterly
HSBC Bank plc - England	Cash flows from sale of cardboard and lumber to Europe	US\$	6,949	EUR	6,234	715	Quarterly
HSBC Bank plc - England	Cash flows from sale of cardboard and lumber to Europe	US\$	6,949	EUR	6,266	683	Quarterly
HSBC Bank plc - England	Cash flows from sale of cardboard and lumber to Europe	US\$	2,105	EUR	1,834	271	Quarterly
HSBC Bank plc - England	Cash flows from sale of cardboard and lumber to Europe	US\$	2,105	EUR	1,840	265	Quarterly
HSBC Bank plc - England	Cash flows from sale of cardboard and lumber to Europe	US\$	2,105	EUR	1,846	259	Quarterly
HSBC Bank plc - England	Cash flows from sale of cardboard and lumber to Europe	US\$	2,105	EUR	1,854	251	Quarterly
HSBC Bank plc - England	Cash flows from sale of cardboard and lumber to Europe	US\$	2,105	EUR	1,862	243	Quarterly
HSBC Bank plc - England	Cash flows from sale of cardboard and lumber to Europe	US\$	2,105	EUR	1,871	234	Quarterly
HSBC Bank plc - England	Cash flows from sale of cardboard and lumber to Europe	US\$	2,105	EUR	1,880	225	Quarterly
HSBC Bank plc - England	Cash flows from sale of cardboard and lumber to Europe	US\$	2,105	EUR	1,891	214	Quarterly
HSBC Bank plc - England	Cash flows from sale of cardboard and lumber to Europe	US\$	1,054	EUR	920	134	Quarterly
HSBC Bank plc - England	Cash flows from sale of cardboard and lumber to Europe	US\$	1,054	EUR	923	131	Quarterly
HSBC Bank plc - England	Cash flows from sale of cardboard and lumber to Europe	US\$	1,054	EUR	927	127	Quarterly
HSBC Bank plc - England	Cash flows from sale of cardboard and lumber to Europe	US\$	1,054	EUR	931	123	Quarterly
HSBC Bank plc - England	Cash flows from sale of cardboard and lumber to Europe	US\$	1,054	EUR	935	119	Quarterly
HSBC Bank plc - England	Cash flows from sale of cardboard and lumber to Europe	US\$	1,054	EUR	940	114	Quarterly
HSBC Bank plc - England	Cash flows from sale of cardboard and lumber to Europe	US\$	1,054	EUR	945	109	Quarterly
HSBC Bank plc - England	Cash flows from sale of cardboard and lumber to Europe	US\$	1,054	EUR	950	104	Quarterly
<b>TOTAL</b>			<b>183,795</b>		<b>158,479</b>	<b>25,316</b>	

Hedges are documented and tested to measure their effectiveness.

Based on a comparison of critical terms, the hedges are highly effective since the hedged amounts coincide with the proportion of sales and with obligations with the public and banks. Hedging contracts coincide with the currency in which sales and obligations are denominated and coincide in their termination date with the expected termination date of sales and payment obligations, i.e. the first quarter of 2016 and the fourth quarter of 2018 in the case of sale of cardboard and lumber, December 2022 for bank obligations and 2024 in the case of obligations with the public.

For cash flow hedges settled during the year ended December 31, 2015 profit of ThUS\$ 9,070 (profit recorded in revenue in the amount of ThUS\$ 7,261 and profit recorded in foreign currency translation differences in the amount of ThUS\$ 1,809) was transferred from the cash flow hedging reserve to the income statement. In turn the sum of ThUS\$ 16,581 was charged to property, plant and equipment (building in progress) due to the settlement of hedging instruments associated to the Guaíba industrial project in Brazil.

For cash flow hedges settled during the year ended December 31, 2014 a net profit of ThUS\$ 12,614 (profit recorded in revenue in the amount of ThUS\$ 5,161 and profit recorded in foreign currency translation differences in the amount of ThUS\$ 7,453) was transferred from the cash flow hedging reserve to income. In turn, the sum of ThUS\$ 57,821 was charged to property, plant and equipment (building in progress) due to the settlement of hedging instruments associated to the Guaíba industrial project in Brazil.

During the years ended December 31, 2015 and 2014 no inefficiencies have been recognized for hedging instruments in the respective income statements.

## 8.4. FAIR VALUE HIERARCHY

The financial assets recorded at fair value in the statement of financial position, have been measured using the methodologies stated in IFRS 13. The following parameters have been considered for the purpose of applying criteria for determining the fair value of financial assets:

Level I: Values or prices quoted in active markets for identical assets and liabilities.

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

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

As of December 31, 2015 and 2014 financial and hedging assets measured at fair value are detailed as follows:

FINANCIAL INSTRUMENTS AT FAIR VALUE	HIERARCHY USED TO DETERMINE FAIR VALUE		
	LEVEL I THUS\$	LEVEL II THUS\$	LEVEL III THUS\$
<b>BALANCE AS OF DECEMBER 31, 2015</b>			
Investment in mutual funds	382	-	-
Currency forward transactions	-	1,409	-
Hedging assets	-	58,565	-
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE</b>	<b>382</b>	<b>59,974</b>	<b>-</b>
<b>BALANCE AS OF DECEMBER 31, 2014</b>			
Investment in mutual funds	401	-	-
Cross-currency swap transactions	-	43,552	-
Currency forward transactions	-	4,819	-
Hedging assets	-	26,513	-
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE</b>	<b>401</b>	<b>74,884</b>	<b>-</b>

## NOTE 9 – OTHER NON-FINANCIAL ASSETS

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

DESCRIPTION	12/31/2015 THUS\$	12/31/2014 THUS\$
<b>CURRENT</b>		
Current insurance	15,069	16,092
Deferred expenses	2,620	3,969
Other	3,428	1,977
<b>TOTAL</b>	<b>21,117</b>	<b>22,038</b>
<b>NON-CURRENT</b>		
Advance to Fibria Celulose S.A. for Losango - Brazil land (1)	234,097	233,639
Guarantee bond Losango - Brazil land (1)	65,813	65,813
Guarantees receivable from Melpaper S.A. (Melhoramentos CMPC Ltda.)	1,342	2,415
Discounts receivable from Metrogas S.A.	1,968	1,968
Investments in other companies	1,039	640
Other	13,330	9,182
<b>TOTAL</b>	<b>317,589</b>	<b>313,657</b>

(1) Subsidiary CMPC Celulose Riograndense Ltda. and Fibria Celulose S.A. signed an agreement that consists of CMPC Riograndense acquiring:

- Land located in the Brazilian State of Rio Grande do Sul (the "Losango Land"), which covers a surface of approximately 100,000 hectares, with approximately 38,000 hectares currently planted with eucalyptus.
- Forestry projections ("vuelos") currently planted in the Losango Land, and the right to manage and exploit the Losango Land with new plantations.
- Certain third party forest land lease contracts and forestry projections ("vuelos") currently planted in them over a surface of approximately 1,300 hectares.

The transaction is subject to compliance with the usual conditions for this type of transaction, including obtaining authorizations required in accordance with the laws of Brazil.

# FINANCIAL STATEMENTS 2015

## NOTE 10 - TRADE AND OTHER ACCOUNTS RECEIVABLE

### 10.1. CURRENT TRADE AND OTHER ACCOUNTS RECEIVABLE ARE DETAILED AS FOLLOWS:

ACCOUNTS	12/31/2015		12/31/2014	
	THUS\$	%	THUS\$	%
Domestic market customers	176,478		215,438	
Less impairment provision	(5,113)		(5,685)	
DOMESTIC MARKET CUSTOMERS, NET	171,365	18.4	209,753	23.9
Export customers	472,641		378,354	
Less impairment provision	(2,570)		(2,104)	
EXPORT CUSTOMERS, NET	470,071	50.7	376,250	43.0
Foreign subsidiaries customers	206,110		221,727	
Less impairment provision	(1,328)		(4,090)	
FOREIGN SUBSIDIARIES CUSTOMERS, NET	204,782	22.1	217,637	24.9
Domestic and export market documents	20,676		23,843	
Less impairment provision	(38)		(63)	
DOMESTIC AND EXPORT MARKET DOCUMENTS, NET	20,638	2.2	23,780	2.7
Foreign subsidiary documents, net	15,227	1.6	10,899	1.2
Advances to suppliers	17,655	1.9	10,969	1.3
Current accounts with third parties	4,271	0.5	5,946	0.7
Insurance claims	586	0.1	665	0.1
Current accounts with employees	10,515	1.1	11,451	1.3
Other	12,577	1.4	7,638	0.9
<b>TOTAL TRADE AND OTHER ACCOUNTS RECEIVABLE</b>	<b>927,687</b>	<b>100.0</b>	<b>874,988</b>	<b>100.0</b>

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

AGING	NET VALUES		GROSS VALUES	
	12/31/2015 THUS\$	12/31/2014 THUS\$	12/31/2015 THUS\$	12/31/2014 THUS\$
Current accounts receivable	795,347	728,317	795,347	728,317
Up to 30 days overdue	103,635	113,973	103,635	113,973
From 31 to 60 days overdue	15,618	15,946	15,618	18,128
From 61 to 90 days overdue	4,055	5,541	4,055	5,791
From 91 to 120 days overdue	2,423	4,575	2,535	4,615
From 121 to 150 days overdue	1,074	787	1,074	893
From 151 to 180 days overdue	965	662	965	714
From 181 to 210 days overdue	236	832	610	1,023
From 211 to 250 days overdue	322	585	407	634
More than 250 days overdue (in judicial process)	4,012	3,770	12,490	12,842
<b>TOTAL PORTFOLIO</b>	<b>927,687</b>	<b>874,988</b>	<b>936,736</b>	<b>886,930</b>

As of December 31, 2015 current debt includes five renegotiated customers in the amount of ThUS\$ 643 (ThUS\$ 56 as of December 31, 2014).

An estimated impairment loss has been recognized for trade accounts receivable overdue for more than 90 days (mainly wholesale customers that are having unforeseen economic difficulties), which takes into account recovering part of those overdue accounts receivable.



The movement of current trade and other accounts receivable by currency is detailed as follows:

MONEDAS		12/31/2015 THUS\$	12/31/2014 THUS\$
Chilean peso	CLP	165,054	176,606
Unite States dollar	US\$	535,465	462,498
Euro	EUR	14,428	18,517
Argentinean peso	ARS	52,940	53,477
Uruguayan peso	UYU	7,026	7,181
Peruvian new sol	PEN	27,741	28,504
Colombian peso	COP	7,445	9,286
Mexican peso	MXN	44,595	44,854
Brazilian real	BRL	65,766	64,463
Sterling pound	GBP	7,227	9,602
TOTAL PORTFOLIO, NET		927,687	874,988
PLUS IMPAIRMENT PROVISION		9,049	11,942
TOTAL PORTFOLIO, GROSS		936,736	886,930

The movement of the impairment loss provision on trade and other accounts receivable is detailed as follows:

DESCRIPTION	12/31/2015 THUS\$	12/31/2014 THUS\$
Beginning balance	11,942	16,662
Impairment loss	2,384	5,219
Reversal of impairment loss	(3,174)	(586)
Uses	(857)	(7,678)
Foreign currency translation differences	(1,246)	(1,675)
ENDING BALANCE	9,049	11,942

For the year ended December 31, 2015 an allowance for doubtful accounts was accrued on the basis of a case-by-case evaluation of the effective recoverability in the amount of ThUS\$ 2,384 (ThUS\$ 5,219 in 2014) which was recognized as an expense under administrative expenses in the income statement. Reversal of impairment losses is due to a change in the risk of non-recovery of certain customers. Normally, amounts charged to the allowance account are written-off when there is no longer any expectation of recovering more cash.

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

## 10.2. NON-CURRENT ACCOUNTS RECEIVABLE ARE DETAILED AS FOLLOWS:

ACCOUNTS	12/31/2015		12/31/2014	
	THUS\$	%	THUS\$	%
Lumber supplier advances	2,125	9.4	3,021	7.6
Accounts receivable from Guaiba Municipality - Brazil	18,765	82.6	23,327	58.4
Guarantee receivable from Fibria S.A. - Brazil	-	-	10,593	26.6
Other	1,805	8.0	2,945	7.4
TOTAL	22,695	100.0	39,886	100.0

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## NOTE 11 - ACCOUNTS RECEIVABLE FROM RELATED PARTIES

As of each year-end accounts receivable from related parties are detailed as follows:

RELATED PARTY TAXPAYER NO.	RELATED PARTY NAME	NATURE OF RELATIONSHIP WITH RELATED PARTY	COUNTRY OF ORIGIN	ACCOUNTS RECEIVABLE DETAIL	PENDING BALANCES		TYPE OF CURRENCY	TERMS OF TRANSACTIONS WITH RELATED PARTY	EXPLANATION OF THE NATURE OF THE COMPENSATION ESTABLISHED TO SETTLE THE TRANSACTIONS
					12/31/2015 THUS\$	12/31/2014 THUS\$			
CURRENT ASSETS									
96.573.780-4	Sociedad Industrial Pizarreño S.A.	Common director at the entity or its parent	Chile	Sale of products	413	547	CLP	60 days	Monetary
86.113.000-2	Sociedad Industrial Romeral S.A.	Common director at the entity or its parent	Chile	Sale of products	1,127	1,239	CLP	30 days	Monetary
90.209.000-2	Cía. Industrial El Volcán S.A.	Common director at the entity or its parent	Chile	Sale of products	554	231	CLP	30 days	Monetary
96.772.810-1	Iansagro S.A.	Common director at the entity or its parent	Chile	Sale of products	-	81	CLP	30 days	Monetary
77.215.640-5	Administradora de Ventas al Detalle Ltda.	Common director at the entity or its parent	Chile	Sale of products	85	139	CLP	60 days	Monetary
85.805.200-9	Forestal Arauco S.A.	Common director at the entity or its parent	Chile	Sale of lumber	-	363	US\$	60 days	Monetary
78.023.030-4	Sofrucu Alimentos Ltda.	Common director at the entity or its parent	Chile	Sale of products	13	141	CLP	30 days	Monetary
96.848.750-7	Aislantes Volcán S. A.	Common director at the entity or its parent	Chile	Sale of products	36	90	CLP	30 days	Monetary
97.080.000-k	Banco Bice	Common director at the entity or its parent	Chile	Sale of products	15	10	CLP	30 days	Monetary
93.458.000-1	Celulosa Arauco y Constitución S.A.	Common director at the entity or its parent	Chile	Sale of materials	11	-	US\$	30 days	Monetary
96.929.960-7	Orizon S.A.	Common director at the entity or its parent	Chile	Sale of products	2	1	CLP	45 days	Monetary
96.656.410-5	Bice Vida Compañía de Seguros S.A.	Common director at the entity or its parent	Chile	Sale of products	3	5	CLP	30 days	Monetary
76.158.513-4	Puerto Central S.A.	Common director at the entity or its parent	Chile	Sale of products	3	-	CLP	30 days	Monetary
92.387.000-8	Sociedad Pesquera Landes S.A.	Common director at the entity or its parent	Chile	Sale of products	4	-	CLP	30 days	Monetary
TOTAL					2,266	2,847			

## NOTE 12 - INVENTORY

As of each year-end inventory is detailed as follows:

CLASSES OF INVENTORY	12/31/2015 THUS\$	12/31/2014 THUS\$
Finished products	444,771	411,608
Work in progress	53,588	39,738
Raw materials	255,669	254,436
Production supplies	301,799	316,231
Agricultural and other products	23,233	26,559
Inventory impairment provision	(12,532)	(11,225)
<b>TOTAL</b>	<b>1,066,528</b>	<b>1,037,347</b>

The cost of inventory recognized as cost of sales for the year ended December 31, 2015 amounts to ThUS\$ 3,318,130 (ThUS\$ 3,353,908 in 2014).

The movement of the inventory impairment provision is detailed as follows:

	12/31/2015 THUS\$	12/31/2014 THUS\$
Beginning balance	11,225	10,017
Increase for the year	7,890	7,088
Inventory write-off (provision used)	(4,392)	(3,831)
Impairment reversal	(135)	(1,366)
Transfer of property, plant and equipment (spare parts) provision	(1,189)	-
Increase (decrease) from foreign currency translation differences	(867)	(683)
<b>ENDING BALANCE</b>	<b>12,532</b>	<b>11,225</b>

For the year ended as of December 31, 2015 the increase in the inventory impairment provision amounted to ThUS\$ 7,890 (ThUS\$ 7,088 in 2014).

Reversal of the impairment is originated by reuse, during the year, of inventory impaired in previous years.

During 2015 and 2014 no inventory items have been pledged as guarantee.

The carrying amount of inventory does not exceed current realizable prices, discounting sales expenses (net realizable value).

## NOTE 13 - BIOLOGICAL ASSETS

The biological assets of CMPC are composed of forest plantations. Forest plantations that management believes will be harvested during the year are classified as current biological assets.

As of each year-end, biological assets presented in the statement of financial position are detailed as follows:

	12/31/2015 THUS\$	12/31/2014 THUS\$
Current assets	415,197	345,684
Non-current assets	3,107,430	3,182,123
<b>TOTAL</b>	<b>3,522,627</b>	<b>3,527,807</b>

As of December 31, 2015 and 2014 movement of biological assets (increase, decrease and balances) are detailed as follows:

DESCRIPTION	12/31/2015 THUS\$	12/31/2014 THUS\$
<b>COST VALUE</b>		
Beginning balance as of January 1	1,274,411	1,310,791
Additions through acquisitions from third parties and new plantations	107,844	85,289
Sale of standing timber plantations	(11,330)	(1,895)
Transfer of plantations and lumber inventory (logs)	(132,341)	(115,258)
Write-offs due to forestry casualties	(10,399)	(4,516)
<b>ENDING BALANCE COST VALUE</b>	<b>1,228,185</b>	<b>1,274,411</b>
<b>FAIR VALUE ADJUSTMENT</b>		
Beginning balance as of January 1,	2,253,396	2,247,495
Profit on adjustment to fair value, less estimated costs at point of sale:		
Attributable to physical changes	411,196	226,875
Attributable to price changes	(138,623)	(39,681)
Transfer of plantations to lumber inventory (logs)	(195,299)	(173,693)
Sale of standing timber plantations	(6,658)	(4,115)
Write-offs due to forestry casualties	(29,570)	(3,485)
<b>FINAL ADJUSTMENT TO FAIR VALUE BALANCE</b>	<b>2,294,442</b>	<b>2,253,396</b>
<b>TOTAL BIOLOGICAL ASSETS</b>	<b>3,522,627</b>	<b>3,527,807</b>

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CMPC has more than 628,000 hectares of forest plantations, mainly pine and eucalyptus, of which 470,000 hectares are located in Chile, 57,000 hectares in Argentina and 101,000 hectares in Brazil.

As of December 31, 2015 new plantations established reached 37,575 hectares (31,472 hectares were established in 2014, including reforestation of harvested forests).

As of each year-end, the effect of the natural growth of forest plantations, expressed at fair value (sales price less estimated costs at point of sale), is recorded according to technical studies prepared by qualified professionals. The resulting higher or lower value is recorded in other income by function in the income statement. This income for the year ended as of December 31, 2015 reached ThUS\$ 272,573 (ThUS\$ 187,194 in 2014). The higher cost of the harvested and sold part is shown as part of cost of sales and amounts to ThUS\$ 197,082 as of December 31, 2015 (ThUS\$ 204,790 in 2014), along with the cost of formation of the harvested plantations which amounted to ThUS\$ 125,413 (ThUS\$ 85,274 in 2014).

Plantation harvest is used to supply raw materials to CMPC's different industrial pulp and paper plants, sawmills and panel plants, and to a lesser extent, to third parties.

The Company determines the value of its forest plantations using a model based on forest appraisal as a function of the discounted future cash flows that the plantation will produce according to the long-term harvesting programs and optimal harvesting age. This model determines fair values considering different variables such as future product prices, interest rates, harvesting and transportation costs and biological growth of the plantations, among others, which are reviewed periodically to ensure their validity and representativeness. These measurements are classified in Level II since the main entry data is observable in the market and others are obtained based on these, taking into account the following:

- Biological growth: to determine the volume of growth of plantations (yield) the Company uses a growth simulator that is generally and transversally used by the forestry industry, developed by companies in the sector in conjunction with Universidad de Concepción. The values provided by this model are used by companies in the respective valuations.
- Harvesting and transportation cost: the Company deems that these variables are observable in the market and more specifically, are taken from the market due to how they are generated and supported. Both costs are taken from the market in open tenders for services (for example, harvesting tender, published in the newspapers El Mercurio and Sur de Concepción in January 2016, in the same manner as in previous processes, with nine bidding companies and four in the final bid study process). These rates are ultimately incorporated as variables in the valuation model.
- Other entry data observable in the market are log prices and interest rates.

During the year ended as of December 31, 2015 the Company did not receive official subsidies relating to biological assets (ThUS\$ 163 received in official subsidies in 2014).

The Company has usufruct contracts with third parties amounting to ThUS\$ 133,611 (ThUS\$ 128,512 in 2014) which cover 38,000 hectares of plantations (39,000 hectares in 2014).

## NOTE 14 - CURRENT AND NON-CURRENT TAX ASSETS AND LIABILITIES

Current tax assets are detailed as follows:

DESCRIPTION	12/31/2015 THUS\$	12/31/2014 THUS\$
VAT surplus (tax credit)	93,051	56,694
Recoverable tax on profits absorbed by tax losses for the year	-	668
Balance of monthly prepaid tax installments net of income tax for the year	6,121	29,140
Other income taxes in the process of being recovered	21,578	21,491
<b>TOTAL</b>	<b>120,750</b>	<b>107,993</b>



Current tax liabilities are detailed as follows:

DESCRIPTION	12/31/2015 THUS\$	12/31/2014 THUS\$
Balance of income tax payable net of monthly prepaid tax installments for the year	60,354	31,713
Balance of income tax payable, net of monthly prepaid installments for the previous year	494	-
<b>TOTAL</b>	<b>60,848</b>	<b>31,713</b>

The reconciliation of the income tax balance to expenses for the year is detailed as follows:

DESCRIPTION	12/31/2015 THUS\$	12/31/2014 THUS\$
Balance of monthly prepaid tax installments net of income tax for the year	6,121	29,140
<b>LESS:</b>		
Income tax payable, net of monthly prepaid tax installments	(60,354)	(31,713)
<b>NET BALANCE OF INCOME TAX NET OF MONTHLY PREPAID TAX INSTALLMENTS</b>	<b>(54,233)</b>	<b>(2,573)</b>
Current tax	(171,245)	(109,292)
<b>LESS:</b>		
Monthly prepaid tax installments for the year	117,012	106,719
<b>NET BALANCE OF INCOME TAXES NET OF MONTHLY PREPAID TAX INSTALLMENTS FOR THE YEAR</b>	<b>(54,233)</b>	<b>(2,573)</b>

Non-current, current tax assets are detailed as follows:

DESCRIPTION	12/31/2015 THUS\$	12/31/2014 THUS\$
Other taxes in recovery process associated to sales and services (Argentina and Brazil)	55,467	100,454
<b>TOTAL</b>	<b>55,467</b>	<b>100,454</b>

Non-current, current tax liabilities are detailed as follows:

DESCRIPTION	12/31/2015 THUS\$	12/31/2014 THUS\$
Balance payable on taxes associated to sales and services (Argentina and Brazil)	2,867	8,809
<b>TOTAL</b>	<b>2,867</b>	<b>8,809</b>

## NOTE 15 - CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of Empresas CMPC S.A. include all companies that qualify as subsidiaries and are 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 is detailed as follows:

ASSETS AND LIABILITIES OF SIGNIFICANT SUBSIDIARIES	12/31/2015		12/31/2014	
	ASSETS THUS\$	LIABILITIES THUS\$	ASSETS THUS\$	LIABILITIES THUS\$
Current	3,142,113	2,280,942	4,302,829	2,760,904
Non-current	20,069,204	8,760,824	19,193,585	8,160,621
<b>TOTAL</b>	<b>23,211,317</b>	<b>11,041,766</b>	<b>23,496,414</b>	<b>10,921,525</b>

OPERATING INCOME AND EXPENSES	YEAR	
	2015 THUS\$	2014 THUS\$
Sum of operating income of subsidiaries	3,500,007	3,234,956
Sum of other income statement items	(3,478,030)	(2,927,723)
<b>PROFITS OF SIGNIFICANT SUBSIDIARIES FOR THE YEAR</b>	<b>21,977</b>	<b>307,233</b>

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The separate information of the most significant subsidiaries at a segment level, included in the consolidation perimeter expressed in thousands of dollars (ThUS\$) is detailed as follows:

	FORESTAL MININCO S.A.		CMPC CELULOSA S.A.		CMPC TISSUE S.A.	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Country of incorporation	Chile	Chile	Chile	Chile	Chile	Chile
Functional currency	US\$	US\$	US\$	US\$	CLP	CLP
Percentage of interest	100%	100%	100%	100%	100%	100%
Total assets	3,667,652	3,824,416	5,007,675	4,737,726	1,290,515	1,276,123
Current assets	303,765	322,702	755,276	589,248	224,119	220,338
Non-current assets	3,363,887	3,501,714	4,252,399	4,148,478	1,066,396	1,055,785
Total liabilities	886,482	963,375	3,004,890	2,891,007	940,824	740,741
Current liabilities	154,558	215,377	389,843	847,556	693,427	502,388
Non-current liabilities	731,924	747,998	2,615,047	2,043,451	247,397	238,353
Operating income	415,428	444,475	1,780,320	1,561,308	493,667	519,721
Profits (losses)	(81,674)	(9,214)	160,210	219,225	(88,437)	(52,801)

	CARTULINAS CMPC S.A.		INVERSIONES CMPC S.A.		CMPC CELULOSE RIOGRANDENSE LTDA.	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Country of incorporation	Chile	Chile	Chile	Chile	Brazil	Brazil
Functional currency	US\$	US\$	US\$	US\$	US\$	US\$
Percentage of interest	100%	100%	100%	100%	100%	100%
Total assets	677,575	666,327	8,556,234	9,467,562	4,011,666	3,524,260
Current assets	332,468	324,211	1,158,430	2,608,534	368,055	237,796
Non-current assets	345,107	342,116	7,397,804	6,859,028	3,643,611	3,286,464
Total liabilities	129,683	137,667	4,097,740	4,433,190	1,982,147	1,755,545
Current liabilities	52,634	61,154	485,341	835,392	505,139	299,037
Non-current liabilities	77,049	76,513	3,612,399	3,597,798	1,477,008	1,456,508
Operating income	373,463	441,215	3,778	4,919	433,351	250,294
Profits (losses)	19,898	48,646	76,434	134,864	(64,454)	(33,487)

Accounts receivable and payable of the parent company CMPC with the most significant subsidiaries are detailed as follows:

## ACCOUNTS RECEIVABLE

RELATED PARTY TAXPAYER NO.	RELATED PARTY NAME	COUNTRY OF ORIGIN	ACCOUNT RECEIVABLE DESCRIPTION	PENDING BALANCES		TYPE OF CURRENCY	TERMS OF TRANSACTIONS WITH RELATED PARTIES	NATURE OF COMPENSATION USED TO SETTLE THE TRANSACTION
				12/31/2015 THUS\$	12/31/2014 THUS\$			
CURRENT ASSETS								
96.532.330-9	CMPC Celulosa S.A.	Chile	Services	339	1,200	CLP	30 days	Monetary
96.529.310-8	CMPC Tissue S.A.	Chile	Brand rental	19,384	21,827	CLP	30 days	Monetary
			Services	160	446	CLP	30 days	Monetary
96.731.890-6	Cartulinas CMPC S.A.	Chile	Services	74	283	CLP	30 days	Monetary
96.596.540-8	Inversiones CMPC S.A.	Chile	Loans	224,902	290,311	CLP	30/360 days	Monetary

## ACCOUNTS PAYABLE

RELATED PARTY TAXPAYER NO.	RELATED PARTY NAME	COUNTRY OF ORIGIN	ACCOUNT PAYABLE DESCRIPTION	PENDING BALANCES		TYPE OF CURRENCY	TERMS OF TRANSACTIONS WITH RELATED PARTIES	NATURE OF COMPENSATION USED TO SETTLE THE TRANSACTION
				12/31/2015 THUS\$	12/31/2014 THUS\$			
CURRENT LIABILITIES								
96.532.330-9	CMPC Celulosa S.A.	Chile	Services	4	9	US\$	30 days	Monetary
96.731.890-6	Cartulinas CMPC S.A.	Chile	Loans	2	-	US\$	30 days	Monetary
96.596.540-8	Inversiones CMPC S.A.	Chile	Loans	28	92	CLP	30/360 days	Monetary
96.529.310-8	CMPC Tissue S.A.	Chile	Loans	6	48	CLP	30 days	Monetary
NON-CURRENT LIABILITIES								
96.596.540-8	Inversiones CMPC S.A.	Chile	Loans	244,439	286,009	CLP	December 2018	Monetary
			Loans	51,652	51,652	US\$	December 2018	Monetary

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

RELATED PARTY TAXPAYER NO.	NAME	COUNTRY OF ORIGIN	DESCRIPTION OF TRANSACTION WITH RELATED PARTY	NATURE OF TRANSACTION WITH RELATED PARTY	AMOUNT OF THE TRANSACTION		OTHER INFORMATION ON TRANSACTIONS WITH RELATED PARTIES
					AS OF 12/31/2015 THUS\$	AS OF 12/31/2014 THUS\$	
96.596.540-8	Inversiones CMPC S.A.	Chile	Loans and interest	Financial transaction	25,637	177,536	Effects on income: 12/2015 expenses of ThUS\$ 3,912; 12/2014 expenses of ThUS\$ 8,365
			Sale of services	Commercial transaction	989	956	Effects on income: 12/2015 income of ThUS\$ 989; 12/2014 income of ThUS\$ 956
			Purchase of services	Commercial transaction	9	50	Effects on income: 12/2015 expenses of ThUS\$ 9; 12/2014 expenses of ThUS\$ 50
96.529.310-8	CMPC Tissue S.A.	Chile	Collection of brand rental	Commercial transaction	16,354	17,917	Effects on income: 12/2015 income of ThUS\$ 16,354; 12/2014 income of ThUS\$ 17,917
			Purchase of services	Commercial transaction	2	2	Effects on income: 12/2015 expenses of ThUS\$ 2; 12/2014 expenses of ThUS\$ 2
			Sale of Services	Commercial transaction	200	221	Effects on income: 12/2015 income of ThUS\$ 200; 12/2014 income of ThUS\$ 221
			Rentals	Commercial transaction	171	185	Effects on income: 12/2015 income of ThUS\$ 171; 12/2014 income of ThUS\$ 185
96.532.330-9	CMPC Celulosa S.A.	Chile	Sale of Services	Commercial transaction	291	831	Effects on income: 12/2015 income of ThUS\$ 291; 12/2014 income of ThUS\$ 831
			Rentals	Commercial transaction	7	-	Effects on income: 12/2015 expenses of ThUS\$ 7
			Rentals	Commercial transaction	484	581	Effects on income: 12/2015 income of ThUS\$ 484; 12/2014 income of ThUS\$ 581
96.731.890-6	Cartulinas CMPC S.A.	Chile	Rentals	Commercial transaction	158	173	Effects on income: 12/2015 income of ThUS\$ 158; 12/2014 income of ThUS\$ 173
			Sale of Services	Commercial transaction	77	71	Effects on income: 12/2015 income of ThUS\$ 77; 12/2014 income of ThUS\$ 71
91.440.000-7	Forestal Mininco S.A.	Chile	Loans and interest	Financial transaction	-	372	No effect on income
			Rentals	Commercial transaction	64	72	Effects on income: 12/2015 income of ThUS\$ 64; 12/2014 income of ThUS\$ 72
			Sale of Services	Commercial transaction	133	199	Effects on income: 12/2015 income of ThUS\$ 133; 12/2014 income of ThUS\$ 199

## NOTE 16 - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

CMPC has investments in associated companies whose line of business contemplates activities that are complementary to the industrial and commercial activities of CMPC.

Consorcio Protección Fitosanitaria Forestal S.A. is a company formed by the main forestry companies in Chile, for pest control purposes.

Genómica Forestal S.A. is a company dedicated to research in Chile, which contributes to increasing the competitiveness in the forestry sector.

Bioenercel S.A. is a company whose line of business is the conversion of lignocelluloses biomass into biofuel.

In accordance with IAS 28, these investments are recorded using the equity method. The Company recognized its corresponding share of profits and losses in these companies, based on its share participation.

Commercial transactions with these companies or with their related companies are carried out at current local market prices, under fully competitive conditions and when unrealized profits exist, they are eliminated.

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The share of CMPC in its associates is detailed as follows:

TAXPAYER NO.	NAME	COUNTRY OF ORIGIN	FUNCTIONAL CURRENCY	INTEREST %	COMPANY EQUITY THUS\$	INCOME FOR THE YEAR THUS\$	ACCRUED INCOME THUS\$	CARRYING AMOUNT OF INVESTMENT THUS\$
<b>BALANCE AS OF DECEMBER 31, 2015</b>								
96.657.900-5	Consorcio Protección Fitosanitaria Forestal S.A.	Chile	CLP	29.010	490	13	4	142
76.743.130-9	Genómica Forestal S.A.	Chile	CLP	25.283	162	(28)	(7)	41
76.077.468-5	Bioenercel S.A.	Chile	CLP	20.000	334	901	180	67
<b>TOTAL</b>					<b>986</b>	<b>886</b>	<b>177</b>	<b>250</b>
<b>BALANCE AS OF DECEMBER 31, 2014</b>								
96.657.900-5	Consorcio Protección Fitosanitaria Forestal S.A.	Chile	CLP	29.010	567	(27)	(8)	164
76.743.130-9	Genómica Forestal S.A.	Chile	CLP	25.283	431	-	-	109
76.077.468-5	Bioenercel S.A.	Chile	CLP	20.000	1,072	(480)	(96)	215
<b>TOTAL</b>					<b>2,070</b>	<b>(507)</b>	<b>(104)</b>	<b>488</b>

The significant influence that the Company exercises over its associated companies is in accordance with what is established in IAS 28.

As of December 31, 2015 and 2014 the assets and liabilities of associated companies are detailed as follows:

ASSETS AND LIABILITIES OF ASSOCIATES	12/31/2015		12/31/2014	
	ASSETS THUS\$	LIABILITIES THUS\$	ASSETS THUS\$	LIABILITIES THUS\$
Current	333	110	2,932	3,524
Non-current	1,006	243	3,305	643
<b>TOTAL</b>	<b>1,339</b>	<b>353</b>	<b>6,237</b>	<b>4,167</b>

As of each year-end, operating expenses and revenues of associated companies are detailed as follows:

OPERATING INCOME AND EXPENSES	YEAR	
	2015 THUS\$	2014 THUS\$
Sum of operating income of associates	828	982
Sum of other income statement items	58	(1,489)
<b>PROFIT (LOSS) OF ASSOCIATES FOR THE YEAR</b>	<b>886</b>	<b>(507)</b>

As of December 31, 2015 and 2014 movements of investments accounted for using the equity method are detailed as follows:

DESCRIPTION	12/31/2015 THUS\$	12/31/2014 THUS\$
Beginning balance as of January 1	488	660
Equity changes in associates	(415)	(68)
Share in income for the year	177	(104)
<b>ENDING BALANCE</b>	<b>250</b>	<b>488</b>



## NOTE 17 - INTANGIBLE ASSETS OTHER THAN GOODWILL

As of December 31, 2015 and 2014 balances and movements of the main types of intangible assets are detailed as follows:

	WATER RIGHTS THUS\$	EMISSION ENTITLEMENTS THUS\$	ELECTRIC LINE EASEMENTS THUS\$	SOFTWARE THUS\$	TRADEMARKS THUS\$	TOTAL THUS\$
Beginning balance as of 01/01/2015	3,165	2,416	5,123	4,648	344	15,696
Additions	106	-	82	1,744	-	1,932
Amortization	-	-	-	(1,559)	-	(1,559)
Transfer to trade and other accounts receivable, current	-	-	-	(1,096)	(10)	(1,106)
Variation from foreign currency translation differences	-	(158)	-	(246)	-	(404)
<b>ENDING BALANCE AS OF 12/31/2015</b>	<b>3,271</b>	<b>2,258</b>	<b>5,205</b>	<b>3,491</b>	<b>334</b>	<b>14,559</b>
Beginning balance as of 01/01/2014	3,229	2,469	5,123	3,739	344	14,904
Additions	24	102	-	2,485	-	2,611
Amortization	-	-	-	(1,371)	-	(1,371)
Transfer to trade and other accounts receivable, current	(88)	-	-	-	-	(88)
Variation from foreign currency translation differences	-	(155)	-	(205)	-	(360)
<b>ENDING BALANCE AS OF 12/31/2014</b>	<b>3,165</b>	<b>2,416</b>	<b>5,123</b>	<b>4,648</b>	<b>344</b>	<b>15,696</b>

Intangible assets corresponding to software are amortized in the year in which the Company expects to generate income from their use (average useful lives of three years), with a charge to amortization expenses under cost of sales in the income statement. The remaining identifiable intangible assets have indefinite useful lives, with no restrictions on use or dominion.

## NOTE 18 - GOODWILL

As of each year-end, the balance of goodwill is detailed as follows:

INVESTOR	INVESTE / CGU	ORIGINAL CURRENCY	12/31/2015 THUS\$	12/31/2014 THUS\$
Inversiones CMPC S.A.	CMPC Celulosa S.A., Pacifico Pulp Plant	US\$	51,081	51,081
Inversiones Protisa S.A.	La Papelera del Plata S.A., Zárate, Naschel and Roca Plants	ARS	4,532	6,881
Inversiones CMPC S.A.	CMPC Celulosa S.A., Santa Fe 1 Pulp Plant	US\$	254	254
Inversiones CMPC S.A.	Forsac S.A., Chillán Plant	US\$	5,854	5,854
CMPC Papeles S.A.	Chilena de Moldeados S.A., Puente Alto Plant	US\$	2,644	2,644
CMPC Papeles S.A.	Envases Impresos S.A., Quilicura (ERA) Plant	US\$	3,114	3,114
Forestry subsidiaries - Chile	C.A. y F. El Proboste Ltda., El Proboste Farms	US\$	221	221
CMPC Tissue S.A.	Grupo ABS International S.A. de CV, Mexico Plants	MXN	546	638
Melhoramentos CMPC Ltda.	Melhoramentos CMPC Ltda., Sao Paulo Plants	BRL	30,546	44,908
CMPC Celulose Riograndense Ltda.	Guaiba Unit, Brazil	US\$	8,460	8,460
<b>TOTAL</b>			<b>107,252</b>	<b>124,055</b>

Goodwill movements are detailed as follows:

GOODWILL	12/31/2015 THUS\$	12/31/2014 THUS\$
Beginning balance	124,055	132,291
Change due to foreign currency translation differences	(16,803)	(8,236)
<b>ENDING BALANCE</b>	<b>107,252</b>	<b>124,055</b>

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## NOTE 19 - PROPERTY, PLANT AND EQUIPMENT

As of each year-end the net and gross values of property, plant and equipment are detailed as follows:

	12/31/2015 THUS\$	12/31/2014 THUS\$
<b>PROPERTY, PLANT AND EQUIPMENT, NET</b>		
Work in progress	460,222	2,058,047
Land	1,436,980	1,450,578
Buildings	1,815,896	1,493,130
Plant and equipment	4,093,125	2,677,710
Office equipment	4,025	4,241
Fixtures and accessories	1,829	2,767
Transportation equipment	2,204	2,947
Leased property, plant and equipment	70,015	78,457
Other property, plant and equipment	37,843	39,788
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<b>7,922,139</b>	<b>7,807,665</b>
<b>PROPERTY, PLANT AND EQUIPMENT, GROSS</b>		
Work in progress	460,222	2,058,047
Land	1,436,980	1,450,578
Buildings	2,356,451	1,953,374
Plant and equipment	5,849,929	4,194,535
Office equipment	8,933	8,929
Fixtures and accessories	8,936	8,962
Transportation equipment	4,767	5,437
Leased property, plant and equipment	91,257	96,576
Other property, plant and equipment	68,160	67,904
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<b>10,285,635</b>	<b>9,844,342</b>

As of December 31, 2015 and 2014 accumulated depreciation by type of property, plant and equipment is detailed as follows:

DEPRECIATION	12/31/2015 THUS\$	12/31/2014 THUS\$
Buildings	540,555	460,244
Plant and equipment	1,756,804	1,516,825
Office equipment	4,908	4,688
Fixtures and accessories	7,107	6,195
Transportation equipment	2,563	2,490
Leased property, plant and equipment	21,242	18,119
Other property, plant and equipment	30,317	28,116
<b>TOTAL</b>	<b>2,363,496</b>	<b>2,036,677</b>

The accounting movement of net property, plant and equipment, is detailed as follows:

DESCRIPTION	WORK IN PROGRESS THUS\$	LAND THUS\$	BUILDINGS, NET THUS\$	PLANT & EQUIPMENT, NET THUS\$	OFFICE EQUIPMENT, NET THUS\$	FIXTURES & ACCESSORIES, NET THUS\$	TRANSPORTATION EQUIPMENT, NET THUS\$	LEASED PROPERTY, PLANT AND EQUIPMENT THUS\$	OTHER PROPERTY, PLANT AND EQUIPMENT, NET THUS\$	TOTAL THUS\$
<b>MOVEMENT IN 2015</b>										
Beginning balance as of January 1, 2015	2,058,047	1,450,578	1,493,130	2,677,710	4,241	2,767	2,947	78,457	39,788	7,807,665
Additions	662,648	5,369	-	-	-	-	-	-	4,240	672,257
Depreciation expense	-	-	(89,807)	(278,352)	(563)	(1,326)	(374)	(3,873)	(6,786)	(381,081)
Increase (decrease) from transfers from work in progress	(2,252,760)	4,124	457,937	1,787,052	528	435	(270)	(20)	2,974	-
Increase (decrease) in foreign exchange	(23,510)	(19,804)	(43,981)	(102,888)	(295)	(187)	(63)	(4,619)	(2,276)	(197,623)
Increase (decrease) from other changes	15,797	(3,287)	(1,383)	9,603	114	140	(36)	70	(97)	20,921
<b>ENDING BALANCE AS OF DECEMBER 31, 2015</b>	<b>460,222</b>	<b>1,436,980</b>	<b>1,815,896</b>	<b>4,093,125</b>	<b>4,025</b>	<b>1,829</b>	<b>2,204</b>	<b>70,015</b>	<b>37,843</b>	<b>7,922,139</b>
<b>ADDITIONAL INFORMATION FOR 2015</b>										
Disbursements recognized during construction	713,334	5,369	-	-	-	-	-	-	4,240	722,943
Carrying amount (gross) of fully depreciated goods in use	-	-	54,196	339,468	4,047	6,599	1,026	-	21,441	426,777
<b>MOVEMENT IN 2014</b>										
Beginning balance as of January 1, 2014	816,285	1,445,826	1,559,692	2,832,213	4,403	3,012	2,531	107,226	39,385	6,810,573
Additions	1,408,519	9,445	-	-	-	-	-	1,735	4,668	1,424,367
Depreciation expense	-	-	(85,197)	(248,234)	(623)	(1,245)	(349)	(4,387)	(8,324)	(348,359)
Increase (decrease) from transfers from work in progress	(188,603)	4,540	41,719	134,577	564	1,083	204	-	2,655	(3,261)
Increase (decrease) in foreign exchange	(35,975)	(9,233)	(26,173)	(66,587)	(196)	(124)	(39)	4,801	1,404	(132,122)
Increase (decrease) from other changes	57,821	-	3,089	25,741	93	41	600	(30,918)	-	56,467
<b>ENDING BALANCE AS OF DECEMBER 31, 2014</b>	<b>2,058,047</b>	<b>1,450,578</b>	<b>1,493,130</b>	<b>2,677,710</b>	<b>4,241</b>	<b>2,767</b>	<b>2,947</b>	<b>78,457</b>	<b>39,788</b>	<b>7,807,665</b>
<b>ADDITIONAL INFORMATION FOR 2014</b>										
Disbursements recognized during construction	1,486,740	9,445	-	8,050	-	-	-	1,735	4,668	1,510,638
Carrying amount (gross) of fully depreciated goods in use	-	-	43,963	255,889	3,342	5,727	1,411	-	9,635	319,967

New property, plant and equipment items are accounted for at acquisition cost. Acquisitions denominated in a currency other than the functional currency are converted at the exchange rate current as of the transaction date. Acquisitions made by subsidiaries whose functional currency is not the dollar, are accounted for at the value of their functional currency, re-expressing it in dollars, at the closing exchange rate for each year.

For the Guaíba II industrial project in Brazil, CMPC capitalized the interest of certain bank loans destined to financing the project up to completion of the construction:

	YEAR	
	2015	2014
Capitalized loans costs (ThUS\$)	13.933	18.032
Loan costs capitalization rate ( % )	1,34	0,94

As of December 31, 2015 the Company has no legal or contractual obligation to dismantle, remove or recondition sites where it carries out its operations. Therefore its assets do not incorporate costs associated to those requirements, except for subsidiary Protisa Ecuador S.A. which recorded ThUS\$ 624 for this concept.

In order to measure the main relevant property, plant and equipment, items acquired before the date of transition to IFRS, their fair value was determined on the basis of the valuation made by expert personnel. The historical cost model was used for the remaining property, plant and equipment items.

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Costs derived from daily maintenance and common repairs are recognized in income for the year, unlike the replacement of parts and spare parts with significant useful lives, which are capitalized and depreciated over the remaining useful lives of the main assets, based on component accounting.

Profits or losses from disposal of property, plant and equipment are calculated by comparing income obtained from the sale to the carrying amount of the asset and are included in the income statement.

Depreciation of assets is calculated using the straight-line method over their respective useful lives. Their useful lives have been determined on the basis of expected natural deterioration, technical or commercial obsolescence derived from changes and/or improvements in production and changes in market demand of products obtained in the operation of those assets.

As of December 31, 2015 and 2014 depreciation for the year is charged to income as follows:

	YEAR	
	2015 THUS\$	2014 THUS\$
Total depreciation expense	381,081	348,359
Adjustment for change in stock (absorption cost)	(8,955)	856
<b>TOTAL CHARGED TO INCOME (COST OF SALES)</b>	<b>372,126</b>	<b>349,215</b>

Estimated useful lives by type of asset are detailed as follows:

	MINIMUM USEFUL LIFE	MAXIMUM USEFUL LIFE	WEIGHTED AVERAGE USEFUL LIFE
Buildings	5	85	34
Plant and equipment	5	40	18
Other property, plant and equipment	3	20	10

The residual values and useful lives of assets are reviewed and adjusted, if necessary, at each financial statement closing date.

The fair value of property, plant and equipment items does not differ significantly from their carrying amounts.

## IMPAIRMENT:

The Company's profits in the year ended as of December 31, 2015 has not been influenced by internal or external factors that could make it advisable to carry out other impairment tests on the Company's assets. In general there have been no significant decreases in the market value of its assets, the use of the installed capacity has not been reduced, there has been no market loss for the products or services provided by the entity (due to quality, price, substitute products, etc.) nor have there been physical damages to the assets. The interest rate in the market or other investment yield rates have not increased significantly during the year, and those increases do not affect the discount rate used in the calculation of the value in use of the assets, or their recovery value.

## PROPERTY, PLANT AND EQUIPMENT IN GUARANTEE:

To guarantee to Banco Bice compliance with each and every one of the current and future obligations of Empresas CMPC S.A. and its subsidiaries, Empresas CMPC S.A. has placed a first mortgage on floors 1 to 9 and the basement of the corporate building located at Agustinas 1343 in Santiago. The value allocated for this purpose is ThUS\$ 13,111, as per public deed dated July 22, 2011, signed before Santiago Notary Public Mr. Francisco Javier Leiva Carvajal, repertoire 4,917.



## NOTE 20 - FINANCE AND OPERATING LEASES

### 20.1. FINANCE LEASES

All the Company's finance leases are for industrial assets classified as property, plant and equipment in the statement of financial position. The net carrying amount as of December 31, 2015 and 2014 is detailed as follows:

ASSETS UNDER FINANCE LEASE, NET	12/31/2015 THUS\$	12/31/2014 THUS\$
Buildings	14,218	15,038
Plant and equipment	55,797	63,415
transportation equipment	-	4
<b>TOTAL</b>	<b>70,015</b>	<b>78,457</b>

Minimum finance lease payments are detailed as follows:

FUTURE MINIMUM LEASE PAYMENTS OUTSTANDING	12/31/2015			12/31/2014		
	GROSS AMOUNT THUS\$	TOTAL INTEREST THUS\$	CURRENT VALUE THUS\$	GROSS AMOUNT THUS\$	TOTAL INTEREST THUS\$	CURRENT VALUE THUS\$
Payable within one year	3,286	303	2,983	12,454	1,395	11,059
After one year but less than 5 years	13,933	1,309	12,624	24,305	2,303	22,002
More than 5 years	36,226	2,779	33,447	30,118	1,551	28,567
<b>TOTAL</b>	<b>53,445</b>	<b>4,391</b>	<b>49,054</b>	<b>66,877</b>	<b>5,249</b>	<b>61,628</b>

The most significant current finance leases are detailed as follows:

#### CMPC CELULOSA S.A.

On October 22, 2004, 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 payments. The contract states that after 30 years the property, plant and equipment of the chlorate production plant become the property of CMPC Celulosa S.A. through the final payment of US\$ 1. The finance lease was therefore recorded effective from the starting date of operation (July 2006). This contract is reflected in assets under buildings and plant and equipment for ThUS\$ 34,167 and in liabilities under other current and non-current financial liabilities in the amount of ThUS\$ 35,115 (see Note 22.1).

#### FORSAC PERÚ S.A.

On April 20, 2011 subsidiary Forsac Perú S.A. signed a finance lease contract with Banco de Crédito del Perú for the acquisition of a Windmoller & Holscher production line for multi-ply paper sacks, a Fevaflex flexographic printer and an Eam-Mosca pallet packing automation system for a total amount of ThUS\$ 5,700 payable in 60 monthly installments with an annual interest rate of 4.30%. Upon expiration of the contract and through the payment of the last finance lease installment, Forsac Perú S.A. will be exercising the purchase option, thus acquiring full title to the above described assets. This contract is reflected in assets under plant and equipment for ThUS\$ 5,057, and in liabilities under other current and non-current financial liabilities in the amount of ThUS\$ 2,109 (see Note 22.1).

#### PROTISA PERÚ S.A.

On May 15, 2012, a loan was obtained from Banco de Crédito del Perú as a finance lease in order to expand the PP1-PP3 Recycling Lines for the amount of PEN 15,958,164 (ThUS\$ 4,676) payable in 60 monthly installments at an annual interest rate of 6.73%, expiring in April 2019. This contract is reflected in assets under property, plant and equipment in the amount of ThUS\$ 4,021 and in liabilities under other current and non-current financial liabilities in the amount of ThUS\$ 3,284 (see Note 22.1).

On December 27, 2012, a loan was obtained from Banco de Crédito del Perú as a finance lease for the construction of the Pañalera 40 machine for the amount of PEN 7,968,279 (ThUS\$ 2,335) payable in 60 monthly installments at an annual interest rate of 5.92% expiring in November 2019. This contract is reflected in assets under plant and equipment in the amount of ThUS\$ 1,752, and in liabilities under other current and non-current financial liabilities in the amount of ThUS\$ 1,591 (see Note 22.1).

On April 16, 2013, a loan was obtained from Banco de Crédito del Perú as a finance lease for the construction of a secondary industrial effluents treatment plant for the amount of PEN 5,875,232 (ThUS\$ 1,721) payable in 60 monthly installments at an annual interest rate of 5.50%, expiring in March 2019. This contract is reflected in assets under plant and equipment in the amount of ThUS\$ 1,453 and in liabilities under other current and non-current financial liabilities in the amount of ThUS\$ 1,172 (See Note 22.1).

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On December 27, 2013, a loan was obtained from Banco de Crédito del Perú as a finance lease for the construction of the Pañalera 30 machine for the amount of PEN 10,246,094 (ThUS\$ 3,002) payable in 60 monthly installments at an annual interest rate of 6.83% and expiring in January 2019. This operation is reflected in assets under plant and equipment in the amount of ThUS\$ 2,562, and in liabilities under other current and non-current financial liabilities in the amount of ThUS\$ 1,968 (see Note22.1).

On December 27, 2013, a loan was obtained from BBVA Banco Continental del Perú as a finance lease for the construction of the expansion of the L-100 roll conversion line for the amount of

PEN 14,466,308 (ThUS\$ 4,239) payable in 60 monthly installments at an annual interest rate of 5.35% expiring in December 2018. This contract is reflected in assets under plant and equipment in the amount of ThUS\$ 3,809, and in liabilities under other current and non-current financial liabilities in the amount of ThUS\$ 2,654 (see Note22.1).

Upon the expiration of each contract and with the payment of the last finance lease installment, Protisa Perú S.A. will be exercising the purchase option, acquiring with this full ownership of the described assets.

## 20.2. OPERATING LEASES

The main operating leases subscribed by the Company, with undefined terms or terms of more than one year, correspond to the following elements:

- Warehouse storage and other real estate leases
- Crane and loader leases
- Office equipment leases (computers, printers, photocopiers, etc.)
- Forestry area vehicles (pickup trucks) lease

Minimum future operating lease payments are composed as follows:

UNPAID FUTURE MINIMUM LEASE PAYMENTS	12/31/2015 THUS\$	12/31/2014 THUS\$
Payable in 12 months	32,823	31,757
After one year but less than five years	131,292	127,028
<b>TOTAL</b>	<b>164,115</b>	<b>158,785</b>

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

The operating lease payments recognized in the income statement are detailed as follows:

	YEAR	
	2015 THUS\$	2014 THUS\$
Lease and sublease installments recognized in the income statement	32,823	31,757

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

## NOTE 21 - DEFERRED TAXES

Deferred taxes correspond to the amount of income tax the Company will have to pay (liabilities) or recover (assets) in future years, relating to temporary differences between the tax basis and the carrying amount of certain assets and liabilities. The main deferred tax asset corresponds to the entitlement of companies to use tax losses accumulated at year-end in the future. The main deferred tax liabilities payable in future years correspond to temporary differences arising from the revaluation of biological assets (forest plantations) and the revaluation of property, plant and equipment as of the date of transition to IFRS and to the application of accelerated depreciation for tax purposes.

It should be noted that the financial and tax realization of previous year balances will be significantly produced in future years and arises, as previously indicated, from revaluation of non-current assets.

As of December 31, 2015 and 2014 deferred tax concepts are detailed as follows:

DESCRIPTION	12/31/2015 THUS\$	12/31/2014 THUS\$
Foreign currency translation differences	170,023	64,684
Tax losses	91,389	111,640
Provisions	45,254	41,157
Hedging liabilities	34,938	1,146
Other liabilities	26,805	14,850
Property, plant and equipment	(1,218,573)	(960,665)
Biological assets	(706,152)	(636,130)
Other assets	(72,284)	(17,405)
Inventory	(37,125)	(28,474)
Income accrued from a foreign source	(1,353)	(1,914)
<b>DEFERRED TAX NET BALANCE</b>	<b>(1,667,078)</b>	<b>(1,411,111)</b>

STATEMENT OF FINANCIAL POSITION	12/31/2015 THUS\$	12/31/2014 THUS\$
Deferred tax assets	46,942	43,240
Deferred tax liabilities	(1,714,020)	(1,454,351)
<b>DEFERRED TAX NET BALANCE</b>	<b>(1,667,078)</b>	<b>(1,411,111)</b>

The Company estimates that the recovery terms of gross deferred tax assets will be as follows:

DESCRIPTION	12/31/2015		12/31/2014	
	LESS THAN ONE YEAR THUS\$	MORE THAN ONE YEAR THUS\$	LESS THAN ONE YEAR THUS\$	MORE THAN ONE YEAR THUS\$
Tax losses	257	91,132	4	111,636
Foreign currency translation differences	13,662	156,361	-	64,684
Provisions	39,142	6,112	32,882	8,275
Hedging liabilities	-	34,938	-	1,146
Other liabilities	26,805	-	14,850	-
<b>TOTAL</b>	<b>79,866</b>	<b>288,543</b>	<b>47,736</b>	<b>185,741</b>

Deferred taxes on temporary differences between the tax and carrying amounts of investments in related companies have not been recorded. No deferred tax has therefore been recognized for conversion adjustments and adjustments of associates recorded directly in net equity, disclosed in the other comprehensive income statement.

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As of December 31, 2015, deferred tax assets arising from tax losses amount to ThUS\$ 91,389. These losses are chargeable to profits, generated in the future in companies which present this condition, detailed as follows:

SUBSIDIARIES	COUNTRY	DEFERRED TAX ON TAX LOSS		VARIATION WITH EFFECT ON INCOME CREDIT (CHARGE)	VARIATION W/O EFFECT ON INCOME (FOR. CURR. TRANSLATION DIFF.)
		12/31/2015 THUS\$	12/31/2014 THUS\$	12/31/2015 THUS\$	12/31/2014 THUS\$
CMPC Maderas S.A.	Chile	23,715	33,564	(9,849)	-
Melhoramentos CMPC Ltda.	Brazil	23,316	17,674	11,295	(5,653)
CMPC Celulose Riograndense Ltda.	Brazil	20,370	30,476	(10,106)	-
Drypers Andina S.A.	Colombia	8,171	10,353	479	(2,661)
Grupo ABS Internacional S.A. de C.V.	Mexico	6,153	7,829	(544)	(1,132)
Protisa Colombia S.A.	Colombia	3,792	4,793	249	(1,250)
Envases Impresos S.A.	Chile	3,713	4,989	(1,276)	-
Forsac México S.A.	Mexico	1,761	1,573	188	-
Constructora e Inmobiliaria San Roque S.A.	Ecuador	257	4	253	-
Productos Tissue del Ecuador S.A.	Chile	114	354	(240)	-
CMPC Inversiones de Argentina S.A.	Argentina	19	23	4	(8)
Forestal Timbauva S.A.	Argentina	8	8	-	-
<b>TOTAL</b>		<b>91,389</b>	<b>111,640</b>	<b>(9,547)</b>	<b>(10,704)</b>

Tax losses that can be charged against future earnings generated in companies established in Chile, Brazil and Colombia do not have expiration dates. However, the tax losses of companies established in Mexico expire in 10 years and for companies established in Argentina and Ecuador tax losses expire in 5 years. Based on the normal course of business and projections, management estimates that almost all the tax losses will be used in future years.

Deferred tax movements for the year are detailed as follows:

CHANGE IN DEFERRED TAXES	12/31/2015 THUS\$	12/31/2014 THUS\$
Deferred taxes, beginning balance January 1	(1,411,111)	(978,706)
Tax losses	(20,251)	8,724
Foreign currency translation differences	105,339	15,104
Provisions	4,097	11,239
Hedging liabilities	33,792	(2,212)
Other liabilities	11,955	7,252
Property, plant and equipment	(257,908)	(303,843)
Biological assets	(70,022)	(146,139)
Other assets	(54,879)	(2,856)
Inventory	(8,651)	(18,111)
Income accrued from foreign source	561	(1,632)
Hedging assets	-	69
<b>ENDING BALANCE</b>	<b>(1,667,078)</b>	<b>(1,411,111)</b>



Temporary differences that generated deferred taxes in 2015 and their effect on the income statement are detailed as follows:

TYPE OF TEMPORARY DIFFERENCE	DEFERRED TAXES RECOGNIZED WITH EFFECT ON INCOME STATEMENT		DEFERRED TAXES RECOGNIZED W/O EFFECT ON INCOME STATEMENT (*)		DEFERRED TAXES PROFIT (LOSS) THUS\$
	INCREASE (DECREASE) ASSETS THUS\$	(INCREASE) DECREASE LIABILITIES THUS\$	INCREASE (DECREASE) ASSETS THUS\$	(INCREASE) DECREASE LIABILITIES THUS\$	
Tax losses	(9,547)	-	(10,704)	-	(9,547)
Foreign currency translation difference	111,127	-	(5,788)	-	111,127
Provisions	9,331	-	(5,234)	-	9,331
Hedging liabilities	35,452	-	(1,660)	-	35,452
Other liabilities	12,341	-	(386)	-	12,341
Property, plant and equipment	-	(271,883)	-	13,975	(271,883)
Biological assets	-	(69,379)	-	(643)	(69,379)
Other assets	-	(57,411)	-	2,532	(57,411)
Inventory	-	(8,718)	-	67	(8,718)
Income accrued from a foreign source	-	346	-	215	346
<b>SUBTOTAL</b>	<b>158,704</b>	<b>(407,045)</b>	<b>(23,772)</b>	<b>16,146</b>	<b>(248,341)</b>

(\*) The decrease in deferred taxes recorded in 2015, without an effect on income, corresponds to the following: Argentinean company La Papelera del Plata S.A. which presents a decrease in deferred tax liabilities for the concept of property, plant and equipment in the amount of ThUS\$ 306, Colombian company Drypers Andina S.A. which recorded a decrease in deferred tax assets for the concept of taxable losses in the amount of ThUS\$ 133 and CMPC Celulose Riograndense Ltda. Recorded with a decrease in deferred tax assets for the concept of derivative contracts in the amount of ThUS\$ 1,660.

Furthermore this includes a negative effect corresponding to foreign currency translation differences of deferred tax balances expressed in functional currencies other than the US dollar in the amount of ThUS\$ 6,139, which is distributed in the respective deferred tax concepts.

Temporary differences generated by deferred taxes in 2014 and their effect on income are detailed as follows:

TYPE OF TEMPORARY DIFFERENCE	DEFERRED TAXES RECOGNIZED WITH EFFECT ON INCOME STATEMENT		DEFERRED TAXES RECOGNIZED W/O EFFECT ON INCOME STATEMENT (*)		DEFERRED TAXES PROFIT (LOSS) THUS\$
	INCREASE (DECREASE) ASSETS THUS\$	(INCREASE) DECREASE LIABILITIES THUS\$	INCREASE (DECREASE) ASSETS THUS\$	(INCREASE) DECREASE LIABILITIES THUS\$	
Tax losses	14,173	-	(5,449)	-	14,173
Foreign currency translation difference	16,523	-	(1,419)	-	16,523
Provisions	6,111	-	5,128	-	6,111
Other liabilities	4,860	-	2,392	-	4,860
Hedging liabilities	(2,400)	-	188	-	(2,400)
Property, plant and equipment	-	(117,192)	-	(186,651)	(117,192)
Biological assets	-	(29,124)	-	(117,015)	(29,124)
Other assets	-	(3,559)	-	703	(3,559)
Inventory	-	(13,554)	-	(4,557)	(13,554)
Income accrued from a foreign source	-	(1,632)	-	-	(1,632)
Hedging assets	-	(77)	-	146	(77)
<b>SUBTOTAL</b>	<b>39,267</b>	<b>(165,138)</b>	<b>840</b>	<b>(307,374)</b>	<b>(125,871)</b>

(\*)The net increase in deferred taxes recorded in 2014, without an effect on income, corresponds mainly to restatement of balances of deferred tax assets and liabilities recorded as of September 2014 at a rate of 27% which was charged to shareholders' equity in the amount of ThUS\$ 305,512. In addition deferred tax liabilities decreased for the concept of termination benefits provisions in the amount of ThUS\$ 1,723 and deferred tax assets for the concept of unearned profits increased in the amount of ThUS\$1,665. On the other hand, the companies in Argentina, Ecuador, Colombia and Mexico show adjustments to shareholders' equity detailed as follows: Argentinean companies, La Papelera del Plata S.A. and Forestal Bosques del Plata S.A. present an increase in deferred tax liabilities for the concept of conversion adjustments in the amount of ThUS\$ 3,924; Ecuadorian company, Productos Tissue del Ecuador S.A. shows an increase in deferred tax assets for the concept of tax losses in the amount of ThUS\$ 244; Colombian companies, Drypers Andina S.A. and Protisa Colombia S.A. show a decrease in deferred tax assets for the concept of tax losses in the amount of ThUS\$ 1,207; Grupo ABS Internacional S.A. de CV shows a decrease in deferred tax assets for the concept of tax losses in the amount of ThUS\$ 1,099 and a decrease in deferred tax liabilities for the concept of property, plant and equipment in the amount of ThUS\$ 1,337.

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In 2014, Melhoramentos CMPC Ltda. recorded deferred taxes without an effect on income which correspond to the use of tax losses for a total of ThUS\$ 4,454. This adjustment, occurred because in 2009 the Brazilian government created Law 11,941, which allowed renegotiation of refinancing (REFIS - program for late payment of taxes) under new terms in respect to deadline and interest, also considering the possibility of including new debts in the program and the possibility of paying this debt with tax losses declared in 2009. Under this law, Melhoramentos CMPC Ltda., adhered to the program and requested partial payment of REFIS with tax losses for 2011. Deferred taxes also increased for the concept of miscellaneous provisions in the amount of ThUS\$ 2,715.

In addition, it includes the positive effect of foreign currency translation of deferred tax balances expressed in functional currencies other than the US dollar in the amount of ThUS\$ 1,978, which is distributed in the respective deferred tax concepts.

## NOTE 22 - OTHER FINANCIAL LIABILITIES

As of each year-end other financial liabilities are detailed as follows:

DESCRIPTION	12/31/2015 THUS\$	12/31/2014 THUS\$
Current interest bearing loans	218,167	477,008
Interest rate swap operations	442	4,387
Currency forward operations	131	2,748
Current hedging liabilities	33,602	35,591
SUBTOTAL OTHER CURRENT FINANCIAL LIABILITIES	252,342	519,734
Non-current interest bearing loans	3,774,870	4,073,635
Non-current hedging liabilities	167,281	50,264
SUBTOTAL OTHER NON-CURRENT FINANCIAL LIABILITIES	3,942,151	4,123,899
<b>TOTAL</b>	<b>4,194,493</b>	<b>4,643,633</b>

## 22.1. COMPOSITION OF THE BALANCE AND MATURITIES

### A) CURRENT AND NON-CURRENT INTEREST BEARING LOANS

Interest bearing loans grouped by maturity dates are detailed as follows:

#### BALANCE AS OF DECEMBER 31, 2015

DEBTOR'S TAXPAYER NO.	DEBTOR'S NAME	CURRENCY	CREDITOR'S NAME	INTEREST BEARING LOANS (THU\$)									TOTAL	TYPE OF AMORTIZATION	EFFECTIVE RATE	OBLIGATION NOMINAL VALUE	NOMINAL RATE
				UP TO 1 MONTH	MORE THAN 1 MONTH UP TO 3 MONTHS	MORE THAN 3 MONTHS UP TO 1 YEAR	MORE THAN 1 YEAR UP TO 2 YEARS	MORE THAN 2 YEARS UP TO 3 YEARS	MORE THAN 3 YEARS UP TO 4 YEARS	4 YEARS UP TO 5 YEARS	MORE THAN 5 YEARS						
BANK OBLIGATIONS																	
96.596.540-8	Inversiones CMPC S.A.	US\$	Banco Santander - Spain (Swedish Export Credit Corporation) - Sweden	35	-	2,691	2,691	2,691	2,691	2,691	6,728	20,218	Semiannual	1.06%	20,183	Libor+0.65%*	
96.596.540-8	Inversiones CMPC S.A.	CLP	Banco de Chile - Taxpayer No. 97.004.000-5	572	-	-	-	-	-	-	-	572	Monthly	4.24%	572	4.24%	
Foreign	La Papelera del Plata S. A.	ARS	Banco Provincia - Argentina	138	257	257	-	-	-	-	-	652	Monthly	23.00%	642	23.00%	
Foreign	La Papelera del Plata S. A.	ARS	Banco Ciudad - Argentina	-	90	-	-	-	-	-	-	90	Quarterly	15.25%	90	15.25%*	
Foreign	La Papelera del Plata S. A.	ARS	Banco Santander /BBVA - Argentina	-	94	94	-	-	-	-	-	188	Quarterly	15.25%	188	15.25%*	
Foreign	La Papelera del Plata S. A.	ARS	BBVA Banco Francés - Argentina	68	68	137	-	-	-	-	-	273	Quarterly	15.25%	273	15.25%*	
Foreign	La Papelera del Plata S. A.	ARS	Banco Provincia - Argentina	19	-	407	407	407	407	-	-	1,647	Semiannual	25.85%	1,628	Badlar*	
Foreign	La Papelera del Plata S. A.	ARS	Banco Provincia - Argentina	103	205	205	-	-	-	-	-	513	Monthly	23.00%	513	23.00%	
Foreign	Ipusa S.A.	UYU	Banco Citibank N.A. - Uruguay	-	-	8,014	-	-	-	-	-	8,014	Maturity	14.00%	8,014	14.00%*	
Foreign	Ipusa S.A.	UYU	Banque Heritage - Uruguay	1,688	-	-	-	-	-	-	-	1,688	Maturity	13.75%	1,670	13.75%	
Foreign	Ipusa S.A.	UYU	Banco Santander - Uruguay	1,594	-	-	-	-	-	-	-	1,594	Maturity	14.98%	1,586	14.98%	
Foreign	Ipusa S.A.	UYU	Banco Santander - Uruguay	940	-	-	-	-	-	-	-	940	Maturity	14.98%	935	14.98%	
Foreign	Ipusa S.A.	UYU	Banco Santander - Uruguay	470	-	-	-	-	-	-	-	470	Maturity	14.98%	467	14.98%	
Foreign	Ipusa S.A.	UYU	Banco Itaú - Uruguay	1,609	-	-	-	-	-	-	-	1,609	Maturity	14.00%	1,603	14.00%	
Foreign	Ipusa S.A.	UYU	Banco Itaú - Uruguay	1,040	-	-	-	-	-	-	-	1,040	Maturity	14.00%	1,035	14.00%	
Foreign	Ipusa S.A.	UYU	Banque Heritage - Uruguay	539	-	-	-	-	-	-	-	539	Maturity	15.00%	534	15.00%	
Foreign	Ipusa S.A.	UYU	Banco Itaú - Uruguay	899	-	-	-	-	-	-	-	899	Maturity	14.00%	895	14.00%	
Foreign	Ipusa S.A.	UYU	Banco Itaú - Uruguay	899	-	-	-	-	-	-	-	899	Maturity	14.00%	895	14.00%	
Foreign	Ipusa S.A.	UYU	Banque Heritage - Uruguay	1,350	-	-	-	-	-	-	-	1,350	Maturity	13.75%	1,336	13.75%	
Foreign	Drypers Andina S.A.	US\$	BancoEstado - Chile - Taxpayer No. 97.030.000-7 (**)	186	-	-	25,000	-	-	-	-	25,186	Maturity	1.51%	25,000	Libor+1.06%*	
Foreign	Protisa Colombia S.A.	US\$	Bank of Tokyo - Mitsubishi UFJ, Ltd. - United States (**)	-	190	-	38,000	-	-	-	-	38,190	Maturity	1.36%	38,000	Libor+0.83%*	
Foreign	Melhoramentos CMPC Ltda.	BRL	Banco Itaú / BBA - Brazil	1,653	-	-	-	-	-	5,746	-	7,399	Monthly	4.50%	7,269	4.50%*	
Foreign	Melhoramentos CMPC Ltda.	BRL	Banco Itaú / BBA - Brazil	123	-	-	-	-	-	459	-	582	Monthly	5.50%	570	5.50%*	
Foreign	Melhoramentos CMPC Ltda.	BRL	Banco Itaú / BBA - Brazil	353	-	-	-	-	-	-	2,166	2,519	Monthly	3.00%	2,488	3.00%*	
Foreign	Melhoramentos CMPC Ltda.	BRL	Banco Itaú / BBA - Brazil	175	-	-	-	-	-	-	1,166	1,341	Monthly	3.50%	1,323	3.50%*	
Foreign	Melhoramentos CMPC Ltda.	BRL	Banco Itaú / BBA - Brazil	79	-	-	35	-	-	-	-	114	Monthly	12.95%	109	CDI+1.95%*	
Foreign	Melhoramentos CMPC Ltda.	BRL	Banco Itaú / BBA - Brazil	6	-	-	-	2,372	-	-	-	2,378	Monthly	6.00%	2,323	6.00%*	
Foreign	Melhoramentos CMPC Ltda.	BRL	Banco Itaú / Santander - Brazil	4,320	-	-	-	-	-	-	-	4,320	Monthly	17.66%	4,044	16.53%	
Foreign	Melhoramentos CMPC Ltda.	BRL	Banco BNDES - Brazil	1,281	-	-	1,401	-	-	-	-	2,682	Monthly	8.32%	2,597	TJLP+2.32%*	
Foreign	Melhoramentos CMPC Ltda.	BRL	Banco BNDES - Brazil	1,280	-	-	1,401	-	-	-	-	2,681	Monthly	9.32%	2,586	TJLP+3.32%*	
Foreign	Melhoramentos CMPC Ltda.	BRL	Banco BNDES - Brazil	1,712	-	-	1,871	-	-	-	-	3,583	Monthly	10.52%	3,441	TJLP+4.52%*	
Foreign	Melhoramentos CMPC Ltda.	BRL	Banco BNDES - Brazil	604	-	-	662	-	-	-	-	1,266	Monthly	7.92%	1,239	TJLP+1.92%*	
Foreign	Melhoramentos CMPC Ltda.	BRL	Banco BNDES - Brazil	61	-	-	68	-	-	-	-	129	Monthly	9.52%	115	TJLP+3.52%*	
Foreign	Melhoramentos CMPC Ltda.	BRL	Banco BNDES - Brazil	766	-	-	-	-	1,840	-	-	2,606	Monthly	14.15%	2,470	SELIC+2.28%*	
Foreign	Melhoramentos CMPC Ltda.	BRL	Banco BNDES - Brazil	747	-	-	-	-	1,816	-	-	2,563	Monthly	8.28%	2,482	TJLP+2.32%*	
Foreign	Melhoramentos CMPC Ltda.	BRL	Banco BNDES - Brazil	448	-	-	-	-	1,090	-	-	1,538	Monthly	9.28%	1,484	TJLP+3.28%*	
Foreign	Melhoramentos CMPC Ltda.	US\$	J.P. Morgan S.A. - Brazil	-	-	-	35,000	-	-	-	-	35,000	Maturity	1.29%	35,000	Libor+0.83%*	
SUBTOTAL BANK OBLIGATIONS				25,757	904	11,805	106,536	5,470	7,844	8,896	10,060	177,272					

(\*) Loans obtained with maturities at more than one year

(\*\*) Risk managed through a swap contract

# FINANCIAL STATEMENTS 2015

## BALANCE AS OF DECEMBER 31, 2015

DEBTOR'S TAXPAYER NO.	DEBTOR'S NAME	CURRENCY	CREDITOR'S NAME	INTEREST BEARING LOANS (THUS)									TOTAL	TYPE OF AMORTIZATION	EFFECTIVE RATE	OBLIGATION NOMINAL VALUE	NOMINAL RATE
				UP TO 1 MONTH	MORE THAN 1 MONTH UP TO 3 MONTHS	MORE THAN 3 MONTHS UP TO 1 YEAR	MORE THAN 1 YEAR UP TO 2 YEARS	MORE THAN 2 YEARS UP TO 3 YEARS	MORE THAN 3 YEARS UP TO 4 YEARS	MORE THAN 4 YEARS UP TO 5 YEARS	MORE THAN 5 YEARS						
BANK OBLIGATIONS (CONTINUED)																	
Foreign	CMPC Celulose Riograndense Ltda.	BRL	Banco BNDES - Brazil	58	-	-	-	878	2,108	1,231	-	4,275	Monthly	6.41%	4,217	ECM+2.32%*	
Foreign	CMPC Celulose Riograndense Ltda.	BRL	Banco BNDES - Brazil	-	17	-	-	1,181	2,363	1,183	-	4,744	Monthly	9.32%	4,727	TJLP+2.32%*	
Foreign	CMPC Celulose Riograndense Ltda.	BRL	Banco BNDES - Brazil	-	11	-	-	709	1,418	709	-	2,847	Monthly	10.32%	2,836	TJLP+3.32%*	
Foreign	CMPC Celulose Riograndense Ltda.	BRL	Banco BNDES - Brazil	1,356	2,176	9,790	13,224	13,224	13,224	13,224	27,553	93,771	Monthly	7.29%	94,862	ECM+2.28%*	
Foreign	CMPC Celulose Riograndense Ltda.	BRL	Banco BNDES - Brazil	2,072	3,153	14,194	19,187	19,193	19,193	19,193	38,386	134,571	Monthly	7.29%	136,316	TJLP+2.28%*	
Foreign	CMPC Celulose Riograndense Ltda.	BRL	Banco BNDES - Brazil	1,256	1,892	8,515	11,519	11,519	11,519	11,519	23,037	80,776	Monthly	7.29%	81,809	TJLP+3.28%*	
Foreign	CMPC Celulose Riograndense Ltda.	BRL	Banco BNDES - Brazil	1,583	2,890	13,006	17,616	17,616	17,616	17,616	35,232	123,175	Monthly	7.29%	125,280	2.50%*	
Foreign	CMPC Celulose Riograndense Ltda.	BRL	Banco BNDES - Brazil	143	221	996	1,349	1,349	1,349	1,349	2,699	9,455	Monthly	7.29%	9,595	TJLP+1.88%*	
Foreign	CMPC Celulose Riograndense Ltda.	BRL	Banco BNDES - Brazil	33	54	241	323	323	323	323	646	2,266	Monthly	7.29%	2,268	TJLP*	
Foreign	CMPC Celulose Riograndense Ltda.	BRL	Banco BNDES - Brazil	9	-	-	-	-	-	217	434	660	Monthly	6.37%	651	ECM+2.28%*	
Foreign	CMPC Celulose Riograndense Ltda.	BRL	Banco BNDES - Brazil	-	9	-	-	-	-	356	498	863	Monthly	9.28%	854	TJLP+2.28%*	
Foreign	CMPC Celulose Riograndense Ltda.	BRL	Banco BNDES - Brazil	-	6	-	-	-	-	213	299	518	Monthly	10.28%	512	TJLP+3.28%*	
Foreign	CMPC Celulose Riograndense Ltda.	BRL	Banco BNDES - Brazil	13	-	-	-	-	-	-	909	922	Monthly	6.51%	909	ECM+2.42%*	
Foreign	CMPC Celulose Riograndense Ltda.	BRL	Banco BNDES - Brazil	-	5	-	-	-	-	-	1,277	1,282	Monthly	9.41%	1,277	TJLP+2.42%*	
Foreign	CMPC Celulose Riograndense Ltda.	BRL	Banco BNDES - Brazil	-	3	-	-	-	-	-	766	769	Monthly	10.42%	766	TJLP+3.42%*	
Foreign	CMPC Celulose Riograndense Ltda.	US\$	Banco Santander Spain and Nordea Bank AB Plc (Swedish Export Credit Corporation) - Sweden	5,752	-	4,745	9,537	9,537	9,537	9,537	47,687	96,332	Semiannual	3.53%	100,866	2.35%*	
Foreign	CMPC Celulose Riograndense Ltda.	US\$	Banco Santander Spain and Nordea Bank AB Plc (Finnish Export Credit Ltd ) - Finland	1,870	-	20,698	20,802	20,802	20,802	20,802	104,010	209,786	Semiannual	3.59%	220,000	2.41%*	
Foreign	Absormex CMPC Tissue S.A. de CV	US\$	Bank of Tokyo - Mitsubishi UFJ, Ltd. - United States (**)	-	-	20,000	-	-	-	-	-	20,000	Maturity	1.33%	20,000	Libor+1.08%*	
Foreign	Absormex CMPC Tissue S.A. de CV	US\$	HSBC Bank USA, N.A. - United States (**)	-	-	20,000	-	-	-	-	-	20,000	Maturity	1.33%	20,000	Libor+1.08%*	
Foreign	Absormex CMPC Tissue S.A. de CV	US\$	Nordea Bank AB (publ) (Swedish Export Credit Corporation) - Sweden	1,891	-	1,614	3,228	3,228	3,228	3,228	10,280	26,697	Semiannual	2.37%	27,441	2.37%*	
TOTAL BANK OBLIGATIONS				41,793	11,341	125,604	203,321	105,029	110,524	109,596	303,773	1,010,981					

(\*) Loans obtained with maturities at more than one year

(\*\*) Risks management through swap and cross currency swap contracts



## BALANCE AS OF DECEMBER 31, 2015

DEBTOR'S TAXPAYER NO.	DEBTOR'S NAME	CURRENCY	CREDITOR'S NAME	INTEREST BEARING LOANS (THUS\$)									TYPE OF AMORTIZATION	EFFECTIVE RATE	OBLIGATION NOMINAL VALUE	NOMINAL RATE	
				UP TO 1 MONTH	MORE THAN 1 MONTH UP TO 3 MONTHS	MORE THAN 3 MONTHS UP TO 1 YEAR	MORE THAN 1 YEAR UP TO 2 YEARS	MORE THAN 2 YEARS UP TO 3 YEARS	MORE THAN 3 YEARS UP TO 4 YEARS	MORE THAN 4 YEARS UP TO 5 YEARS	MORE THAN 5 YEARS	TOTAL					
OBLIGATIONS WITH THE PUBLIC																	
96.596.540-8	Inversiones CMPC S.A.	US\$	Obligations with the public - foreign, Rule 144 A	-	4,679	-	-	-	-	496,164	-	500,843	Maturity	6,25%	500,000	6.13%	
96.596.540-8	Inversiones CMPC S.A.	US\$	Obligations with the public - foreign, Rule 144 A	10,622	-	-	-	-	498,399	-	-	509,021	Maturity	4,83%	500,000	4.75%	
96.596.540-8	Inversiones CMPC S.A.	US\$	Obligations with the public - foreign, Rule 144 A	4,063	-	-	-	-	-	494,564	498,627	Maturity	4,64%	500,000	4.50%		
96.596.540-8	Inversiones CMPC S.A.	US\$	Obligations with the public - foreign, Rule 144 A	-	-	2,734	-	-	-	495,361	498,095	Maturity	4,47%	500,000	4.38%		
96.596.540-8	Inversiones CMPC S.A.	US\$	Obligations with the public - foreign, Rule 144 A	-	6,927	-	-	-	-	493,861	500,788	Maturity	4,79%	500,000	4.75%		
96.596.540-8	Inversiones CMPC S.A.	CLF	Obligations with the public, series F, Reg. 570 SVS (**)	-	-	2,896	-	-	-	246,608	249,504	Maturity	4,55%	252,624	4.30%		
96.596.540-9	Inversiones CMPC S.A.	CLF	Obligations with the public, series G, Reg. 733 SVS (**)	-	-	1,200	-	-	-	174,925	176,125	Maturity	3,70%	180,446	3.50%		
TOTAL OBLIGATIONS WITH THE PUBLIC				14,685	11,606	6,830	-	-	498,399	496,164	1,905,319	2,933,003					
FINANCE LEASE OBLIGATIONS																	
Foreign	Forsac Perú S.A.	US\$	Banco de Crédito del Perú	102	205	941	861	-	-	-	-	2,109	Monthly	4,30%	2,109	4.30%	
Foreign	Protisa Perú S.A.	PEN	BBVA Banco Continental - Peru	68	137	633	884	932	-	-	-	2,654	Monthly	5,35%	2,654	5.35%	
Foreign	Protisa Perú S.A.	PEN	Banco de Crédito del Perú	54	-	-	-	-	-	-	-	54	Monthly	7,44%	54	7.44%	
Foreign	Protisa Perú S.A.	PEN	Banco de Crédito del Perú	44	-	-	-	-	-	-	-	44	Monthly	7,44%	44	7.44%	
Foreign	Protisa Perú S.A.	PEN	Banco de Crédito del Perú	48	97	450	635	679	59	-	-	1,968	Monthly	6,83%	1,968	6.83%	
Foreign	Protisa Perú S.A.	PEN	Banco de Crédito del Perú	27	56	256	358	377	98	-	-	1,172	Monthly	5,50%	1,172	5.50%	
Foreign	Protisa Perú S.A.	PEN	Banco de Crédito del Perú	7	14	64	89	93	24	-	-	291	Monthly	5,10%	291	5.10%	
Foreign	Protisa Perú S.A.	PEN	Banco de Crédito del Perú	74	149	689	973	1,038	361	-	-	3,284	Monthly	6,73%	3,284	6.73%	
Foreign	Protisa Perú S.A.	PEN	Banco de Crédito del Perú	8	16	73	102	107	46	-	-	352	Monthly	5,10%	352	5.10%	
Foreign	Protisa Perú S.A.	PEN	Banco de Crédito del Perú	7	14	65	92	98	96	-	-	372	Monthly	6,80%	372	6.80%	
Foreign	Protisa Perú S.A.	PEN	Banco de Crédito del Perú	29	62	281	395	418	406	-	-	1,591	Monthly	5,92%	1,591	5.92%	
TOTAL FINANCE LEASE OBLIGATIONS				468	750	3,452	4,389	3,742	1,090	-	-	13,891					
OTHER OBLIGATIONS																	
96.532.330-9	CMPC Celulosa S.A.	US\$	Comercial e Industrial ERCO (Chile) Ltda. - Taxpayer No. 76.163.730-4	135	270	1,217	1,632	1,642	1,653	1,664	26,902	35,115	Monthly	7,80%	35,115	7.80%	
Foreign	La Papelera del Plata S.A.	ARS	Toyota Compañía Financiera de Argentina S.A.	-	-	16	31	-	-	-	-	47	Monthly	36,90%	47	36.90%	
TOTAL OTHER OBLIGATIONS				135	270	1,233	1,663	1,642	1,653	1,664	26,902	35,162					
TOTAL INTEREST BEARING LOANS				57,081	23,967	137,119	209,373	110,413	611,666	607,424	2,235,994	3,993,037					
TOTAL INTEREST BEARING LOANS AT FAIR VALUE				57,081	23,967	137,119	209,373	110,413	611,666	607,424	2,235,994	3,993,037					

(\*\*) Risks management through swap and cross currency swap contracts

# FINANCIAL STATEMENTS 2015

## BALANCE AS OF DECEMBER 31, 2014

DEBTOR'S TAXPAYER NO.	DEBTOR'S NAME	CURRENCY	CREDITOR'S NAME	INTEREST BEARING LOANS (THU\$)									TYPE OF AMORTIZATION	EFFECTIVE RATE	OBLIGATION NOMINAL VALUE	NOMINAL RATE
				UP TO 1 MONTH	MORE THAN 1 MONTH UP TO 3 MONTHS	MORE THAN 3 MONTHS UP TO 1 YEAR	MORE THAN 1 YEAR UP TO 2 YEARS	MORE THAN 2 YEARS UP TO 3 YEARS	MORE THAN 3 YEARS UP TO 4 YEARS	MORE THAN 4 YEARS UP TO 5 YEARS	MORE THAN 5 YEARS	TOTAL				
BANK OBLIGATIONS																
96.596.540-8	Inversiones CMPC S.A.	US\$	Banco Santander - Spain (Swedish Export Credit Corporation)	-	-	2,726	2,691	2,691	2,691	2,691	8,363	21,853	Semiannual	0.98%	22,876	Libor+0.65%*
Foreign	La Papelera del Plata S.A.	ARS	Banco Santander Río - Argentina	25	-	74	-	-	-	-	-	99	Quarterly	15.01%	98	15.01%*
Foreign	La Papelera del Plata S.A.	ARS	Banco Santander Río - Argentina	15	-	45	-	-	-	-	-	60	Quarterly	15.01%	59	15.01%*
Foreign	La Papelera del Plata S.A.	ARS	Banco Nación - Argentina	78	143	642	-	-	-	-	-	863	Monthly	15.00%	860	15.00%*
Foreign	La Papelera del Plata S.A.	ARS	Banco Ciudad - Argentina	-	52	163	-	-	-	-	-	215	Quarterly	15.01%	215	15.01%*
Foreign	La Papelera del Plata S.A.	ARS	Banco Galicia - Argentina	6	65	195	-	-	-	-	-	266	Quarterly	15.01%	261	15.01%*
Foreign	La Papelera del Plata S.A.	ARS	Banco Ciudad - Argentina	1	130	391	143	-	-	-	-	665	Quarterly	15.25%	668	15.25%*
Foreign	La Papelera del Plata S.A.	ARS	Banco Nación - Argentina	32	60	271	-	-	-	-	-	363	Monthly	15.00%	361	15.00%*
Foreign	La Papelera del Plata S.A.	ARS	Banco Santander /BBVA - Argentina	1	142	430	284	-	-	-	-	857	Quarterly	15.25%	860	15.25%*
Foreign	La Papelera del Plata S.A.	ARS	Banco Nación - Argentina	18	34	154	-	-	-	-	-	206	Monthly	15.00%	205	15.00%*
Foreign	La Papelera del Plata S.A.	ARS	BBVA Banco Francés - Argentina	-	103	313	414	-	-	-	-	830	Quarterly	15.25%	834	15.25%*
Foreign	La Papelera del Plata S.A.	ARS	Banco Citibank N.A. - Argentina	5,958	-	-	-	-	-	-	-	5,958	Maturity	26.00%	5,866	26.00%
Foreign	La Papelera del Plata S.A.	ARS	Banco Provincia - Argentina	33	-	558	615	615	615	616	-	3,052	Semiannual	25.97%	3,097	25.97%*
Foreign	La Papelera del Plata S.A.	ARS	BBVA Banco Francés - Argentina	1,323	-	-	-	-	-	-	-	1,323	Maturity	27.00%	1,293	27.00%
Foreign	La Papelera del Plata S.A.	ARS	Banco J.P. Morgan - Argentina	7,378	-	-	-	-	-	-	-	7,378	Maturity	25.50%	7,266	25.50%
Foreign	La Papelera del Plata S.A.	ARS	Banco Macro - Argentina	2,162	-	-	-	-	-	-	-	2,162	Maturity	26.50%	2,158	26.50%
Foreign	La Papelera del Plata S.A.	ARS	Banco Ciudad - Argentina	4,644	-	-	-	-	-	-	-	4,644	Maturity	28.00%	4,641	28.00%
Foreign	La Papelera del Plata S.A.	ARS	Banco Patagonia - Argentina	9,407	-	-	-	-	-	-	-	9,407	Maturity	25.00%	9,356	25.00%
Foreign	La Papelera del Plata S.A.	ARS	Banco Santander Río - Argentina	6,961	-	-	-	-	-	-	-	6,961	Maturity	26.90%	6,890	26.90%
Foreign	Ipusa S.A.	US\$	Banque Heritage - Uruguay	1,502	-	-	-	-	-	-	-	1,502	Maturity	3.00%	1,500	3.00%
Foreign	Ipusa S.A.	US\$	Banco Itaú - Uruguay	2,050	-	-	-	-	-	-	-	2,050	Maturity	3.00%	2,050	3.00%
Foreign	Ipusa S.A.	US\$	Banco BBVA - Uruguay	1	650	-	-	-	-	-	-	651	Maturity	3.00%	650	3.00%
Foreign	Ipusa S.A.	US\$	Banque Heritage - Uruguay	3	-	500	-	-	-	-	-	503	Maturity	3.00%	500	3.00%
Foreign	Ipusa S.A.	UYU	Banco Citibank N.A. - Uruguay	4	-	-	9,849	-	-	-	-	9,853	Maturity	14.00%	9,849	14.00%*
Foreign	Ipusa S.A.	UYU	Banque Heritage - Uruguay	1,243	-	-	-	-	-	-	-	1,243	Maturity	14.00%	1,231	14.00%
Foreign	Ipusa S.A.	UYU	HSBC bank - Uruguay	1,960	-	-	-	-	-	-	-	1,960	Maturity	15.00%	1,949	15.00%
Foreign	Ipusa S.A.	UYU	Banco Itaú - Uruguay	2,186	-	-	-	-	-	-	-	2,186	Maturity	15.60%	2,175	15.60%
Foreign	Ipusa S.A.	UYU	Banco Santander - Uruguay	2,227	-	-	-	-	-	-	-	2,227	Maturity	14.82%	2,216	14.82%
Foreign	Ipusa S.A.	UYU	Banco Santander - Uruguay	1,686	-	-	-	-	-	-	-	1,686	Maturity	14.68%	1,682	14.68%
Foreign	Ipusa S.A.	UYU	HSBC bank - Uruguay	1,960	-	-	-	-	-	-	-	1,960	Maturity	15.00%	1,949	15.00%
Foreign	Ipusa S.A.	UYU	Banco Itaú - Uruguay	1,511	-	-	-	-	-	-	-	1,511	Maturity	15.60%	1,510	15.60%
Foreign	Ipusa S.A.	UYU	Banque Heritage - Uruguay	660	-	-	-	-	-	-	-	660	Maturity	14.50%	657	14.50%
Foreign	Drypers Andina S.A.	US\$	BancoEstado - Chile - Taxpayer No. 97.030.000-7 (**)	216	-	-	-	25,000	-	-	-	25,216	Maturity	1.78%	25,000	Libor+1.42%*
Foreign	Protisa Colombia S.A.	US\$	Bank of Tokyo - Mitsubishi UFJ, Ltd. - United States (**)	-	221	-	-	38,000	-	-	-	38,221	Maturity	1.20%	38,000	Libor+0.83%*
Foreign	Protisa Colombia S.A.	US\$	Banco Santander - Chile - Taxpayer No. 97.036.000-K	355	-	-	-	37,000	-	-	-	37,355	Maturity	1.98%	37,000	Libor+1.62%*
SUBTOTAL BANK OBLIGATIONS				55,606	1,600	6,462	13,996	103,306	3,306	3,307	8,363	195,946				

(\*) Loans obtained with maturities at more than one year

(\*\*) Risk managed through a swap contract

## BALANCE AS OF DECEMBER 31, 2014

DEBTOR'S TAXPAYER NO.	DEBTOR'S NAME	CURRENCY	CREDITOR'S NAME	INTEREST BEARING LOANS (THUSS)									TYPE OF AMORTIZATION	EFFECTIVE RATE	OBLIGATION NOMINAL VALUE	NOMINAL RATE
				UP TO 1 MONTH	MORE THAN 1 MONTH UP TO 3 MONTHS	MORE THAN 3 MONTHS UP TO 1 YEAR	MORE THAN 1 YEAR UP TO 2 YEARS	MORE THAN 2 YEARS UP TO 3 YEARS	MORE THAN 3 YEARS UP TO 4 YEARS	MORE THAN 4 YEARS UP TO 5 YEARS	MORE THAN 5 YEARS	TOTAL				
BANK OBLIGATIONS (CONTINUED)																
Foreign	Melhoramentos CMPC Ltda.	BRL	Banco Itaú / BBA - Brazil	2,436	-	-	-	-	-	-	10,856	13,292	Monthly	4.50%	13,059	4.50%*
Foreign	Melhoramentos CMPC Ltda.	BRL	Banco Itaú / BBA - Brazil	181	-	-	-	-	-	-	853	1,034	Monthly	5.50%	1,012	5.50%*
Foreign	Melhoramentos CMPC Ltda.	BRL	Banco Itaú / BBA - Brazil	528	-	-	-	-	-	-	3,597	4,125	Monthly	3.00%	4,076	3.00%*
Foreign	Melhoramentos CMPC Ltda.	BRL	Banco Itaú / BBA - Brazil	137	-	-	-	165	-	-	-	302	Monthly	12.95%	293	CDI+1.95%*
Foreign	Melhoramentos CMPC Ltda.	BRL	Banco Itaú / BBA - Brazil	257	-	-	-	-	-	-	1,778	2,035	Monthly	3.50%	2,007	3.50%*
Foreign	Melhoramentos CMPC Ltda.	BRL	Banco BNDES - Brazil	1,868	-	-	-	3,960	-	-	-	5,828	Monthly	7.32%	5,691	TJLP+2.82*
Foreign	Melhoramentos CMPC Ltda.	BRL	Banco BNDES - Brazil	82	-	-	-	174	-	-	-	256	Monthly	5.00%	252	TJLP*
Foreign	Melhoramentos CMPC Ltda.	BRL	Banco BNDES - Brazil	890	-	-	-	1,888	-	-	-	2,778	Monthly	6.92%	2,716	TJLP+1.92*
Foreign	Melhoramentos CMPC Ltda.	BRL	Banco BNDES - Brazil	1,090	-	-	-	-	-	3,775	-	4,865	Monthly	7.28%	4,738	TJLP+2.28*
Foreign	Melhoramentos CMPC Ltda.	BRL	Banco BNDES - Brazil	655	-	-	-	-	-	2,265	-	2,920	Monthly	8.28%	2,833	TJLP+3.28*
Foreign	Melhoramentos CMPC Ltda.	BRL	Banco BNDES - Brazil	2,501	-	-	-	5,290	-	-	-	7,791	Monthly	9.52%	7,556	TJLP+4.52*
Foreign	Melhoramentos CMPC Ltda.	BRL	Banco BNDES - Brazil	1,870	-	-	-	3,960	-	-	-	5,830	Monthly	8.32%	5,675	TJLP+3.82*
Foreign	Melhoramentos CMPC Ltda.	BRL	Banco BNDES - Brazil	1,117	-	-	-	-	-	3,826	-	4,943	Monthly	13.53%	4,710	SELIC+2.28%*
Foreign	CMPC Celulose Riograndense Ltda.	BRL	Banco BNDES - Brazil	58	-	-	-	-	878	2,108	1,231	4,275	Monthly	6.42%	4,217	ECM+2.32%*
Foreign	CMPC Celulose Riograndense Ltda.	BRL	Banco BNDES - Brazil	-	22	-	-	-	1,731	3,461	1,732	6,946	Monthly	7.32%	6,923	TJLP+2.32%*
Foreign	CMPC Celulose Riograndense Ltda.	BRL	Banco BNDES - Brazil	-	15	-	-	-	1,038	2,077	1,039	4,169	Monthly	8.32%	4,154	TJLP+3.32%*
Foreign	CMPC Celulose Riograndense Ltda.	BRL	Banco BNDES - Brazil	9	-	-	-	-	-	-	650	659	Monthly	6.38%	650	ECM+2.28%*
Foreign	CMPC Celulose Riograndense Ltda.	BRL	Banco BNDES - Brazil	-	11	-	-	-	-	-	1,250	1,261	Monthly	7.28%	1,250	TJLP+2.28%*
Foreign	CMPC Celulose Riograndense Ltda.	BRL	Banco BNDES - Brazil	-	7	-	-	-	-	-	750	757	Monthly	8.28%	750	TJLP+3.28%*
Foreign	CMPC Celulose Riograndense Ltda.	BRL	Banco BNDES - Brazil	13	-	-	-	-	-	-	909	922	Monthly	6.52%	909	ECM+2.42%*
Foreign	CMPC Celulose Riograndense Ltda.	BRL	Banco BNDES - Brazil	-	6	-	-	-	-	-	1,870	1,876	Monthly	7.42%	1,870	TJLP+2.42%*
Foreign	CMPC Celulose Riograndense Ltda.	BRL	Banco BNDES - Brazil	-	4	-	-	-	-	-	1,122	1,126	Monthly	8.42%	1,122	TJLP+3.42%*
Foreign	CMPC Celulose Riograndense Ltda.	BRL	Banco BNDES - Brazil	926	-	4,562	10,853	10,853	10,853	10,853	33,462	82,362	Monthly	6.17%	82,109	ECM+2.28%*
Foreign	CMPC Celulose Riograndense Ltda.	BRL	Banco BNDES - Brazil	-	502	10,703	21,104	21,104	21,104	21,104	63,313	158,934	Monthly	6.17%	160,548	TJLP+2.28%*
Foreign	CMPC Celulose Riograndense Ltda.	BRL	Banco BNDES - Brazil	-	341	6,422	12,598	12,598	12,598	12,598	37,795	94,950	Monthly	6.17%	96,329	TJLP+3.28%*
Foreign	CMPC Celulose Riograndense Ltda.	BRL	Banco BNDES - Brazil	2,424	4,358	19,733	26,706	26,706	26,706	26,706	80,100	213,439	Monthly	6.17%	210,481	2.50%*
Foreign	CMPC Celulose Riograndense Ltda.	US\$	Banco Santander and Nordea Bank AB Plc (Swedish Export Credit Corporation) - Sweden	899	-	4,977	9,229	9,229	9,229	9,229	50,757	93,549	Semiannual	3.32%	99,539	2.35%*
Foreign	CMPC Celulose Riograndense Ltda.	US\$	Banco Santander y Nordea Bank AB Plc (Finnish Export Credit Ltd.) - Finland	-	1,638	10,970	20,520	20,520	20,520	20,520	112,857	207,545	Semiannual	3.50%	219,430	2.41%*
Foreign	Absormex CMPC Tissue S.A. de CV	US\$	Bank of Tokyo - Mitsubishi UFJ, Ltd. - United States (**)	-	-	-	39,986	-	-	-	-	39,986	Maturity	1.26%	40,000	Libor+1.08%*
Foreign	Absormex CMPC Tissue S.A. de CV	US\$	HSBC Bank USA, N.A. - United States (**)	-	-	-	39,986	-	-	-	-	39,986	Maturity	1.26%	40,000	Libor+1.08%*
Foreign	Absormex CMPC Tissue S.A. de CV	US\$	Nordea Bank AB (publ) (Swedish Export Credit Corporation) - Sweden	121	-	-	-	-	-	-	15,723	15,844	Maturity	2.37%	16,403	2.37%*
TOTAL BANK OBLIGATIONS				73,668	8,504	63,829	194,978	219,753	107,963	121,829	430,007	1,220,531				

(\*) Loans obtained with maturities at more than one year

(\*\*) Risk managed through a swap contract

# FINANCIAL STATEMENTS 2015

## BALANCE AS OF DECEMBER 31, 2014

DEBTOR'S TAXPAYER NO.	DEBTOR'S NAME	CURRENCY	CREDITOR'S NAME	INTEREST BEARING LOANS (THUS\$)									TYPE OF AMORTIZATION	EFFECTIVE RATE	OBLIGATION NOMINAL VALUE	NOMINAL RATE
				UP TO 1 MONTH	MORE THAN 1 MONTH UP TO 3 MONTHS	MORE THAN 3 MONTHS UP TO 1 YEAR	MORE THAN 1 YEAR UP TO 2 YEARS	MORE THAN 2 YEARS UP TO 3 YEARS	MORE THAN 3 YEARS UP TO 4 YEARS	MORE THAN 4 YEARS UP TO 5 YEARS	MORE THAN 5 YEARS	TOTAL				
OBLIGATIONS WITH THE PUBLIC																
96.596.540-8	Inversiones CMPC S.A.	US\$	Obligations with the public - foreign, Rule 144 A	-	-	4,678	-	-	-	496,424	-	501,102	Maturity	6.25%	500,000	6.13%
96.596.540-8	Inversiones CMPC S.A.	US\$	Obligations with the public - foreign, Rule 144 A	10,622	-	-	-	-	497,599	-	-	508,221	Maturity	4.83%	500,000	4.75%
96.596.540-8	Inversiones CMPC S.A.	US\$	Obligations with the public - foreign, Rule 144 A	-	-	4,062	-	-	-	493,486	497,548	Maturity	4.64%	500,000	4.50%	
96.596.540-8	Inversiones CMPC S.A.	US\$	Obligations with the public - foreign, Rule 144 A	-	-	2,735	-	-	-	494,259	496,994	Maturity	4.47%	500,000	4.38%	
96.596.540-8	Inversiones CMPC S.A.	US\$	Obligations with the public - foreign, Rule 144 A	-	-	6,927	-	-	-	493,330	500,257	Maturity	4.79%	500,000	4.75%	
96.596.540-8	Inversiones CMPC S.A.	CLF	Obligations with the public, series A, Reg. 413 SVS (**)	-	286,419	-	-	-	-	-	-	286,419	Maturity	3.22%	284,120	2.70%
96.596.540-8	Inversiones CMPC S.A.	CLF	Obligations with the public, series F, Reg. 570 SVS (**)	-	3,257	-	-	-	-	-	276,862	280,119	Maturity	4.55%	284,120	4.30%
96.596.540-9	Inversiones CMPC S.A.	CLF	Obligations with the public, series G, Reg. 733 SVS (**)	-	-	1,351	-	-	-	-	196,473	197,824	Maturity	3.70%	202,943	3.50%
TOTAL OBLIGATIONS WITH THE PUBLIC				10,622	289,676	19,753	-	-	497,599	496,424	1,954,410	3,268,484				
FINANCE LEASE OBLIGATIONS																
Foreign	La Papelera del Plata S.A.	ARS	Banco Comafi - Argentina	-	4	-	-	-	-	-	-	4	Monthly	24.52%	4	24.52%
Foreign	La Papelera del Plata S.A.	ARS	Banco Comafi - Argentina	-	3	-	-	-	-	-	-	3	Monthly	24.52%	3	24.52%
Foreign	Forsac Perú S.A.	US\$	Banco de Crédito del Perú	98	197	901	1,248	861	-	-	-	3,305	Monthly	4.30%	3,305	4.30%
Foreign	Protisa Perú S.A.	PEN	BBVA Banco Continental - Peru	75	150	685	957	1,009	1,065	-	-	3,941	Monthly	5.35%	3,941	5.35%
Foreign	Protisa Perú S.A.	PEN	BBVA Banco Continental - Peru	11	23	46	-	-	-	-	-	80	Monthly	6.30%	80	6.30%
Foreign	Protisa Perú S.A.	PEN	BBVA Banco Continental - Peru	85	172	349	-	-	-	-	-	606	Monthly	6.30%	606	6.30%
Foreign	Protisa Perú S.A.	PEN	BBVA Banco Continental - Peru	10	20	83	-	-	-	-	-	113	Monthly	6.30%	113	6.30%
Foreign	Protisa Perú S.A.	PEN	Banco de Crédito del Perú	303	611	1,555	-	-	-	-	-	2,469	Monthly	6.15%	2,469	6.15%
Foreign	Protisa Perú S.A.	PEN	Banco de Crédito del Perú	58	116	541	62	-	-	-	-	777	Monthly	7.44%	777	7.44%
Foreign	Protisa Perú S.A.	PEN	Banco de Crédito del Perú	47	95	445	51	-	-	-	-	638	Monthly	7.44%	638	7.44%
Foreign	Protisa Perú S.A.	PEN	Banco de Crédito del Perú	51	104	481	679	725	775	67	-	2,882	Monthly	6.83%	2,882	6.83%
Foreign	Protisa Perú S.A.	PEN	Banco de Crédito del Perú	29	60	276	386	408	431	111	-	1,701	Monthly	5.50%	1,701	5.50%
Foreign	Protisa Perú S.A.	PEN	Banco de Crédito del Perú	7	15	69	96	101	107	28	-	423	Monthly	5.10%	423	5.10%
Foreign	Protisa Perú S.A.	PEN	Banco de Crédito del Perú	79	159	737	1,040	1,110	1,185	413	-	4,723	Monthly	6.73%	4,723	6.73%
Foreign	Protisa Perú S.A.	PEN	Banco de Crédito del Perú	8	17	79	110	116	122	53	-	505	Monthly	5.10%	505	5.10%
Foreign	Protisa Perú S.A.	PEN	Banco de Crédito del Perú	7	15	69	98	105	112	109	-	515	Monthly	6.80%	515	6.80%
Foreign	Protisa Perú S.A.	PEN	Banco de Crédito del Perú	32	66	303	425	451	478	463	-	2,218	Monthly	5.92%	2,218	5.92%
TOTAL FINANCE LEASE OBLIGATIONS				900	1,827	6,619	5,152	4,886	4,275	1,244	-	24,903				
OTHER OBLIGATIONS																
96.532.330-9	CMPC Celulosa S.A.	US\$	Comercial e Industrial ERCO (Chile) Ltda. - Taxpayer No. 76.163.730-4	134	268	1,208	1,621	1,631	1,642	1,654	28,567	36,725	Monthly	7.80%	36,725	7.80%
TOTAL OTHER OBLIGATIONS				134	268	1,208	1,621	1,631	1,642	1,654	28,567	36,725				
TOTAL INTEREST BEARING LOANS				85,324	300,275	91,409	201,751	226,270	611,479	621,151	2,412,984	4,550,643				
TOTAL INTEREST BEARING LOANS AT FAIR VALUE				85,324	300,275	91,409	201,751	226,270	611,479	621,151	2,412,984	4,550,643				

(\*\*) Risks management through swap and cross currency swap contracts



## B) CURRENT INTEREST RATE SWAPS

This liability represents the accumulated income of derivative contracts signed for the purpose of adequately managing the Company's interest rate risk.

ENTITIES	RIGHTS			OBLIGATIONS			FAIR VALUE OF NET LIABILITY THUS\$	EFFECT ON INCOME PROFIT (LOSS) THUS\$	MATURITY
	CURRENCY	INTEREST RATE %	AMOUNT THUS\$	CURRENCY	INTEREST RATE %	AMOUNT THUS\$			
Balance as of December 31, 2015									
HSBC Bank USA, N.A. - United States	US\$	Libor	40,000	US\$	1.16	40,115	115	(184)	10/18/2016
HSBC Bank USA, N.A. - United States	US\$	Libor	40,000	US\$	1.18	40,106	106	(225)	10/18/2016
J.P. Morgan Chase Bank N.A. - United States	US\$	Libor	40,000	US\$	1.19	40,117	117	(204)	10/18/2016
J.P. Morgan Chase Bank N.A. - United States	US\$	Libor	40,000	US\$	1.15	40,104	104	(205)	10/18/2016
TOTAL			160,000				160,442	442	(818)
Balance as of December 31, 2014									
HSBC Bank USA, N.A. - United States	US\$	Libor	80,000	US\$	1.16	80,576	576	(221)	10/18/2016
HSBC Bank USA, N.A. - United States	US\$	Libor	80,000	US\$	1.18	80,535	535	(268)	10/18/2016
J. Aron & Company - United States	US\$	Libor	50,000	US\$	4.57	51,102	1,102	(18)	03/01/2015
J. Aron & Company - United States	US\$	Libor	50,000	US\$	4.72	51,065	1,065	(20)	03/01/2015
J.P. Morgan Chase Bank N.A. - United States	US\$	Libor	80,000	US\$	1.19	80,569	569	(236)	10/18/2016
J.P. Morgan Chase Bank N.A. - United States	US\$	Libor	80,000	US\$	1.15	80,540	540	(253)	10/18/2016
TOTAL			420,000				424,387	4,387	(1,016)

## C) CURRENCY FORWARD TRANSACTIONS

### BALANCE AS OF DECEMBER 31, 2015

ENTITIES	RIGHTS		OBLIGATIONS		FAIR VALUE OF NET LIABILITY THUS\$	EFFECT ON INCOME PROFIT (LOSS) THUS\$	MATURITY
	CURRENCY	AMOUNT THUS\$	CURRENCY	AMOUNT THUS\$			
Banco BBVA - Chile	CLP	10,004	US\$	10,082	78	(78)	07/01/2016
Banco Corpbanca - Chile	CLP	17,470	US\$	17,523	53	(53)	08/01/2016
<b>TOTAL</b>		<b>27,474</b>		<b>27,605</b>	<b>131</b>	<b>(131)</b>	

### BALANCE AS OF DECEMBER 31, 2014

ENTITIES	RIGHTS		OBLIGATIONS		FAIR VALUE OF NET LIABILITY THUS\$	EFFECT ON INCOME PROFIT (LOSS) THUS\$	MATURITY
	CURRENCY	AMOUNT THUS\$	CURRENCY	AMOUNT THUS\$			
J.P. Morgan Chase Bank N.A. - England	SEK	1,562	US\$	1,821	259	(296)	10/07/2015
Banco BCI - Chile	CLP	10,020	CLF	10,043	23	(23)	27/01/2015
Banco BCI - Chile	CLP	10,020	CLF	10,043	23	(23)	27/01/2015
Banco BCI - Chile	CLP	10,037	CLF	10,061	24	(23)	27/01/2015
Banco BCI - Chile	CLP	10,037	CLF	10,061	24	(23)	27/01/2015
Banco Santander - Chile	CLP	15,171	CLF	15,203	32	(32)	28/01/2015
Banco BBVA - Chile	CLP	20,312	CLF	20,349	37	(37)	03/02/2015
J.P. Morgan Chase Bank N.A. - Chile	US\$	20,007	CLP	20,209	202	(202)	06/01/2015
Banco Santander - Chile	US\$	20,005	CLP	20,315	310	(310)	08/01/2015
Banco Itaú - Chile	US\$	20,006	CLP	20,315	309	(309)	08/01/2015
J.P. Morgan Chase Bank N.A. - Chile	US\$	20,008	CLP	20,288	280	(280)	21/01/2015
Banco BCI - Chile	US\$	20,007	CLP	20,441	434	(434)	20/01/2015
J.P. Morgan Chase Bank N.A. - Chile	US\$	20,005	CLP	20,518	513	(513)	08/01/2015
BancoEstado - Chile	US\$	10,003	CLP	10,281	278	(278)	21/01/2015
<b>TOTAL</b>		<b>207,200</b>		<b>209,948</b>	<b>2,748</b>	<b>(2,783)</b>	

# FINANCIAL STATEMENTS 2015

## D) HEDGING LIABILITIES

These liabilities represent the cumulative income of oil price swaps and currency forwards, used to hedge against the volatility of the cost of marine freight for transporting pulp and to hedge financial risk due to changes in the price of currencies associated to sales of the lumber products and cardboard products businesses in euros and to obligations in reales (BRL) in reference to the investment projects in Brazil. Also includes cross-currency swaps used to hedge obligations with the public expressed in unidades de fomento (CLF).

ENTITIES	NATURE OF HEDGED RISKS	RIGHTS		OBLIGATIONS		FAIR VALUE OF NET LIABILITY THUS\$	MATURITY
		CURRENCY	AMOUNT THUS\$	CURRENCY	AMOUNT THUS\$		
BALANCE AS OF DECEMBER 31, 2015							
CURRENT							
Banco BBVA - Chile	Cash flows from sale of cardboard to Europe	US\$	920	EUR	929	9	Quarterly
Bank of America Merrill Lynch Banco Múltiplo S.A. - Brazil	Bank obligations	BRL	19,407	US\$	20,058	651	Monthly
Banco Santander - Brazil	Bank obligations	BRL	22,171	US\$	23,798	1,627	Monthly
Bank of America Merrill Lynch - England	Price of oil	US\$	10,022	US\$	16,069	6,047	Monthly
HSBC Bank plc - England	Price of oil	US\$	7,226	US\$	16,409	9,183	Monthly
J.P. Morgan Chase Bank N.A. - England	Price of oil	US\$	5,810	US\$	10,096	4,286	Monthly
Morgan Stanley & Co. International plc - England	Price of oil	US\$	11,966	US\$	16,490	4,524	Monthly
BNP Paribas - England	Price of oil	US\$	10,489	US\$	17,764	7,275	Monthly
TOTAL			88,011		121,613	33,602	
NON-CURRENT							
Bank of America Merrill Lynch Banco Múltiplo S.A. - Brazil	Bank obligations	BRL	84,718	US\$	122,709	37,991	Monthly
Banco Santander - Brazil	Bank obligations	BRL	73,811	US\$	117,632	43,821	Monthly
HSBC Bank plc - England	Price of oil	US\$	31,963	US\$	48,556	16,593	Monthly
J.P. Morgan Chase Bank N.A. - England	Price of oil	US\$	3,923	US\$	5,525	1,602	Monthly
Morgan Stanley & Co. International plc - England	Price of oil	US\$	4,253	US\$	5,070	817	Monthly
Bank of America Merrill Lynch - England	Price of oil	US\$	18,600	US\$	32,278	13,678	Monthly
BNP Paribas - England	Price of oil	US\$	2,480	US\$	3,555	1,075	Monthly
Banco Santander - Chile	Obligations with the public	CLF	41,713	US\$	51,403	9,690	Semiannual
Banco Santander - Chile	Obligations with the public	CLF	45,154	US\$	55,593	10,439	Semiannual
Banco BBVA - Chile	Obligations with the public	CLF	40,878	US\$	52,771	11,893	Semiannual
Banco de Chile	Obligations with the public	CLF	43,595	US\$	52,659	9,064	Semiannual
Banco BCI - Chile	Obligations with the public	CLF	43,595	US\$	54,213	10,618	Semiannual
			434,683		601,964	167,281	
BALANCE AS OF DECEMBER 31, 2014							
CURRENT							
Bank of America Merrill Lynch Banco Múltiplo S.A. - Brazil	Bank obligations	BRL	24,536	US\$	25,304	768	Monthly
Bank of America Merrill Lynch - England	Price of oil	US\$	17,851	US\$	34,883	17,032	Monthly
Goldman Sachs International - England	Price of oil	US\$	2,823	US\$	5,966	3,143	Monthly
HSBC Bank plc - England	Price of oil	US\$	904	US\$	1,614	710	Monthly
J.P. Morgan Chase Bank N.A. - United States	Price of oil	US\$	2,474	US\$	4,709	2,235	Monthly
Morgan Stanley & Co. International plc - England	Price of oil	US\$	7,589	US\$	14,968	7,379	Monthly
HSBC Bank plc - England	Industrial Project - Guaíba	BRL	9,490	US\$	10,000	510	Monthly
Banco Santander - Chile	Industrial Project - Guaíba	BRL	9,468	US\$	10,000	532	Monthly
HSBC Bank plc - England	Industrial Project - Guaíba	BRL	14,189	US\$	15,000	811	Monthly
HSBC Bank plc - England	Industrial Project - Guaíba	BRL	9,377	US\$	10,000	623	Monthly
Banco Itaú - Chile	Industrial Project - Guaíba	BRL	9,325	US\$	10,000	675	Monthly
HSBC Bank plc - England	Industrial Project - Guaíba	BRL	9,458	US\$	10,000	542	Monthly
HSBC Bank plc - England	Industrial Project - Guaíba	BRL	9,369	US\$	10,000	631	Monthly
TOTAL			126,853		162,444	35,591	

ENTITIES	NATURE OF HEDGED RISKS	RIGHTS		OBLIGATIONS		FAIR VALUE OF NET LIABILITY THUS\$	MATURITY
		CURRENCY	AMOUNT THUS\$	CURRENCY	AMOUNT THUS\$		
NON-CURRENT							
Bank of America Merrill Lynch Banco Múltiplo S.A. - Brazil	Bank obligations	BRL	171,963	US\$	177,312	5,349	Monthly
Bank of America Merrill Lynch - England	Price of oil	US\$	25,804	US\$	26,289	485	Monthly
BNP Paribas - England	Price of oil	US\$	2,951	US\$	4,914	1,963	Monthly
HSBC Bank plc - England	Price of oil	US\$	30,490	US\$	45,422	14,932	Monthly
Morgan Stanley & Co. International plc - England	Price of oil	US\$	26,375	US\$	26,604	229	Monthly
Banco Santander - Chile	Obligations with the public	CLF	44,919	US\$	50,689	5,770	Semiannual
Banco Santander - Chile	Obligations with the public	CLF	48,691	US\$	54,707	6,016	Semiannual
Banco BBVA - Chile	Obligations with the public	CLF	43,669	US\$	49,711	6,042	Semiannual
Banco de Chile	Obligations with the public	CLF	46,372	US\$	51,055	4,683	Semiannual
Banco BCI - Chile	Obligations with the public	CLF	46,258	US\$	51,053	4,795	Semiannual
TOTAL			487,492	537,756	50,264		

#### E) ACCRUED INTEREST PAYABLE

The other current financial liabilities account includes accrued interest payable in the amount of ThUS\$ 50,148 (ThUS\$ 45,015 as of December 31, 2014).

## 22.2. ADDITIONAL INFORMATION ON MAIN FINANCIAL LIABILITIES

#### A) INTEREST BEARING LOANS

The main loans subscribed by the indicated subsidiaries are detailed as follows:

i) Inversiones CMPC S.A. with Banco Santander España, as ECA agent (or "EKN" means Exportkreditnämnden, the Swedish Exports Credit Guarantee Board, a Swedish government agency and guarantee institution): in April 2014 the company entered into a loan for US\$ 24.80 million for a 9-year term, with semiannual amortization, at a rate of 180-day Libor + 0.65%. The first amortization was paid in May 2014 and contemplates payments up to 2023. The principal balance owed as of December 31, 2015 amounts to US\$ 20.18 million.

ii) La Papelera del Plata S.A. with Banco Ciudad de Argentina: in March 2013 the company obtained a loan for ARS 10 million (US\$ 0.77 million) to pay suppliers for investments in property, plant and equipment, with a fixed interest rate of 15.25%, with quarterly amortization of principal from March 2014 to March 2016. The principal balance owed amounts to ARS 1.17 million (US\$ 0.09 million).

iii) La Papelera del Plata S.A. with Banco Santander Río and BBVA Banco Francés S.A. of Argentina: in June 2013 the company obtained a loan for ARS 11 million (US\$ 0.85 million) at a fixed interest rate of 15.25%, with quarterly amortization of principal from June 2014 to June 2016. The principal balance owed amounts to ARS 2.45 million (US\$ 0.19 million).

This loan of subsidiary La Papelera del Plata S.A. contemplates compliance with certain indicators calculated on its annual financial statements, referring to maintaining minimum shareholders' equity, maximum debt and level of debt coverage. As of 2015 year-end, the company complies with these indicators.

iv) La Papelera del Plata S.A. with BBVA Banco Francés S.A. of Argentina: in December 2013 the company obtained a loan for ARS 8 million (US\$ 0.62 million) at a fixed interest rate of 15.25%, with quarterly amortization of principal from December 2014 to December 2016. The principal balance owed as of December 31, 2015 amounts to ARS 3.56 million (US\$ 0.27 million).

v) La Papelera del Plata S.A. with Banco de la Provincia de Buenos Aires of Argentina: in April 2014 the company obtained a loan for ARS 26.40 million (US\$ 2.03 million) at a variable interest rate (Badlar) published by the BCRA, with semiannual amortization of principal from May 2015 to November 2019. The principal balance owed amounts to ARS 21.37 million (US\$ 1.63 million).

vi) Industria Papelera Uruguaya S.A. with Banco Citibank N.A. - Uruguay: in December 2014 the company obtained a loan for UYU 240 million (US\$ 8.01 million) at an annual interest rate of 14%, with principal amortization upon expiration on December 30, 2016 and quarterly payment of interest.

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vii) Drypers Andina S.A. with BancoEstado of Chile: in January 2011 the company obtained a loan for US\$ 25.5 million for a 5-year term. Interest on this loan accrues and is payable semiannually at a rate of 180-day Libor + 1.06% and principal amortization at expiration on July 5, 2017. In July 2014 principal was amortized in the sum of US\$ 0.50 million.

viii) Protisa Colombia S.A. with The Bank of Tokyo - Mitsubishi UFJ, Ltd. of the United States: in August 2014 the company obtained a loan for US\$ 38 million for a 3-year term and an interest rate of 180-day Libor + 0.83%, with principal amortization at expiration on August 20, 2017.

ix) Protisa Colombia S.A. with Banco Santander of Chile: in December 2010 the company obtained a loan (renewal) for US\$ 44 million at an interest rate of 180-day Libor + 1.10%, with principal amortization at expiration on July 10, 2017. In July 2014 principal was amortized in the sum of US\$ 7 million and in October 2015 the balance owed was amortized in advance.

x) Melhoramentos CMPC Ltda. with Banco Itaú / BBA of Brazil (financing from Banco Nacional de Desenvolvimento Econômico y Social - BNDES): in June 2010 the company obtained long-term loans in local currency (Brazilian reals) in order to pay suppliers (Voith and Perini). The nominal values of the loans subscribed, as of December 31, 2015, are as follows: BRL 28.38 million (US\$ 7.27 million) at a fixed annual rate of 4.5%, expiring in 2020 and BRL 2.23 million (US\$ 0.57 million) at a fixed annual rate of 5.5%, expiring in 2020.

In January 2013 it subscribed a long-term loan in local currency (Brazilian reals) for the acquisition of equipment from supplier Fabio Perini for a total amount of BRL 9.91 million (US\$ 2.54 million) at a fixed annual rate of 3% with monthly principal payments from March 15, 2015 to February 15, 2023. The principal balance owed as of December 31, 2015 amounts to BRL 8.78 million (US\$ 2.25 million). In May 2013 it subscribed a long-term loan in local currency (Brazilian reals) for the acquisition of equipment from supplier Companhia Brasileira de Tecnologia Industrial (CBTI) for a total amount of BRL 1.0 million (US\$ 0.26 million) at a fixed annual rate of 3% with monthly principal payments from July 15, 2015 to June 15, 2023. The principal balance owed as of December 31, 2015 amounts to BRL 0.95 million (US\$ 0.24 million).

In February 2014 it subscribed a long-term loan in local currency (Brazilian reals) for the acquisition of equipment from supplier Fabio Perini for a total amount of BRL 5.33 million.

(US\$ 1.37 million) at a fixed annual rate of 3.5% with monthly principal payments from October 15, 2015 to September 15, 2023. The principal balance owed as of December 31, 2015 amounts to BRL 5.15 million (US\$ 1.32 million).

In June 2014 it subscribed a long-term loan in local currency (Brazilian reals) for a total amount of BRL 0.86 million (US\$ 0.22 million) at a CDI (Certificados de Depósitos Interfinanciero) percentage rate plus a fixed annual rate of 1.95% with monthly principal payments from July 9, 2014 to May 24, 2017. The principal balance owed as of December 31, 2015 amounts to BRL 0.43 million (US\$ 0.11 million).

In December 2014 it subscribed a long-term loan in local currency (Brazilian reals) for the acquisition of equipment from suppliers Voith and Perini for a total amount of BRL 9.26 million (US\$ 2.37 million) at a fixed annual rate of 6%, with monthly payments from January 2017 to December 2024. As of December 31, 2015 BRL 9.06 million (US\$ 2.32 million) have been received.

xi) In August 2011 Melhoramentos CMPC Ltda. with Banco Nacional de Desenvolvimento Econômico y Social - BNDES, subscribed 8 long-term loans in local currency (Brazilian reals) to finance investments in equipment and machinery for a total amount of BRL 98.6 million (US\$ 25.26 million), at an annual rate based on the TJLP (Taxa de Juros de Longo Prazo) plus spread. Principal balances owed as of December 31, 2015 are as follows: at a rate of TJLP+2.32% a loan for BRL 10.15 million (US\$ 2.60 million), at a rate of TJLP+3.32% a loan for BRL 10.11 million.

(US\$ 2.59 million), at a rate of TJLP+4.52% three loans for a total of BRL 13.43 million (US\$ 3.44 million), at a rate of TJLP+1.92% two loans for a total of BRL 4.84 million (US\$ 1.24 million), all with monthly payments until January 15, 2018 and a loan with an annual rate of TJLP+3.52% for BRL 0.47 million (US\$ 0.12 million) with monthly payments until January 15, 2018.

In June 2013 Melhoramentos CMPC Ltda. with Banco Nacional de Desenvolvimento Econômico y Social - BNDES, subscribed 4 long-term loans in local currency (Brazilian reals) to finance the construction of a Distribution Center in Caieiras, for a total amount of BRL 39.2 million.

(US\$ 10.04 million), with monthly payments from June 15, 2014 to May 15, 2019. Interest rates applicable to the loans are annual and based on SELIC (Sistema Especial de Liquidación y de Custodia) and TJLP plus spread. Principal balances owed as of December 31, 2015 are as follows: at a rate of SELIC+2.28% two loans for a total of BRL 9.64 million (US\$ 2.47 million), at a rate of TJLP+2.32% a loan for BRL 9.68 million (US\$ 2.48 million) and at a rate of TJLP+3.28% a loan for BRL 5.78 million (US\$ 1.48 million).



xii) Melhoramentos CMPC Ltda. with J.P. Morgan Chase Bank, N.A. of Brazil: in July 2015 the company entered into a loan for US\$ 35 million at an interest rate of 180-day Libor + 0.83%, with principal amortization at expiration on July 20, 2017.

xiii) CMPC Celulose Riograndense Ltda. with Banco Nacional de Desarrollo Económico y Social – BNDES: on November 28, 2011 the company subscribed a contract for three long-term loans in local currency (Brazilian reals) to develop forestry projects for a total of amount of BRL 47.67 million (US\$ 12.21 million) which are detailed as follows: loan "A" for BRL 9.54 million indexed (US\$ 2.4 million), at an average annual interest rate of ECM+2.32% (Encargos da Cesta de Moedas) with monthly payments from August 15, 2018 to July 15, 2020; loan "B" for BRL 23.84 million (US\$ 6.10 million), at an average annual interest rate of TJLP+2.32% with monthly payments from July 15, 2018 to June 15, 2020; loan "C" for BRL 14.30 million (US\$ 3.7 million), at an average annual interest rate of TJLP+3.32% with monthly payments from July 15, 2018 to June 15, 2020. As of December 31, 2015, BRL 46.21 million (US\$ 11.78 million) of total loans subscribed have been received.

On December 13, 2012 it subscribed a contract for 6 long-term loans in local currency (Brazilian reals) for development of the Guaíba 2 project for a total of BRL 2,510.66 million (US\$ 642.97 million). On December 17, 2015, an amendment to this contract was signed adjusting the amount granted to BRL 2,456.77 million (US\$ 629.17 million), reallocating the amounts of loans A, B, C and D, leaving the distribution detailed as follows: "A" for BRL 242.60 million indexed (US\$ 62.13 million), at an average annual interest rate of ECM+2.28% with monthly payments from August 15, 2015 to January 15, 2023; loan "B" for BRL 742.67 million (US\$ 190.11 million), at an average annual interest rate of TJLP+2.28% with monthly payments from July 15, 2015 to December 15, 2022; loan "C" for BRL 445.41 million (US\$ 114.07 million), at an average annual interest rate of TJLP+3.28% with monthly payments from July 15, 2015 to December 15, 2022; loan "D" for BRL 559.08 million (US\$ 143.18 million), at an average annual interest rate of 2.5% with monthly payments from January 15, 2015 to December 15, 2022; loan "E" for BRL 454.83 million (US\$ 116.48 million), at an average annual interest rate of TJLP+1.88% with monthly payments from July 15, 2015 to December 15, 2022; loan "F" for BRL 12.49 million (US\$ 3.20 million), at an average annual interest rate of TJLP with monthly payments from July 15, 2015 to December 15, 2022. Of total loans subscribed as of December 31, 2015, BRL 1,757.82 million (US\$ 450.17 million) have been received with an average effective annual interest rate of 7.29% and the balance owed amounts to BRL 1,757.67 (US\$ 450.13 million).

On February 14, 2013 it subscribed a contract for three long-term loans in local currency (Brazilian reals) to develop forest projects for a total of BRL 19.66 million (US\$ 5.03 million) which are detailed as follows: loan "A" for BRL 3.93 million indexed (US\$ 1.01 million), at an average annual interest rate of ECM+2.28% with monthly payments from May 15, 2020 to April 15, 2022; loan "B" for BRL 9.83 million (US\$ 2.52 million), at an average annual interest rate of TJLP+2.28% with monthly payments from March 15, 2020 to February 15, 2022; loan "C" for BRL 5.90 million (US\$ 1.51 million), at an average annual interest rate of TJLP+3.28% with monthly payments from March 15, 2020 to February 15, 2022. Of total loans subscribed as of December 31, 2015, BRL 7.90 million (US\$ 2.02 million) have been received.

On December 10, 2013 it signed a contract for 3 long-term loans in local currency (Brazilian reals) for the development of forestry projects for a total amount of BRL 39.72 million (US\$ 10.17 million) which are detailed as follows: loan "A" for BRL 7.94 million indexed (US\$ 2.03 million), at an average annual interest rate of ECM+2.42% with monthly payments from February 15, 2021 to January 15, 2023; loan "B" for BRL 19.86 million (US\$ 5.09 million), at an average annual interest rate of TJLP+2.42% with monthly payments from January 15, 2021 to December 15, 2022; loan "C" for BRL 11.92 million (US\$ 3.05 million), at an average annual interest rate of TJLP+3.42% with monthly payments from January 15, 2021 to December 15, 2022. Of total loans subscribed, as of December 31, 2015 BRL 11.53 million (US\$ 2.95 million) have been received.

xiv) CMPC Celulose Riograndense Ltda. with Swedish Export Credit Corporation (EKN) of Sweden: on December 20, 2013 it subscribed a loan to develop the Guaíba 2 project for US\$ 114.82 million (SEK 626.89 million and US\$ 21.12 million) at an annual rate of 2.35% with semiannual principal amortization from January 2016 to July 2025. Of total amount subscribed, as of December 31, 2015 US\$ 100.87 million have been received, with an effective annual rate of 3.53%.

xv) CMPC Celulose Riograndense Ltda. with Finnish Export Credit Ltd. (Finnvera) of Finland: on December 20, 2013 it subscribed a loan to develop the Guaíba 2 project for US\$ 220 million, at an average annual rate of 2.41% with semiannual principal amortizations from June 2016 to December 2025. As of December 31, 2015 the effective annual rate is 3.59%.

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xvi) Absormex CMPC Tissue S.A. de CV: in October 2012 it subscribed a syndicated loan for US\$ 80 million with The Bank of Tokyo - Mitsubishi UFJ, Ltd. (US\$ 40 million) and HSBC Bank USA, N.A. (US\$ 40 million), for a 3.5-year term, payable in one installment upon expiration on April 4, 2016 at an approximate interest rate of Libor+1.08% paid monthly. In October 2015 there was a principal amortization of ThUS\$ 40 million.

xvii) In May 2014, Absormex CMPC Tissue S.A. de CV with Nordea Bank AB (publ) (Swedish Export Credit Corporation) of Sweden as lender and agent, subscribed a loan for a maximum amount of US\$ 40.80 million to finance payments to suppliers associated to the paper machine construction project in the State of Tamaulipas. Each payment made during the course of the project shall contemplate a portion of the following currencies and the following total amounts cannot be exceeded: US\$ 7 million, SEK 126 million and EUR 10 million. For each payment made an interest rate of 2.37% shall accrue on the dollar with semiannual payments. Once the project has been completed, which is estimated to be in 2015, the disbursements made to that date will be consolidated and a single loan will begin with 17 semiannual amortization payments up to 2024. As of December 31, 2015, obligations on this transaction amount to US\$ 27.44 million.

All these loans can be prepaid without cost on the interest payment dates.

Derived from certain debt agreements subscribed by its subsidiaries Inversiones CMPC S.A., Drypers Andina S.A., Protisa Colombia S.A. (only with Bank of Tokyo - Mitsubishi UFJ, Ltd.), Melhoramentos CMPC Ltda., CMPC Celulose Riograndense Ltda. and Absormex CMPC Tissue S.A. de CV, and guaranteed by it, Empresas CMPC S.A. must comply with certain financial covenants calculated on the consolidated financial statements, associated to maintaining minimum equity, maximum debt level and minimum finance expense cost coverage ratio. As of December 31, 2015, the Company complies with these indicators.

Total financial liabilities include liabilities guaranteed with mortgages on buildings for the amount of ThUS\$ 13,111 (ThUS\$ 13,457 as of December 31, 2014).

## **B) OBLIGATIONS WITH THE PUBLIC (BONDS)**

i) On October 29, 2009 subsidiary Inversiones CMPC S.A., through its agency in the Cayman Islands, issued a Bond in the United States of America for the amount of US\$ 500 million, in accordance with Rule 144 A Regulation S of the United States Securities Act of 1933, with a 10-year term. The nominal interest rate is 6.13% and the effective rate is 6.25%, plus a 2.75% spread over 10-year treasury bonds. Principal is payable on maturity of the bond, whereas interest is payable semiannually. BNP Paribas, J.P. Morgan and Santander acted as the placement banks.

The proceeds were used to pay part of the cost of CMPC's acquisition of the forestry and industrial assets of the Guaíba unit of Brazilian company Aracruz Celulose e Papel S.A.

ii) On January 13, 2011 subsidiary Inversiones CMPC S.A., through its agency in the Cayman Islands, issued and placed a Bond in the United States amounting to US\$ 500 million, in accordance with Rule 144 A Regulation S of the United States Securities Act of 1933, with a 7-year term. The nominal interest rate is 4.75% and the effective rate is 4.83%, plus a spread of 2.2% over 7-year Treasury bonds. Principal is payable as of the maturity date of the bond, whereas interest is paid semiannually. The placement banks were Citigroup Global Markets Inc., Itaú BBA USA Securities Inc. and J.P. Morgan Securities LLC.

The proceeds from the issuance were for general corporate purposes.

iii) On April 18, 2012 subsidiary Inversiones CMPC S.A., through its agency in the Cayman Islands, issued and placed a Bond in the United States amounting to US\$ 500 million, in accordance with Rule 144 A Regulation S of the United States Securities Act of 1933, with a 10-year term. The nominal interest rate is 4.50% and the effective rate is 4.64%, plus a 2.65% spread over 10-year Treasury bonds. Principal is payable as of the maturity date of the bond, whereas interest is paid semiannually. The placement banks were Merrill Lynch, Pierce, Fenner & Smith Inc., HSBC Securities (USA) Inc., Mitsubishi UFJ Securities (USA) Inc. and J.P. Morgan Securities LLC.

The proceeds from the issuance were for general corporate purposes.

iv) On May 8, 2013 subsidiary Inversiones CMPC S.A. through its agency in the Cayman Islands, issued and placed a Bond in the United States amounting to US\$ 500 million, in accordance with Rule 144 A Regulation S, of the United States Securities Act of 1933, with a 10-year term. The nominal interest rate is 4.38%. The effective annual placement rate is 4.47%, plus a 2.70% spread over 10-year US Treasury bonds. Interest shall be paid semiannually and principal is amortized in one installment at maturity. The placement banks were Deutsche Bank Securities Inc. and J.P. Morgan Securities LLC.

The proceeds from the issuance were for general corporate purposes.

v) On September 10, 2014 subsidiary Inversiones CMPC S.A. issued and placed a Bond in the United States amounting to US\$ 500 million, in accordance with Rule 144 A Regulation S, of the United States Securities Act of 1933, with a 10-year term. The nominal interest rate is 4.75%. The effective annual placement rate is 4.79%, plus a 2.25% spread over 10-year US Treasury bonds. Interest shall be paid semi-annually and principal is amortized in one installment at maturity. The placement banks were J.P. Morgan, Mitsubishi UFJ Securities and Santander.

The proceeds from the issuance were for general corporate purposes.

vi) On June 15, 2005, subsidiary Inversiones CMPC S.A., issued a Series "A" Bond registered in the Securities Registry of the SVS under 413 for an amount of 7 million unidades de fomento (CLF) equivalent to US\$ 284 million. Interest is payable semi-annually at an annual rate of 2.7% compounded semiannually and principal is payable in full in March 2015. This bond was placed at a discount so that the effective placement rate was 3.22% in CLF. This bond was paid at its maturity in March 2015.

vii) On March 24, 2009, subsidiary Inversiones CMPC S.A., issued a Series "F" Bond registered in the Securities Registry of the SVS under No. 570, for a 21-year term, for an amount of 7 million unidades de fomento (US\$ 253 million). This obligation contemplates semiannual payments with an annual compound interest rate of 4.30%. In addition this bond was placed at a discount so that the effective placement rate was 4.55%.

Inversiones CMPC S.A. subscribed cross-currency swap contracts with local banks whose fair value is presented in other non-current financial liabilities.

viii) On April 21, 2014, subsidiary Inversiones CMPC S.A., issued a Series "G" Bond registered under No. 733 in the Securities Registry of the SVS, amounting to 5 million unidades de fomento (CLF) equivalent to US\$ 180 million. This obligation contemplates semi-annual interest payments with a compound annual interest rate of 3.5% and full payment of principal on April 21, 2039. This bond was also placed at a discount therefore the effective placement rate was 3.70% in CLF. This bond can be prepaid at par value as of the 5th year.

These obligations require compliance with certain financial covenants based on the financial statements of Empresas CMPC S.A. and subsidiaries. As of this year-end the Company is in compliance with these covenants which refer to maintaining minimum equity, maximum debt level and minimum finance expense cost coverage ratio.

### C) NET EFFECT OF DERIVATIVES SUBSCRIBED IN CHILE

i) On August 4, 2014, subsidiary Inversiones CMPC S.A. subscribed a cross-currency swap with Banco de Chile which redenominated 1,200,000 unidades de fomento (CLF) of Series G bond No. 733 issued for 5 million CLF to a liability in the amount of US\$ 50.61 million with a fixed interest rate of 3.47% for the entitlement in CLF and 4.50% for the obligation in US dollars, respectively. As of December 31, 2015 the fair value of this contract is presented in other non-current financial liabilities, net of a guarantee bond (collateral) in the amount of ThUS\$ 1,453, with hedge accounting treatment.

ii) On August 4, 2014, subsidiary Inversiones CMPC S.A. subscribed a cross-currency swap with Banco BCI - Chile which redenominated 1,200,000 unidades de fomento (CLF) of Series G bond No. 733 issued for 5 million CLF to a liability in the amount of US\$ 50.60 million with a fixed interest rate of 3.47% for the entitlement in CLF and 4.52% for the obligation in US dollars, respectively. As of December 31, 2015 the fair value of this contract is presented in other non-current financial liabilities, with hedge accounting treatment.

iii) On December 11, 2013, subsidiary Inversiones CMPC S.A. subscribed a cross-currency swap with Banco Santander - Chile which redenominated 1,237,000 unidades de fomento (CLF) of Series F bond No. 570 issued for 7 million CLF to a liability in the amount of US\$ 53.96 million with a fixed interest rate of 4.3% for the entitlement in CLF and 5.06% for the obligation in US dollars, respectively. As of December 31, 2015 the fair value of this contract is presented in other non-current financial liabilities, net of a guarantee bond (collateral) in the amount of ThUS\$ 2,089, with hedge accounting treatment.

iv) On December 10, 2013, subsidiary Inversiones CMPC S.A. subscribed a cross-currency swap with Banco Santander - Chile which redenominated 1,143,000 unidades de fomento (CLF) of Series F bond No. 570 issued for 7 million CLF to a liability in the amount of US\$ 50.00 million with a fixed interest rate of 4.3% for the entitlement in CLF and 5.06% for the obligation in US dollars, respectively. As of December 31, 2015 the fair value of this contract is presented in other non-current financial liabilities, net of a guarantee bond (collateral) in the amount of ThUS\$ 2,089, with hedge accounting treatment.

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v) On December 2, 2013, subsidiary Inversiones CMPC S.A. signed a cross-currency swap with Banco BBVA - Chile which redenominated 1,120,000 unidades de fomento (CLF) of Series F bond No. 570 issued for 7 million CLF to a liability in the amount of US\$ 49.02 million with a fixed interest rate of 4.3% for the entitlement in CLF and 5.15% for the obligation in US dollars, respectively. As of December 31, 2015 the fair value of this contract is presented in other non-current financial liabilities, with hedge accounting treatment.

## D) NET EFFECT OF DERIVATIVES SUBSCRIBED ABROAD

i) In July 2015 subsidiary Melhoramentos CMPC Ltda. subscribed a cross-currency swap with J.P. Morgan Chase Bank N.A. - Brazil, to hedge 100% of a loan for US\$ 35 million. Through this contract the 180-day Libor + 0.83 rate was changed to a fixed rate in reales equivalent to 99.3% of the CDI rate and the debt was redenominated to reales. As of December 31, 2015 the fair value of this contract is presented in other non-current financial assets with cash flow hedge accounting treatment.

ii) In 2015 subsidiary CMPC Celulose Riograndense Ltda. subscribed cross-currency swaps with Banco Santander S.A. - Brazil, to hedge 86% of a loan for BRL 532 million (US\$ 136 million). Through these contracts the TJLP+2.28 rates, equivalent to an annual rate of 9.268% was changed to an average rate of 1.47% and the debt was redenominated in US dollars. As of December 31, 2015 the fair values of these contracts are presented in other current and non-current financial liabilities, depending on maturity dates, with cash flow hedge accounting treatment.

iii) In the last quarter of 2014 subsidiary CMPC Celulose Riograndense Ltda. subscribed a cross-currency swap with Bank of America Merrill Lynch Múltiplo S.A. - Brazil, to hedge a loan for a balance of BRL 489 million (US\$ 125 million). Through these contracts the 2.5% fixed rate was changed to an average rate of -3.894% and the debt was redenominated in US dollars. As of December 31, 2015 the fair value of these contracts is presented in other current and non-current financial liabilities, depending on maturity dates, net of a guarantee bond (collateral) in the amount of ThUS\$ 19,129, with cash flow hedge accounting treatment.

iv) In August 2014 subsidiary Protisa Colombia S.A. subscribed a cross-currency swap with Banco BBVA - Chile, to hedge 92% of a loan for US\$ 38 million. Through this contract the 180-day Libor + 0.834% rate was changed to a fixed rate of 5.74% in Colombian pesos and the debt was redenominated in Colombian pesos. As of December 31, 2015 the fair value of this contract is presented in other non-current financial assets with cash flow hedge accounting treatment.

v) In July 2014 subsidiary Drypers Andina S.A. subscribed a cross-currency swap with Banco Santander - Chile, to hedge 100% of a loan for US\$ 25 million. Through this contract the 180-day Libor + 1.06% rate was changed to a fixed rate of 5.88% in Colombian pesos and the debt was redenominated in Colombian pesos. As of December 31, 2015 the fair value of this contract is presented in other non-current financial assets with cash flow hedge accounting treatment.

vi) In May 2013 subsidiary Absormex CMPC Tissue S.A. de CV subscribed a cross-currency swap with Banco HSBC - Mexico, to hedge 62.5% of a loan for US\$ 40 million. Through this contract the 180-day Libor + 1.08% rate was changed to a rate of TIIE + 0.05% and the debt was redenominated in Mexican pesos. In October 2015 there was a principal payment of US\$ 20 million. As of December 31, 2015 the fair value of this contract is presented in other current financial assets, with cash flow hedge accounting treatment.

vii) In May 2013 subsidiary Absormex CMPC Tissue S.A. de CV subscribed a cross-currency swap with Banco BBVA Bancomer - Mexico, to hedge 62.5% of a loan for US\$ 40 million. Through this contract the 180-day Libor + 1.08% rate was changed to a rate of TIIE + 0.05% and the debt was redenominated in Mexican pesos. In October 2015 there was a principal payment of US\$ 20 million. As of December 31, 2015 the fair value of this contract is presented in other current financial assets, with cash flow hedge accounting treatment.

## E) FINANCIAL COMMITMENTS

CMPC maintains a liquidity policy whose purpose is to ensure that the debt level does not put at risk its capability to pay obligations, thus generating adequate returns for its investors.

Currently, subsidiaries Inversiones CMPC S.A., Drypers Andina S.A., Protisa Colombia S.A. (only with Bank of Tokyo - Mitsubishi), Melhoramentos CMPC Ltda., CMPC Celulose Riograndense Ltda. and Absormex CMPC Tissue S.A. de CV (only with Bank of Tokyo - Mitsubishi and Nordea Bank AB) maintain certain debt instruments, in which, Empresas CMPC S.A., by acting as guarantor, is subject to compliance with certain financial covenants.



The status of compliance with the covenants that Empresas CMPC S.A. is subject to is detailed as follows:

DEBTOR SUBSIDIARY	CREDITOR / REPRESENTATIVE OF CREDITORS	TYPE OF DEBT / AMOUNT	COVENANTS (1)	CONDITION	12/31/2015	12/31/2014
Inversiones CMPC S.A.	Banco Santander - Spain (Swedish Export Credit Corporation - Sweden)	Bank loan for ThUS\$ 20,183	Financial debt with third parties/ Equity	Less than or equal to 0.8	0.52	0.56
			Finance cost coverage last 12 moving months	Greater than or equal to 3.25	5.94	5.31
			Equity	Greater than or equal to 71.58 million unidades de fomento plus 85% of new capital increases (ThUS\$ 3,184,809 in 2015 and 3,506,882 in 2014)	216.0 million unidades de fomento (ThUS\$ 7,802,124)	198.6 million unidades de fomento (ThUS\$ 8,060,707)
	Banco Santander - Chile	Obligations with the public. Series F Bond for 7 million unidades de fomento (ThUS\$ 252,624)	Financial debt with third parties/ Equity	Less than or equal to 0.8	0.52	0.56
			Maintain its property, plant and equipment and biological assets in the forestry, pulp, paper and paper products sector	At least 70%	100,00%	100,00%
		Obligations with the public. Series G Bond for 5 million unidades de fomento (ThUS\$ 180,446)	Financial debt with third parties/ Equity	Less than or equal to 0.8	0.52	0.56
Drypers Andina S.A.	BancoEstado - Chile	Bank loan for ThUS\$ 25,000	Financial debt with third parties/ Equity	Less than or equal to 0.8	0.52	0.56
			Finance cost coverage last 12 moving months	Greater than or equal to 3.25	5.94	5.31
			Equity	Greater than or equal to 71.58 million unidades de fomento plus 85% of new capital increases (ThUS\$ 3,184,809 in 2015 and 3,506,882 in 2014)	216.0 million unidades de fomento (ThUS\$ 7,802,124)	198.6 million unidades de fomento (ThUS\$ 8,060,707)
Protisa Colombia S.A.	Bank of Tokyo - Mitsubishi UFJ, Ltd. - United States	Bank loan for ThUS\$ 38,000	Financial debt with third parties/ Equity	Less than or equal to 0.8	0.52	0.56
			Finance cost coverage last 12 moving months	Greater than or equal to 3.25	5.94	5.31
			Equity	Greater than or equal to 71.58 million unidades de fomento plus 85% of new capital increases (ThUS\$ 3,184,809 in 2015 and 3,506,882 in 2014)	216.0 million unidades de fomento (ThUS\$ 7,802,124)	198.6 million unidades de fomento (ThUS\$ 8,060,707)

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DEBTOR SUBSIDIARY	CREDITOR / REPRESENTATIVE OF CREDITORS	TYPE OF DEBT / AMOUNT	COVENANTS (1)	CONDITION	12/31/2015	12/31/2014
Melhoramentos CMPC Ltda.	Banco BNDES - Brazil	Bank loans for ThUS\$ 16,414	Financial debt / Equity	Less than or equal to 0.8	0.52	0.56
			Finance cost coverage last 12 moving months	Greater than or equal to 3.25	5.94	5.31
CMPC Celulose Riograndense Ltda.	Banco BNDES - Brazil	Bank loans for ThUS\$ 466,880	Financial debt with third parties/ Equity	Less than or equal to 0.8	0.52	0.56
			Finance cost coverage last 12 moving months	Greater than or equal to 3.25	5.94	5.31
	Banco Santander - Spain and Nordea Bank AB plc (Swedish Export Credit Corporation) - Sweden	Bank loan for ThUS\$ 100,866	Financial debt with third parties/ Equity	Less than or equal to 0.8	0.52	0.56
			Finance cost coverage last 12 moving months	Greater than or equal to 3.25	5.94	5.31
			Equity	Greater than or equal to 71.58 million unidades de fomento plus 85% of new capital increases (ThUS\$ 3,184,809 in 2015 and 3,506,882 in 2014)	216.0 million unidades de fomento (ThUS\$ 7,802,124)	198.6 million unidades de fomento (ThUS\$ 8,060,707)
	Banco Santander - Spain and Nordea Bank AB plc (Finnish Export Credit Ltd.)- Finland	Bank loan for ThUS\$ 220,000	Financial debt with third parties/ Equity	Less than or equal to 0.8	0.52	0.56
			Finance cost coverage last 12 moving months	Greater than or equal to 3.25	5.94	5.31
			Equity	Greater than or equal to 71.58 million unidades de fomento plus 85% of new capital increases (ThUS\$ 3,184,809 in 2015 and 3,506,882 in 2014)	216.0 million unidades de fomento (ThUS\$ 7,802,124)	198.6 million unidades de fomento (ThUS\$ 8,060,707)
	Bank of Tokyo - Mitsubishi UFJ, Ltd. and HSBC Bank USA, N.A. - United States	Bank loans for ThUS\$ 40,000	Financial debt with third parties/ Equity	Less than or equal to 0.8	0.52	0.56
			Finance cost coverage last 12 moving months	Greater than or equal to 3.25	5.94	5.31
			Equity	Greater than or equal to 71.58 million unidades de fomento plus 85% of new capital increases (ThUS\$ 3,184,809 in 2015 and 3,506,882 in 2014)	216.0 million unidades de fomento (ThUS\$ 7,802,124)	198.6 million unidades de fomento (ThUS\$ 8,060,707)
Absormex CMPC Tissue S.A. de CV	Nordea Bank AB (publ) (Swedish Export Credit Corporation) - Sweden	Bank loan for ThUS\$ 27,441	Financial debt with third parties/ Equity	Less than or equal to 0.8	0.52	0.56
			Finance cost coverage last 12 moving months	Greater than or equal to 3.25	5.94	5.31
			Equity	Greater than or equal to 71.58 million unidades de fomento plus 85% of new capital increases (ThUS\$ 3,184,809 in 2015 and 3,506,882 in 2014)	216.0 million unidades de fomento (ThUS\$ 7,802,124)	198.6 million unidades de fomento (ThUS\$ 8,060,707)

(1) Determination of financial debt with third parties, of Equity and financial expense coverage are detailed in points 1 and 2 below.

The covenants that Empresas CMPC S.A. is subject to and their respective calculations (with the accounts and balances current as of December 31, 2015 and 2014), are detailed as follows:

#### 1.- FINANCIAL DEBT WITH THIRD PARTIES / EQUITY (ADJUSTED FOR CONTRACTS), LESS THAN OR EQUAL TO 0.8

The following accounts are considered to calculate this restriction:

FINANCIAL DEBT WITH THIRD PARTIES / EQUITY (ADJUSTED ACCORDING TO CONTRACTS), LESS THAN OR EQUAL TO 0.8	12/31/2015 THUS\$	12/31/2014 THUS\$
<b>I) FINANCIAL DEBT WITH THIRD PARTIES:</b>		
Current interest bearing loans ( Note 22)	218,167	477,008
Non-current interest bearing loans (Note 22)	3,774,870	4,073,635
Current hedging liabilities (Note 22)	2,278	768
Non-current hedging liabilities (Note 22)	133,516	32,655
Less: Other obligations (Note 22)	(35,162)	(36,725)
Market value of swaps and cross currency swaps (Notes 8 and 22)	442	(39,165)
Current hedging assets (Note 8)	(12,969)	-
Non-current hedging assets (Note 8)	(29,098)	(17,153)
<b>TOTAL FINANCIAL DEBT WITH THIRD PARTIES</b>	<b>4,052,044</b>	<b>4,491,023</b>
<b>II) EQUITY (ADJUSTED ACCORDING TO CONTRACTS):</b>		
Equity attributable to owners of the parent (Classified Statement of Financial Position)	7,923,935	8,200,458
Less: Intangible assets other than goodwill (Classified Statement of Financial Position)	(14,559)	(15,696)
Goodwill (Classified Statement of Financial Position)	(107,252)	(124,055)
<b>TOTAL EQUITY (ADJUSTED ACCORDING TO CONTRACTS)</b>	<b>7,802,124</b>	<b>8,060,707</b>
<b>FINANCIAL DEBT WITH THIRD PARTIES / EQUITY (ADJUSTED ACCORDING TO CONTRACTS)</b>	<b>0.52</b>	<b>0.56</b>
The limit for this covenant is 0.80 and is therefore complied with.		

#### 2.- FINANCE COST COVERAGE OVER THE LAST 12 MONTHS MOVING GREATER THAN OR EQUAL TO 3.25

INTEREST COST COVERAGE OVER THE LAST 12 MOVING MONTHS GREATER THAN OR EQUAL TO 3.25	12/31/2015 THUS\$	12/31/2014 THUS\$
<b>I) EBITDA* (LAST 12 MOVING MONTHS):</b>		
Income from operating activities (Income Statement, by Function)	4,841,141	4,837,121
Cost of sales (Income Statement, by Function)	(3,813,561)	(3,826,898)
Plus: Depreciation and amortization expenses (Note 37)	373,685	350,586
Cost of formation of harvested plantations (Note 13)	125,413	85,274
Higher cost of harvested and sold part of plantations derived from revaluation for their natural growth (Note 13)	197,082	204,790
Less: Distribution costs (Income Statement, by Function)	(222,871)	(239,553)
Administrative expenses (Income Statement, by Function)	(207,910)	(222,263)
Other expenses, by function (Income Statement, by Function)	(193,972)	(202,943)
<b>TOTAL EBITDA LAST 12 MOVING MONTHS</b>		<b>986,114</b>
II) DIVIDENDS OF ASSOCIATES: DIVIDENDS RECEIVED CLASSIFIED AS INVESTMENT (STATEMENT OF CASH FLOWS - DIRECT METHOD)	-	-
III) FINANCE INCOME (INCOME STATEMENT, BY FUNCTION)	11,059	20,422
IV) FINANCE COST (INCOME STATEMENT, BY FUNCTION)	187,032	189,521
<b>FINANCE COST COVERAGE LAST 12 MOVING MONTHS ((I+II+III)/IV)</b>	<b>5.94</b>	<b>5.31</b>
The limit for this covenant is 3.25 and is therefore complied with.		

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## 3.- EQUITY (ADJUSTED FOR CONTRACTS) GREATER THAN OR EQUAL TO CLF 71,580,000

EQUITY (ADJUSTED ACCORDING TO CONTRACTS) GREATER THAN OR EQUAL TO CLF 71,580,000	12/31/2015 THUS\$	12/31/2014 THUS\$
<b>I) EQUITY (ADJUSTED ACCORDING TO CONTRACTS) REQUIRED, EXPRESSED IN THOUSANDS OF DOLLARS:</b>		
Value of the Unidad de Fomento (CLF) in thousands of dollars, at closing date	0.0361	0.0406
Equity (adjusted according to contracts) required, expressed in thousands of dollars	2,583,263	2,905,328
Equity (adjusted according to contracts) plus 85% of new capital increases required, expressed in thousands of dollars		3,506,882
<b>II) EQUITY (ADJUSTED ACCORDING TO CONTRACTS) :</b>		
Equity attributable to owners of the parent (Classified Statement of Financial Position)	7,923,935	8,200,458
Less: Tangible assets other than goodwill (Classified Statement of Financial Position)	(14,559)	(15,696)
Goodwill (Classified Statement of Financial Position)	(107,252)	(124,055)
<b>TOTAL EQUITY (ADJUSTED ACCORDING TO CONTRACTS) AS OF CLOSING DATE, EXCEEDS THE REQUIREMENT</b>	<b>7,802,124</b>	<b>8,060,707</b>

## 4.- PROPERTY, PLANT AND EQUIPMENT AND BIOLOGICAL ASSETS

Empresas CMPC is required to maintain at least 70% of total property, plant and equipment and biological assets in the forestry, pulp paper and paper products sector. As of December 31, 2015 and 2014, 100% of the Company's property, plant and equipment and biological assets were in the mentioned sectors.

## F) FAIR VALUE OF INTEREST BEARING LOANS

Considering that the average term of CMPC's debt is 6.5 years and that the average rate accruing on loans in dollars today is 3.93% annually, CMPC's management considers that the Company could finance its operations with liabilities, in the manner and under market conditions similar to those currently agreed for its financial liabilities. It has therefore determined that the fair value of financial liabilities is approximate ( $\pm 1\%$ ) or equivalent to its amortized carrying amount.

## G) MATURITY OF CONTRACTED CASH FLOWS

The settlement of other current and non-current financial liabilities recorded as of December 31, 2015 and 2014, expressed in final amounts on the respective payment dates is detailed as follows:

	CARRYING AMOUNT THUS\$	MATURITY OF CONTRACTED CASH FLOWS					
		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\$	MORE THAN 5 YEARS THUS\$	TOTAL THUS\$
BALANCE AS OF DECEMBER 31, 2015							
FINANCIAL LIABILITIES							
Bank loans	1,010,981	94,823	95,846	425,780	323,704	216,363	1,156,516
Obligations with the public	2,933,003	23,750	115,760	767,145	685,582	2,334,450	3,926,687
Finance leases	49,053	782	5,919	6,823	11,642	28,273	53,439
Swaps and cross-currency swaps	442	702	2,106	-	-	-	2,808
Foreign currency forwards	131	131	-	-	-	-	131
Hedging liabilities	200,883	8,473	36,970	61,425	8,248	151,516	266,632
TOTAL	4,194,493	128,661	256,601	1,261,173	1,029,176	2,730,602	5,406,213

	CARRYING AMOUNT THUS\$	MATURITY OF CONTRACTED CASH FLOWS					
		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\$	MORE THAN 5 YEARS THUS\$	TOTAL THUS\$
BALANCE AS OF DECEMBER 31, 2014							
FINANCIAL LIABILITIES							
Bank loans	1,220,531	89,784	56,078	786,938	120,507	250,907	1,304,214
Obligations with the public	3,268,484	315,870	100,504	283,019	1,232,082	2,498,130	4,429,605
Finance leases	61,628	518	4,942	6,936	25,494	28,987	66,877
Swaps and cross-currency swaps	4,387	3,259	2,808	3,744	-	-	9,811
Foreign currency forwards	2,748	2,489	259	-	-	-	2,748
Hedging liabilities	85,855	13,252	24,696	52,064	12,971	28,454	131,437
TOTAL	4,643,633	425,172	189,287	1,132,701	1,391,054	2,806,478	5,944,692

Cash flows at maturity of the financial liabilities from operations with derivatives were calculated using currency exchange and interest rates current as of the closing date of these financial statements.



## H) FAIR VALUE HIERARCHIES

The financial and hedging liabilities accounted for at fair value in the statement of financial position, have been measured on the basis of the methodologies of IFRS 13. The following parameters have been considered for the purpose of applying criteria in the determination of the fair value of financial liabilities:

Level I: Values or prices quoted in active markets for identical assets and liabilities.

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

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

As of December 31, 2015 and 2014 financial liabilities and hedging liabilities measured at fair value are detailed as follows:

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE	HIERARCHY USED TO DETERMINE FAIR VALUE		
	LEVEL I THUS\$	LEVEL II THUS\$	LEVEL III THUS\$
<b>BALANCE AS OF DECEMBER 31, 2015</b>			
Interest rate swap operations	-	442	-
Currency forward operations	-	131	-
Hedging liabilities	-	200,883	-
<b>TOTAL FINANCIAL LIABILITIES AT FAIR VALUE</b>	-	<b>201,456</b>	-
<b>BALANCE AS OF DECEMBER 31, 2014</b>			
Interest rate swap operations	-	4,387	-
Currency forward operations	-	2,748	-
Hedging liabilities	-	85,855	-
<b>TOTAL FINANCIAL LIABILITIES AT FAIR VALUE</b>	-	<b>92,990</b>	-

## NOTE 23 - TRADE AND OTHER ACCOUNTS PAYABLE

Trade and other accounts payable are detailed as follows:

BALANCE AS OF DECEMBER 31, 2015		TRADE AND OTHER ACCOUNTS PAYABLE EXPOSED TO LIQUIDITY RISK				
TYPE OF CREDITOR	CURRENCY	UP TO 1 MONTH THUS\$	2 TO 3 MONTHS THUS\$	4 TO 12 MONTHS THUS\$	TOTAL THUS\$	AMORTIZATION
Suppliers	CLP	176,095	12,449	23	188,567	Monthly
Suppliers	CLF	2,640	-	-	2,640	Monthly
Suppliers	US\$	227,022	33,107	12,858	272,987	Monthly
Suppliers	EUR	10,841	297	16,586	27,724	Monthly
Suppliers	ARS	13,649	3,668	6	17,323	Monthly
Suppliers	MXN	18,033	759	2	18,794	Monthly
Suppliers	SEK	3,482	3	3,061	6,546	Monthly
Suppliers	COP	4,560	294	-	4,854	Monthly
Suppliers	BRL	25,246	14,145	9,611	49,002	Monthly
Suppliers	PEN	11,647	1,898	117	13,662	Monthly
Suppliers	UYU	3,023	33	-	3,056	Monthly
Suppliers	GBP	128	-	-	128	Monthly
Notes payable	ARS	7,145	137	-	7,282	Monthly
Other payables	CLP	28,270	-	-	28,270	Monthly
Other payables	US\$	472	-	-	472	Monthly
Other payables	ARS	6,124	-	-	6,124	Monthly
Other payables	MXN	1,981	-	-	1,981	Monthly
Other payables	COP	1,161	-	-	1,161	Monthly
Other payables	BRL	18,344	-	-	18,344	Monthly
Other payables	PEN	3,485	-	-	3,485	Monthly
Other payables	UYU	652	-	-	652	Monthly
<b>TOTAL</b>		<b>564,000</b>	<b>66,790</b>	<b>42,264</b>	<b>673,054</b>	

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BALANCE AS OF DECEMBER 31, 2014		TRADE AND OTHER ACCOUNTS PAYABLE EXPOSED TO LIQUIDITY RISK				
TYPE OF CREDITOR	CURRENCY	UP TO 1 MONTH THUS\$	2 TO 3 MONTHS THUS\$	4 TO 12 MONTHS THUS\$	TOTAL THUS\$	AMORTIZATION
Suppliers	CLP	198,884	15,447	1,188	215,519	Monthly
Suppliers	CLF	1,545	-	-	1,545	Monthly
Suppliers	US\$	146,062	15,429	9,724	171,215	Monthly
Suppliers	EUR	9,766	353	3,544	13,663	Monthly
Suppliers	ARS	19,357	45	32	19,434	Monthly
Suppliers	MXN	15,641	6,852	215	22,708	Monthly
Suppliers	SEK	7,293	-	10,323	17,616	Monthly
Suppliers	COP	5,331	-	-	5,331	Monthly
Suppliers	BRL	37,782	14,656	25,286	77,724	Monthly
Suppliers	PEN	18,663	1,550	158	20,371	Monthly
Suppliers	UYU	2,993	-	-	2,993	Monthly
Suppliers	GBP	49	-	-	49	Monthly
Notes payable	ARS	13,751	367	-	14,118	Monthly
Other payables	CLP	27,014	589	125	27,728	Monthly
Other payables	US\$	1,703	-	208	1,911	Monthly
Other payables	EUR	7	-	-	7	Monthly
Other payables	ARS	7,279	-	-	7,279	Monthly
Other payables	MXN	4,357	-	-	4,357	Monthly
Other payables	COP	2,059	-	-	2,059	Monthly
Other payables	BRL	18,893	-	-	18,893	Monthly
Other payables	PEN	3,470	-	-	3,470	Monthly
Other payables	UYU	613	-	-	613	Monthly
<b>TOTAL</b>		<b>542,512</b>	<b>55,288</b>	<b>50,803</b>	<b>648,603</b>	

The amortized cost of trade and other accounts payable adequately represents the fair value of these items.

Trade and other accounts payable that are current and overdue are detailed as follows:

TRADE ACCOUNTS WITH UP TO DATE PAYMENTS	BALANCES AS OF DECEMBER 31, 2015				BALANCES AS OF DECEMBER 31, 2014			
	GOODS THUS\$	SERVICES THUS\$	OTHER THUS\$	TOTAL THUS\$	GOODS THUS\$	SERVICES THUS\$	OTHER THUS\$	TOTAL THUS\$
Up to 30 days	227,546	248,373	62,088	538,007	245,419	189,818	71,341	506,578
From 31 to 60 days	39,292	4,847	110	44,249	32,820	4,168	1,334	38,322
From 61 to 90 days	21,108	1,426	7	22,541	15,721	999	246	16,966
From 91 to 120 days	1,494	7	-	1,501	2,792	16	34	2,842
From 121 to 365 days	40,377	386	-	40,763	41,446	5,260	1,255	47,961
Total	329,817	255,039	62,205	647,061	338,198	200,261	74,210	612,669
<b>AVERAGE PAYMENT PERIOD IN DAYS</b>	<b>38</b>	<b>16</b>	<b>15</b>	<b>27</b>	<b>36</b>	<b>19</b>	<b>18</b>	<b>28</b>

TRADE ACCOUNTS WITH OVERDUE PAYMENTS	BALANCES AS OF DECEMBER 31, 2015				BALANCES AS OF DECEMBER 31, 2014			
	GOODS THUS\$	SERVICES THUS\$	OTHER THUS\$	TOTAL THUS\$	GOODS THUS\$	SERVICES THUS\$	OTHER THUS\$	TOTAL THUS\$
Up to 30 days	9,732	8,421	543	18,696	18,426	10,336	223	28,985
From 31 to 60 days	4,004	1,341	-	5,345	2,107	1,596	29	3,732
From 61 to 90 days	511	244	-	755	1,148	338	1	1,487
From 91 to 120 days	138	116	-	254	105	45	7	157
From 121 to 180 days	282	186	-	468	286	81	3	370
More than 180 days	209	266	-	475	1,017	178	8	1,203
Total	14,876	10,574	543	25,993	23,089	12,574	271	35,934
<b>AVERAGE PAYMENT PERIOD IN DAYS</b>	<b>28</b>	<b>23</b>	<b>15</b>	<b>26</b>	<b>22</b>	<b>21</b>	<b>22</b>	<b>22</b>

Overdue trade accounts payable originate mainly from the mismatch between the biweekly payment schedule and recorded due dates for each document, which generates delays of less than 15 days. Longer delays are mainly due to commercial discrepancies with suppliers.

## NOTE 24 - ACCOUNTS PAYABLE TO RELATED PARTIES

As of each year-end current accounts payable to related parties are detailed as follows:

RELATED PARTY TAXPAYER NO.	RELATED PARTY NAME	NATURE OF RELATIONSHIP WITH RELATED PARTY	COUNTRY OF ORIGIN	ACCOUNT PAYABLE DESCRIPTION	OUTSTANDING BALANCES		TYPE OF CURRENCY	TERM OF TRANSACTION WITH RELATED PARTY	EXPLANATION OF NATURE OF THE COMPENSATION ESTABLISHED TO SETTLE A TRANSACTION
					12/31/2015 THUS\$	12/31/2014 THUS\$			
CURRENT LIABILITIES									
96.722.460-k	Metrogas S.A.	Common director at the entity or its parent	Chile	Gas purchase	5,242	1,592	CLP	30 days	Monetary
99.520.000-7	Cía. de Petróleos de Chile S.A.	Common director at the entity or its parent	Chile	Fuel purchase	680	953	CLP	60 days	Monetary
Foreign	Arauco Argentina S.A.	Common director at the entity or its parent	Argentina	Pulp purchase	878	1,620	US\$	60 days	Monetary
91.806.000-6	Abastecedora de Combustibles S.A.	Common director at the entity or its parent	Chile	Gas purchase	111	207	CLP	30 days	Monetary
96.505.760-9	Colbún S.A.	Common director at the entity or its parent	Chile	Electricity purchase	113	124	US\$	30 days	Monetary
96.806.980-2	Entel PCS Telecomunicaciones S.A.	Common director at the entity or its parent	Chile	Services purchase	88	139	CLP	60 days	Monetary
99.301.000-6	Seguros Vida Security Previsión S.A.	Common director at the entity or its parent	Chile	Insurance purchase	138	129	CLP	30 days	Monetary
96.959.030-1	Puerto Lirquén S.A.	Common director at the entity or its parent	Chile	Services purchase	1,305	13	CLP	30 days	Monetary
92.580.000-7	Entel S.A.	Common director at the entity or its parent	Chile	Services purchase	84	226	CLP	60 days	Monetary
96.657.900-5	Consortio Protección Fitosanitaria Forestal S.A.	Associate	Chile	Services purchase	39	17	CLP	30 days	Monetary
96.697.410-9	Entel Telefonía Local S.A.	Common director at the entity or its parent	Chile	Services purchase	21	18	CLP	60 days	Monetary
96.560.720-k	Portuaria Lirquén S.A.	Common director at the entity or its parent	Chile	Services purchase	3	-	US\$	30 days	Monetary
93.628.000-5	Molibdenos y Metales S.A.	Common director at the entity or its parent	Chile	Products purchase	-	79	CLP	60 days	Monetary
70.360.100-6	Asociación Chilena de Seguridad	Common director at the entity or its parent	Chile	Insurance purchase	255	289	CLP	30 days	Monetary
85.805.200-9	Forestal Arauco S.A.	Common director at the entity or its parent	Chile	Insurance purchase	89	-	CLP	30 days	Monetary
79.874.200-0	Vía Limpia S.P.A.	Common director at the entity or its parent	Chile	Products purchase	1	-	CLP	30 days	Monetary
76.218.856-2	Colbún Transmisión S.A.	Common director at the entity or its parent	Chile	Products purchase	3	-	CLP	30 days	Monetary
Foreign	Americatel Perú S.A.	Common director at the entity or its parent	Peru	Products purchase	1	-	PEN	30 days	Monetary
Foreign	Entel Perú S.A.	Common director at the entity or its parent	Peru	Products purchase	1	-	PEN	30 days	Monetary
Foreign	Lima Gas S.A.	Common director at the entity or its parent	Peru	Products purchase	18	-	PEN	30 days	Monetary
TOTAL					9,070	5,406			

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## NOTE 25 - PROVISIONS AND CONTINGENT LIABILITIES

**25.1.** Amounts provisioned are detailed as follows:

PROVISIONS	12/31/2015 THUS\$	12/31/2014 THUS\$
<b>CURRENT</b>		
Provision for labor, civil and tax lawsuits	4,609	4,043
<b>TOTAL</b>	<b>4,609</b>	<b>4,043</b>
<b>NON-CURRENT</b>		
Provision for labor, civil and tax lawsuits	36,765	23,014
<b>TOTAL</b>	<b>36,765</b>	<b>23,014</b>

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 possible effects derived from the resolution of lawsuits in which the Company is involved. These lawsuits derive from transactions which are part of the normal course of CMPC's business and whose details and scopes are not full public knowledge; therefore their detailed disclosure might affect the interests of the Company and their progress, based on legal reserves for each administrative and judicial proceeding. Therefore, based on the regulations of IAS 37, paragraph 92, even though the amounts provisioned are indicated, no further detail about them is disclosed at the close of these financial statements.

Movement of the mentioned provisions for the year is detailed as follows:

	12/31/2015 THUS\$	12/31/2014 THUS\$
<b>CURRENT</b>		
Beginning balance	4,043	3,382
Increase for the year	2,261	2,281
Provision used	(8,535)	(662)
Transfer from (a) other non-current provisions	8,175	(38)
Reversal of provisions	(15)	(137)
Decrease due to foreign currency translation differences	(1,320)	(783)
<b>ENDING BALANCE</b>	<b>4,609</b>	<b>4,043</b>
<b>NON-CURRENT</b>		
Beginning balance	23,014	21,317
Increase for the year	24,684	10,080
Miscellaneous lawsuits charged to Melpaper S.A. (Melhoramentos CMPC Ltda.)	(608)	(5,977)
Transfer (a) from other current provisions	(8,175)	38
Other	-	82
Decrease due to foreign currency translation differences	(2,150)	(2,526)
<b>ENDING BALANCE</b>	<b>36,765</b>	<b>23,014</b>

In the year ended December 31, 2015 an increase in provision for legal claims of ThUS\$ 26,945 (ThUS\$ 12,361 in 2014) was recorded as expenses for the year under other profits (losses).

## 25.2. CONTINGENT LIABILITIES CONSIST OF THE FOLLOWING CONTINGENCIES AND RESTRICTIONS:

### A) DIRECT GUARANTEES

To guarantee to Banco Bice compliance with each and every one of the current and future obligations of Empresas CMPC S.A. and its subsidiaries, Empresas CMPC S.A. has established a first mortgage on floors 1 to 9 and the basement of the corporate building located at Agustinas 1343 in Santiago. The value allocated for this purpose is ThUS\$ 13,111, as per public deed dated July 22, 2011, signed before Santiago Notary Public Mr. Francisco Javier Leiva Carvajal, repertoire No. 4.917.



## **B) INDIRECT GUARANTEES**

Empresas CMPC S.A. has granted the following guarantees for the following operations:

(1) Loans and bond issuances undertaken abroad by subsidiary Inversiones CMPC S.A., subscribed directly and through its agency in the Cayman Islands.

(2) Bond issuances in CLF undertaken in Chile by subsidiary Inversiones CMPC S.A.

In the case of indirect guarantees, the creditor of the guarantee guaranteed by Empresas CMPC S.A. is the holder of the instrument, since those instruments are transferable.

(3) Compliance by Absormex CMPC Tissue S.A. de CV (subsidiary in Mexico), with loans subscribed with Nordea Bank AB (Swedish Export Credit Corporation of Sweden), Bank of Tokyo - Mitsubishi UFJ, Ltd. and HSBC Bank USA, N.A.

(4) Compliance by Drypers Andina S.A. (subsidiary in Colombia), with the loan that this company signed with BancoEstado - Chile.

(5) Compliance by Forsac Perú S.A. with the machinery finance lease contract that this company subscribed with Banco de Crédito de Perú.

(6) Compliance by Protisa Colombia S.A. (subsidiary in Colombia), with the loan that this company subscribed with Bank of Tokyo - Mitsubishi UFJ, Ltd.

(7) Compliance by Melhoramentos CMPC Ltda. (subsidiary in Brazil), with the loan that this company subscribed with Banco J.P. Morgan S.A. of Brazil.

(8) Compliance by CMPC Celulose Riograndense Ltda. (subsidiary in Brazil), with the loans that this company subscribed with Banco BNDES - Brazil, with Banco Santander and Nordea Bank AB (Swedish Export Credit Corporation (EKN) of Sweden) and with Banco Santander and Nordea Bank AB (Finnish Export Credit Ltd. (Finnvera) of Finland).

## **C) RESTRICTIONS**

As a result of certain debt contracts subscribed by its subsidiaries Inversiones CMPC S.A., Drypers Andina S.A., Protisa Colombia S.A. (only with Bank of Tokyo - Mitsubishi UFJ, Ltd.), Melhoramentos CMPC Ltda., CMPC Celulose Riograndense Ltda. and Absormex CMPC Tissue S.A. de CV, and guaranteed by it, Empresas CMPC S.A. must comply with certain financial covenants calculated on the consolidated financial statements, in reference to maintaining minimum equity, maximum debt level and minimum financial expense coverage ratio. As of December 31, 2015, the Company complies with these indicators.

As a result of a loan agreement with Banco Santander Río and BBVA Banco Francés S.A., Subsidiary La Papelera del Plata S.A. of Argentina must comply with certain indicators calculated on its annual financial statements, in reference to maintaining minimum equity, maximum debt and level of debt coverage. As of 2015 year-end the Company complies with these indicators.

## **D) LAWSUITS**

The following are the most significant lawsuits in which CMPC is involved, including 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 undetermined. Considering the opinions of the Company's legal counsel, CMPC has established a provision in the year ended as of December 31, 2015 in the amount of ThUS\$ 26,945 (ThUS\$ 12,361 in 2014) to cover possible disbursements that these contingencies might cause.

(1) Forestal Mininco S.A. is a party in several lawsuits, mainly with landowners and farmers in reference to demarcation and other related concepts. In the opinion of our legal counsel, a favorable result is expected.

(2) CMPC Maderas S.A. is the defendant in a civil summary proceeding for a sum of approximately ThUS\$ 1,921, filed before the 4th Civil Court of Santiago. The parties have been notified to hear sentencing.

(3) CMPC Maderas S.A. is the defendant in a damage indemnity civil lawsuit, filed before the 1st Civil Court of Concepcion, for an approximate amount of ThUS\$ 315. The case is at the evidence stage.

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(4) CMPC Maderas S.A. is the defendant in a civil damage indemnity lawsuit filed before the 5th Civil Court of Santiago, for an approximate amount of ThUS\$ 713, which is at the discussion stage.

(5) CMPC Maderas S.A. is joint and several defendants in a labor lawsuit filed before the 2nd Labor Court of Santiago, for an approximate amount of ThUS\$ 334. The claim was rejected in that instance.

(6) CMPC Celulosa S.A. is involved in a tax lawsuit in the amount of ThUS\$6,803, derived from an appraisal of the value of an internal transfer of shares, by the Chilean Internal Revenue Service (SII) on June 30, 2001. Due to errors in the proceeding, the Company filed an action before the Supreme Court (Case No. 1767-3) which was accepted on August 5, 2005, and produced invalidation of the ongoing lawsuit. On February 3, 2016 the SII dictated sentence rejecting the Company's claim, for which the Company filed an appeal.

(7) In the lawsuit filed by CMPC Celulosa S.A. against Banco Central (whose first complaint was filed in May 1995), on May 5, 2009 the Court of Appeals of Santiago accepted the appeal filed by CMPC, establishing the specific criteria for determining the amount owed to the Company by the Central Bank, in connection with the final judgment handed down by the Supreme Court in 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 issuance and not according to the new formula established subsequently by the debtor. With respect to that order, both the Central Bank and CMPC filed appeals for dismissal in form and substance before the Supreme Court. On September 12, 2011, the Supreme Court resolved the appeal filed and handed down 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 from the Court of Appeals of Santiago. On May 31, 2012, after decreeing compliance with and certification of the final sentence, CMPC Celulosa S.A. requested from the Court of First Instance that the settlement of the credit be ordered. Through legal experts the settlement value of CLP 474,542,519 (ThUS\$ 679) was determined, and was confirmed by the Court of Appeals of Santiago on May 7, 2015. The resolution of compliance from the Court of First Instance is pending.

(8) CMPC Celulosa S.A. is joint and several defendants in a lawsuit filed before the Court of First Instance of Laja, for an approximate amount of ThUS\$ 147, which is at the discussion stage.

(9) CMPC Celulosa S.A. is joint and several defendants in a labor lawsuit filed before the Court of First Instance of Nacimiento, for an approximate amount of ThUS\$ 737.

(10) CMPC Celulosa S.A. is the defendant in a lawsuit filed before the Court of First Instance of Laja, for an approximate amount of ThUS\$ 184.

(11) Papeles Cordillera S.A. is a party to a civil lawsuit filed before the Civil Court of Puente Alto, for an amount of close to ThUS\$ 119. The complaint was partially accepted in first instance, for the amount of ThUS\$ 80. An appeal was filed.

(12) In May 2006, subsidiary Inversiones Protisa S.A. received a tax assessment amounting to ThUS\$ 43,468, based on a discrepancy with the Chilean Internal Revenue Service (SII) in relation to the criteria for tax valuation and price-level restatement used by the Company in respect to its investments abroad. The company filed its defense before the SII, ratifying the criteria used and providing the legal and administrative supporting documentation for that criterion. On March 28, the SII rejected the claim filed by the Company, and in response the Company filed an appeal, which was partially accepted on June 10, 2014. Both parties filed appeals before the Supreme Court. On January 21, the appeal filed by the company was accepted. After this favorable result the case is ended and this contingency will be eliminated from this report.

(13) CMPC Tissue S.A. has verified in ordinary period a non-preferential loan ("crédito valista") in the bankruptcy of Jorge Rabié y Compañía S.A. for the sum of ThUS\$ 2,519.

(14) Forsac S.A. filed a tax claim, case RIT GR-15-00106-2014, in which the SII requires payment of a sum of approximately ThUS\$ 307, relating to the tax loss declared for the 2012 tax year. The case is currently at the evidence stage at the Tax and Customs Court.

(15) On January 19, 2015, subsidiary Inversiones CMPC S.A. received from the SII a tax assessment in the amount of ThUS\$ 41,808, based on the discrepancy with the SII in the charging of expenses of that company's agency. Inversiones CMPC S.A. has appeared before the Tax and Customs Court. The case is pending reception of the case to the evidence stage.

(16) Subsidiary Fabi Bolsas Industriales S.A. of Argentina, faces labor lawsuits in the amount of ThUS\$ 96.

(17) As of December 31, 2015, subsidiary Forestal Bosques del Plata S.A. of Argentina has labor lawsuits in the amount of approximately ThUS\$ 361.

(18) Subsidiary La Papelera del Plata S.A. of Argentina, faces labor complaints involving a total nominal amount of approximately ThUS\$ 3,676 and civil lawsuits in the amount of ThUS\$ 2,621.

(19) Subsidiary Industria Papelera Uruguaya S.A. faces labor complaints in the amount of ThUS\$ 201.

(20) Subsidiary Protisa Perú S.A. faces labor proceedings in the amount of ThUS\$ 38.

(21) Subsidiary CMPC Celulose Riograndense Ltda. of Brazil, faces civil lawsuits in the amount of ThUS\$ 9,397, tax lawsuits in the amount of ThUS\$ 7,035 and labor proceedings associated to contractors, guaranteed by them.

(22) Subsidiary Melhoramentos CMPC Ltda. of Brazil faces civil lawsuits for an approximate amount of ThUS\$ 1,605 and labor lawsuits for an approximate sum of ThUS\$ 9,959.

(23) Subsidiary Absormex CMPC Tissue S.A. de CV is a party in tax, civil and labor complaints that involve amounts of approximately ThUS\$ 732, which in the opinion of our legal counsel will have favorable outcomes.

(24) Subsidiary Protisa Colombia S.A. is involved in lawsuits against the Municipality of Gachancipá for an approximate amount of ThUS\$ 2,401, for the concept of settlement of "goodwill" and compensation of "mandatory assignments", which are pending resolution.

(25) Subsidiary Drypers Andina S.A. is involved in labor lawsuits for an approximate amount of ThUS\$ 572.

(26) Subsidiary Drypers Andina S.A. was included in two requirements of the Superintendency of Industry and Commerce (SIC) of Colombia, due to alleged collusion in the toilet paper and diaper markets in that country. Both actions were filed against practically all the companies that participate in the markets in question and against the individuals that would appear to be involved. Drypers Andina S.A. answered both requirements rejecting the accusations made.

(27) On October 28, 2015 CMPC became aware that the Chilean National Economic Prosecutor ("Fiscalía Nacional Económica") filed a requirement against its subsidiary CMPC Tissue S.A. before the Chilean Competition Tribunal ("Tribunal de Defensa de la Libre Competencia"). That action refers to certain conducts that are contrary to free competition in which members of the senior management of the mentioned subsidiary participated. The above was communicated to the market on the same date, through essential events under General Character Standard No. 30 issued by the Superintendency of Securities and Insurance ("SVS"). Those communications, together with informing the recent requirement of the Chilean National Economic Prosecutor and of the measures adopted by CMPC since it was notified of the events, verify the cessation of the essential event reserve dated March 27, 2015 and its update on August 12, 2015, which includes information on the aforementioned conduct.

As indicated in the communication to the market of October 28, 2015, CMPC Tissue S.A. obtained a Letter of Conformity under Article 39 bis of Decree Law 211, in the framework of its cooperation with the Chilean National Economic Prosecutor in its undertaking of the investigation, which exempts it from the fine established by that legal body. Due to the above, we can conclude that the action filed by the Chilean Competition Tribunal would not have a financial effect on the results of CMPC, therefore no provision has been established for this concept.

The Company is studying the way to compensate the impact that the infraction might have had on consumers and is assessing the most adequate institutional route to do so. It is not currently possible to estimate this impact.

Likewise, with the information available to date, it is not possible to estimate today the effects that may have been generated due to the aforementioned events, therefore no provision has been established in this respect.

(28) As indicated in communication to the market, on December 14, 2015 CMPC became aware that subsidiary Productos Tissue del Perú S.A. (Protisa) was notified of Resolution 024-2015/ST-CLC-INDECOPI dated December 1, 2015, through which the Technical Secretariat of the Free Competition Defense Commission of the INDECOPI ("Comisión de Defensa de la Libre Competencia del INDECOPI") has provided for the beginning of the sanctioning administrative proceeding against Protisa, Kimberly Clark Perú S.R.L. and 17 individuals, officers and former officers of both companies. It is stated that the individuals that are being investigated participated in horizontal collusion practices consisting in coordinating to increase the prices of products; as well as modifying discounts and promotions applicable to distributors in the marketing of toilet paper and other tissue products in Peru from 2005 to 2014, conduct that would constitute an infraction of the Anticompetitive Conducts Repression Act. The investigation originated from a voluntary declaration made by Protisa, who has been collaborating with the respective authorities in the framework of the program foreseen in Article 26 of Legislative Decree 1034.

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To date, the proceeding is at the presentation and evidentiary stage. In the opinion of legal counsel, this contingency is considered likely, however, should this be the case, due to the stage of the proceeding it is not possible to quantify the possible sanctions that might result, consequently, the company has not established any provision for this contingency.

## E) PROVISIONS AND CONTINGENCIES INCORPORATED BY BUSINESS COMBINATIONS

1) Subsidiary Melhoramentos CMPC Ltda. is involved in certain tax and labor lawsuits, which are being treated in an administrative and judicial manner and amount to a total of ThUS\$ 10,556, of which ThUS\$ 9,188 were already paid into a judicial trust account, whose net balance of ThUS\$ 1,368 is presented in the other long-term provisions account, which corresponds to the maximum risk value. Likewise, subsidiary CMPC Participacoes Ltda. (absorbed in 2010 by Melhoramentos CMPC Ltda.) signed a QPA (Quota Purchase Agreement) with Melpaper (former controller of subsidiary Melhoramentos CMPC Ltda.) through which it received guarantees in respect to lawsuits that originated due to events prior to the purchase date. Some of them materialized and Melhoramentos CMPC Ltda. will receive the equivalent of the amount through the execution of these guarantees. Due to the above, other non-current non financial assets include non-current guarantees related to these lawsuits for an amount of ThUS\$ 1,342 as of December 31, 2015 (ThUS\$ 2,415 as of December 31, 2014), and it is understood that these contingencies do not generate a risk for CMPC's equity.

2) Subsidiary CMPC Celulose Riograndense Ltda. faces certain labor lawsuits whose contingency has been recognized in the other non-current provisions account in the amount of MBRL 4,185 (ThUS\$ 1,054). These labor lawsuits originated from events prior to the date of purchase of this subsidiary and according to the QPA (Quota Purchase Agreement), the seller Fibria S.A. is responsible for them. Due to the above, the losses resulting from these lawsuits shall be reimbursed by Fibria S.A. and consequently they were recorded in non-current accounts receivable for a value equivalent to the aforementioned provision. It is understood that these contingencies do not generate a risk for CMPC's equity.

## F) OTHER

Certain subsidiaries are responsible to the Central Bank of Chile for export returns shipped on consignment, in the amount of ThUS\$ 144,457 as of December 31, 2015 (ThUS\$ 110,020 as of December 31, 2014). This value represents the market price determined as of the shipping date.

Empresas CMPC S.A. has guarantees on compliance with derivative instrument contracts, subscribed by its subsidiaries with J.P. Morgan Chase Bank N.A. - USA, HSBC Bank - USA, Banco HSBC - Mexico, Banco BBVA Bancomer - Mexico, Banco Santander - Chile, Banco BBVA - Chile, Bank of America Merrill Lynch Banco Múltiplo S.A. - Brazil, Banco de Chile, Banco BCI - Chile and Banco Santander - Brazil, in respect to interest rates applied at nominal value in the amount of ThUS\$ 901,454.

## G) FOREIGN INVESTMENTS

The Company's financial statements include the effect on the financial and economic position of CMPC companies located in countries such as Argentina, Uruguay, Peru, Mexico, Ecuador, Brazil and Colombia, arising from the economic environment in which they operate. Real future results will depend to a great extent on the evolution of those economies. The parent company, CMPC will continue to support the development and operation of all its businesses abroad, committing the necessary resources to carry out the activities of its subsidiaries.

## NOTE 26 - EMPLOYEE BENEFITS PROVISIONS

Employee benefits provisions are detailed as follows:

CONCEPTS	12/31/2015		12/31/2014	
	CURRENT THUS\$	NON-CURRENT THUS\$	CURRENT THUS\$	NON-CURRENT THUS\$
Termination benefits	3,947	74,426	4,907	79,213
Medical assistance benefits	1,868	6,200	1,989	6,427
Employee vacations	27,333	-	29,157	-
Other benefits	12,701	-	13,409	1,169
<b>TOTAL</b>	<b>45,849</b>	<b>80,626</b>	<b>49,462</b>	<b>86,809</b>



## 26.1. DATA AND MOVEMENTS

### A) TERMINATION BENEFITS

The amounts charged to income for the concept of termination benefits in 2015 and 2014 as stated in Note 2.19 are detailed as follows:

DESCRIPTION	YEAR	
	2015 THUS\$	2014 THUS\$
Current period cost of service	13,668	12,773
Finance cost	3,646	3,511
Effect of any settlement	(607)	407
<b>TOTAL CHARGED TO INCOME</b>	<b>16,707</b>	<b>16,691</b>

The balance of employee termination benefits is recorded in the employee benefits provisions account in current and non-current liabilities based on the probability of payment before or after 12 months from the date of the Company's statement of financial position.

The movement of termination benefits in each year is detailed as follows:

DESCRIPTION	12/31/2015	12/31/2014
	THUS\$	THUS\$
Beginning balance	84,120	81,214
Current period cost of services	13,668	12,773
Finance cost	3,646	3,511
Actuarial calculation adjustment	-	6,403
Severance payments in the period	(6,107)	(8,015)
Foreign currency translation differences adjustment	(16,954)	(11,766)
<b>ENDING BALANCE</b>	<b>78,373</b>	<b>84,120</b>
<b>BALANCE OF CURRENT LIABILITIES</b>	<b>3,947</b>	<b>4,907</b>
<b>BALANCE OF NON-CURRENT LIABILITIES</b>	<b>74,426</b>	<b>79,213</b>

As stated in Note 2.19, the effects of updating actuarial variables incorporated in the model as of December 2014 amounted to expenses of ThUS\$ 6,403, which were recorded in other comprehensive income. No changes in actuarial variables were made in the current year.

Relevant discount rates used to discount obligations with the Company's employees (termination benefits) are based on the yield of Central Bank of Chile bonds in Ch\$, at similar terms or their interpolation. In this manner a compound annual nominal discount rate in the range of 4.38% is obtained.

A salary growth rate and demographic assumptions for the universe of personnel of CMPC and subsidiaries are considered in determining the variables for retirement, terminations and pensions, according to tables and standards used for this valuation methodology.

### B) MEDICAL ASSISTANCE BENEFITS

In 1997, subsidiary Melhoramentos CMPC Ltda. signed a commitment with the employee union in reference to providing medical assistance for its employees retired as of that date. This medical assistance is provided by a health institution formed by Sao Paulo, Brazil paper companies, denominated SEPACO.

The amount of the provision refers to the actuarial calculation of the present value of the obligation generated by this commitment and which considers medical assistance costs for this group, considering employees and their spouses throughout their lives and children up to 21 years old (up to 24 years old if they are studying). The methodology used for the calculation is actuarial with an average payment term of 20 years and a discount rate of  $\pm 14\%$  (7.3% plus inflation). The effect of the updating of the actuarial variables incorporated in the model as of December 2014, amounted to an expense of ThUS\$ 933, which was recorded in other comprehensive income. No changes in actuarial variables were made in the current year.

### C) PERSONNEL VACATIONS

The balance of personnel vacations corresponds to the value of pending vacation days accrued by the Company's personnel, determined in accordance with labor legislation prevailing in each country.

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## 26.2. EMPLOYEE EXPENSES

As of December 31, 2015 and 2014, expenses related to employees, charged to income are detailed as follows:

DESCRIPTION	YEAR	
	2015 THUS\$	2014 THUS\$
Wages and salaries	327,085	347,274
Social security contributions	38,783	39,995
Current employee benefits (statutory and similar bonuses)	81,909	83,010
Post-employment benefits expenses, defined benefits plans	2,325	2,875
Termination benefits expenses (indemnity)	16,707	16,691
Other employee benefits	35,842	37,354
<b>TOTAL EMPLOYEE EXPENSES</b>	<b>502,651</b>	<b>527,199</b>
Stock variation adjustment (absorption cost)	(14,970)	2,167
<b>TOTAL CHARGED TO INCOME (COST OF SALES)</b>	<b>487,681</b>	<b>529,366</b>

## NOTE 27 - OTHER NON-FINANCIAL LIABILITIES

As of December 31, 2015 and 2014, other current and non-current non-financial liabilities are detailed as follows:

	12/31/2015 THUS\$	12/31/2014 THUS\$
<b>CURRENT</b>		
Dividends accrued according to policy and payable	1,002	10,624
Customer advances	2,904	2,484
Early sales	11,974	13,187
Other	536	444
<b>TOTAL</b>	<b>16,416</b>	<b>26,739</b>
<b>NON-CURRENT</b>		
Other	2,676	3,582
<b>TOTAL</b>	<b>2,676</b>	<b>3,582</b>

## NOTE 28 - ISSUED CAPITAL

The capital of Empresas CMPC S.A. amounts to ThUS\$ 1,453,728 divided into 2,500,000,000 registered shares, of equal value, without par value, that have been fully subscribed and paid.

### 2014 CAPITAL INCREASE

At the 54th Extraordinary Shareholders' Meeting held on April 22, 2014 the shareholders agreed to increase the Company's stock capital by US\$ 250 million, through the issuance of 125 million cash shares without par value.

The Board of Directors Meeting of Empresas CMPC S.A., held on June 5, 2014, agreed to set the placement price of the 125 million cash shares, for the legal preferred option period at Ch\$ 1,100 (Chilean pesos) per share (US\$2.00 per share). The process of subscribing and paying the capital increase, in the legal preferred option period, began on June 25, 2014 and ended on July 25, 2014, date on which a total of 119,284,587 shares were subscribed and paid. The remaining 5,715,413 shares were auctioned at the Bolsa de Comercio de Santiago on August 20, 2014 at a unit price of Ch\$ 1,432.30. This placement of shares generated a negative share premium ThUS\$ 2,986, due to the changes in the US dollar - Chilean peso exchange rate, with which the stock capital increase was in the amount of ThUS\$ 247,014.

## NOTE 29 - RETAINED EARNINGS (LOSSES)

The retained earnings (losses) account as of December 31, 2015, decreased in respect to December 31, 2014, due to dividends paid and profit (loss) for the year, detailed as follows:

	12/31/2015 THUS\$	12/31/2014 THUS\$
Retained earnings (losses) as of January 1	6,949,882	7,171,047
Profit (loss) for the year attributable to owners of the parent	(3,803)	137,791
Dividend paid in the year plus provision according to dividends policy	(14,526)	(46,513)
Payment complementary to dividend accrued the previous year	(7,213)	(6,931)
Effect of Tax Reform on deferred taxes (see Note 21)	-	(305,512)
<b>RETAINED EARNINGS (LOSSES)</b>	<b>6,924,340</b>	<b>6,949,882</b>

As required by Circular 1,945 issued by the Chilean Superintendency of Securities and Insurance (SVS) dated September 29, 2009, the adjustments for first-time application of IFRS recorded with a credit to retained earnings (losses), pending realization are detailed as follows:

DESCRIPTION	2013	2014		2015	
	BALANCE TO BE REALIZED AS OF 12/31/2013 THUS\$	AMOUNT TO BE REALIZED IN 2014 THUS\$	AMOUNT TO BE REALIZED AS OF 12/31/2014 THUS\$	AMOUNT TO BE REALIZED IN 2015 THUS\$	AMOUNT TO BE REALIZED AS OF 12/31/2015 THUS\$
Property, plant and equipment	821,682	(36,823)	784,859	(36,863)	747,996
Termination benefits	4,526	(803)	3,723	(803)	2,920
Deferred taxes	(219,925)	10,366	(209,559)	10,366	(199,193)
<b>TOTAL</b>	<b>606,283</b>	<b>(27,260)</b>	<b>579,023</b>	<b>(27,300)</b>	<b>551,723</b>

(1) Property, plant and equipment: the methodology used to quantify the realization of this concept, corresponded to the application of useful lives by type of asset used for depreciation purposes at the time of revaluation determined as of the adoption date.

(2) Termination benefits: IFRS require that post employment benefits provided to employees in the long-term be determined based on the application of an actuarial calculation model, generating differences in respect to the previous methodology that considered current values. This actuarial calculation methodology considers in its variables an average permanence of employees of approximately 12 years, information used to quantify the realized annual balance.

(3) Deferred taxes: adjustments in the valuation of assets and liabilities generated by the application of IFRS, have meant determining new temporary differences that were recorded against retained earnings (losses) in equity. Realization of this concept has been determined in the same proportion as the items that originated it.

As of December 31, 2015 and 2014, retained earnings (losses) available for distribution as dividends are detailed as follows:

	12/31/2015 THUS\$	12/31/2014 THUS\$
Retained earnings (losses) as of year-end	6,924,340	6,949,882
Pending adjustments on first-time application of IFRS	(551,723)	(579,023)
Revaluation of biological assets, net of deferred taxes	(1,588,290)	(1,617,266)
<b>RETAINED EARNINGS AVAILABLE FOR DISTRIBUTION</b>	<b>4,784,327</b>	<b>4,753,593</b>

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## NOTE 30 - OTHER RESERVES

As of December 31, 2015 and 2014, other reserves that form part of the Company's equity are detailed as follows:

OTHER RESERVES	12/31/2015 THUS\$	12/31/2014 THUS\$
Foreign currency translation differences reserve	(571,378)	(331,810)
Cash flows hedging reserve	(115,155)	(104,083)
Actuarial profits or losses on defined benefit plans reserve	(16,045)	(16,045)
Other miscellaneous reserves	248,445	248,786
<b>TOTAL OTHER RESERVES</b>	<b>(454,133)</b>	<b>(203,152)</b>

Foreign currency translation reserves: the amounts and balances of the foreign currency translation reserve in equity relate to the accounting effects generated in the translation of the financial statements of subsidiaries whose functional currency is different than the presentation currency of the consolidated financial statements.

The mentioned effects relate mainly to adjustment of the investment in those companies to equity value and to the foreign currency translation originated in non-current accounts receivable and/or payable between the investing company and its subsidiaries, since these are treated as the financing of investments in those subsidiaries.

The purpose of this reserve is to avoid effects on income due to changes in the exchange rate affecting the equity of subsidiaries with functional currency other than the US dollar.

Equity movements are detailed as follows:

	12/31/2015 THUS\$
Balance of foreign currency translation differences reserve as of January 1, 2014	(179,127)
Plus: Net movements from foreign exchange variation adjustments in 2014	(152,683)
<b>BALANCE AS OF DECEMBER 31, 2014</b>	<b>(331,810)</b>
Plus: Net movements from foreign exchange variation adjustments in 2015	(239,568)
<b>BALANCE AS OF DECEMBER 31, 2015</b>	<b>(571,378)</b>

Equity movements by company that originated them are detailed as follows:

COMPANY	COUNTRY	FUNCTIONAL CURRENCY	FOR THE YEAR ENDED AS OF DECEMBER 31, 2015			FOR THE YEAR ENDED AS OF DECEMBER 31, 2014		
			ADJUSTMENT TO EQUITY VALUE THUS\$	FOREIGN CURR. TRANSLATION DIFF. IN NON-CURRENT ACCTS. THUS\$	TOTAL FOREIGN CURRENCY TRANSLATION DIFFERENCE THUS\$	ADJUSTMENT TO EQUITY VALUE THUS\$	FOREIGN CURR. TRANSLATION DIFF. IN NON-CURRENT ACCTS. THUS\$	TOTAL FOREIGN CURRENCY TRANSLATION DIFFERENCE THUS\$
CMPC Tissue S.A.	Chile	CLP	(61,641)	(106,053)	(167,694)	(47,282)	(89,879)	(137,161)
Melhoramentos CMPC Ltda.	Brazil	BRL	(29,923)	(36,582)	(66,505)	44,959	(58,417)	(13,458)
Ipusa S.A.	Uruguay	UYU	(1,445)	-	(1,445)	1,210	(2,523)	(1,313)
CMPC Inversiones de Argentina S.A.	Argentina	ARS	(2,585)	-	(2,585)	(1,577)	-	(1,577)
Other			(1,339)	-	(1,339)	826	-	826
<b>TOTAL</b>			<b>(96,933)</b>	<b>(142,635)</b>	<b>(239,568)</b>	<b>(1,864)</b>	<b>(150,819)</b>	<b>(152,683)</b>

Cash flow hedge reserve: this reserve arises from the application of hedge accounting on certain financial assets and liabilities.

The part of this reserve originated by hedging of sales, costs and by financial obligations will be transferred to income at the end of the term of the contracts or when the operation stops qualifying for hedge accounting, whichever comes first. The part of this reserve that arises from cash flow hedging on investment projects will be transferred to property, plant and equipment at the end of the term of the contracts or to income if the operation stops qualifying for hedge accounting, whichever comes first.

The purpose of this reserve is to affect income or assets only when hedges are settled.

The change in respect to as of December 31, 2014 corresponds to changes observed in the fair value of the financial instruments used.



Actuarial profits or losses on defined benefits plans reserve: this reserve is generated on the application of new variables (discount rate, salary growth rate, employee turnover, etc.) in the actuarial calculations of termination benefits in accordance with IAS 19.

Other miscellaneous reserves: the balance as of December 31, 2015 and 2014 corresponds to the following concepts:

TYPES OF RESERVES	12/31/2015 THUS\$	12/31/2014 THUS\$
Future capital increase reserve	46,300	46,300
Adjustment of property, plant and equipment	36,507	36,507
Equity changes in subsidiaries and associates	112,918	113,259
Price-level restatement of paid-in capital as per Circular 456	(15,721)	(15,721)
Effect of exchange of shares in merger of Industrias Forestales S.A.	84,204	84,204
Share repurchase	(14,839)	(14,839)
Other minor	(924)	(924)
<b>TOTAL</b>	<b>248,445</b>	<b>248,786</b>

The balance of these reserves is destined to future capitalizations.

As of the first-time application of IFRS (January 1, 2008) the main movements of these reserves form part of the Company's other comprehensive income, accumulating a negative amount of ThUS\$ 641, 440 as of December 31, 2015 (negative ThUS\$ 390,459 as of December 31, 2014).

## NOTE 31 - EARNINGS PER SHARE AND DISTRIBUTABLE NET PROFIT

### 31.1. BASIC AND DILUTED EARNINGS (LOSS) PER SHARE

	US\$/SHARE
Loss per share 2015 *	(0.0015)
Profit per share 2014 **	0.0567

\* Determined considering 2,500,000,000 outstanding shares as of December 31, 2015.

\*\* Determined considering 2,429,128,918 shares equivalent to 2,375,000,000 outstanding shares as of December 31, 2013 plus the weighted average of the permanence of 125,000,000 shares paid as of December 31, 2014, of the capital increase mentioned in Note 28.

### 31.2. DISTRIBUTABLE NET PROFITS

The dividends policy consists in distribution of a dividend of 30% of distributable net profit for the year, through payment of interim dividends in September and December or January and a final dividend that must be agreed at the Ordinary Shareholders' Meeting, payable on the date agreed at that meeting, only if total interim dividends do not reach 30% of distributable net profits.

In accordance with Circular 1945 issued by the SVS dated September 29, 2009 at the meetings held on November 26, 2009 and November 8, 2012, the board agreed to establish as a general policy that for the purpose of paying the minimum mandatory dividend of 30% established in article 79 of Law 18,046, the net distributable profit shall be determined on the basis of net profits purged of relevant changes in the fair value of unrealized assets and liabilities, which must be reintegrated to the calculation of net profits for the year in which those variations are realized.

Additional dividends shall be determined on the basis of the mentioned criteria in accordance with the agreement adopted at the Shareholders' Meeting in this respect.

Consequently, it was agreed that for the purpose of determining the Company's net distributable profits, i.e. net profits to be considered for the calculation of minimum mandatory dividend, the following items will be excluded from income for the year:

- Unrealized income corresponding to changes in fair value of forest plantations. The main adjustments to fair value of forest plantations relate to revaluation for their natural growth. The valuation of these forest assets is regulated by accounting standard IAS 41 (Biological Assets). These results will be incorporated into net profit upon the sale of forest assets or their disposal by any other means.

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- II. Unrealized income generated from the acquisition of other entities or companies at a value lower than the fair value of 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 business combination transactions, mainly related to adjustments derived from the acquisition and takeover process.

These results will also be reintegrated in net profits at the time of their realization. For this purpose, results will be understood as realized to the extent that the entities acquired generate profits after their acquisition, or when those entities or companies are disposed of.

- III. The effects of deferred taxes arising from unearned income derived from the application of fair value in forest plantations. These effects derive mainly from changes in fair value, changes in the income tax rate or other concepts.

## DISTRIBUTABLE NET PROFITS:

Determination of distributable net profits, which is the basis to quantify dividends to be distributed according to the current dividends policy, based on profits attributable to the controller are detailed below:

	YEAR	
	2015 THUS\$	2014 THUS\$
Profit (loss) for the year attributable to the owners of the parent	(3,803)	137,791
Gain on adjustment to fair value of forest plantations - growth	(272,573)	(187,194)
Higher cost of forest plantations harvested and sold	197,082	204,790
Variation in fair value of forest plantations	(75,491)	17,596
Deferred taxes associated to the fair value of forest plantations	37,515	(344)
DISTRIBUTABLE NET (LOSS) /PROFIT	(41,779)	155,043
APPLICATION OF DIVIDENDS POLICY	-	46,513
<b>DIVIDEND PER SHARE (US\$/OUTSTANDING SHARES)</b>	<b>-</b>	<b>0.0186</b>

In accordance with IFRS, the dividends agreed upon in the respective policy (30% of distributable net profit ) are recorded as of year-end.

As of December 31, 2015 and 2014 dividends paid are detailed as follows:

DIVIDEND NO.	US\$ PER SHARE (1)	CLP PER SHARE	PAYMENT DATE
Final No. 260	0.0090	5	May 7, 2014
Interim No. 261	0.0084	5	September 4, 2014
Interim No. 262	0.0065	4	December 29, 2014
Final No. 263	0.0065	4	April 28, 2015
Eventual No. 264	0.0058	4	September 10, 2015

- (1) The exchange rate on the date of the Shareholders' Meeting is used for conversion of the final dividends to Chilean pesos (Ch\$) and the exchange rate on the date of closing of the corresponding shareholders' registry is used for interim dividends. The current number of outstanding shares is 2,500,000,000 (see Note 28).

Consequently, as of each year-end, the total amounts agreed to be paid are detailed as follows::

	YEAR	
	2015 THUS\$	2014 THUS\$
Dividend per ordinary share, gross	30,750	58,569
Tax on dividends for foreign shareholders	(923)	(1,329)
<b>DIVIDENDS ON ORDINARY SHARES, NET</b>	<b>29,827</b>	<b>57,240</b>

## NOTE 32 - OPERATING INCOME

As of December 31, 2015 and 2014, operating income is detailed as follows:

DESCRIPTION	YEAR	
	2015 THUS\$	2014 THUS\$
Income from domestic market	1,075,471	1,125,290
Income from exports	1,816,126	1,930,203
Income from foreign subsidiary exports	415,164	224,795
Domestic market income from foreign subsidiaries	1,498,382	1,550,555
Other operating income (*)	35,998	6,278
<b>TOTAL</b>	<b>4,841,141</b>	<b>4,837,121</b>
OPERATING INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT	4,840,801	4,836,772

(\*) Accumulated amount for 2015 includes ThUS\$ 29,459 for payments received from insurers.

## NOTE 33 - OTHER PROFITS (LOSSES)

As of December 31, 2015 and 2014, the effects on income derived from concepts other than operations are detailed as follows:

DESCRIPTION	YEAR	
	2015 THUS\$	2014 THUS\$
Profit on disposal of non-current assets	4,697	4,234
Loss on disposal of non-current assets	(1,214)	(3,059)
Net effect due to forest fires and other deterioration	(40,468)	(6,942)
Profit (loss) from operations with financial derivatives	(4,170)	(22,535)
Provision for lawsuits and contingencies	(26,945)	(12,361)
Income from electrical easement	4,235	3,448
Tax on capital increase at CMPC Celulose Riograndense Ltda.	(1,222)	(1,363)
Additional tax on foreign bond interest	(5,022)	-
Donations	(4,510)	(3,826)
Other	(1,477)	(7,581)
<b>TOTAL</b>	<b>(76,096)</b>	<b>(49,985)</b>

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## NOTE 34 - FINANCE COSTS

As of December 31, 2015 and 2014, finance costs are detailed as follows:

DESCRIPTION	YEAR	
	2015 THUS\$	2014 THUS\$
Interest on bonds issued	152,452	147,546
Bank loan interest	33,320	38,668
Finance lease interest	1,260	3,307
<b>TOTAL</b>	<b>187,032</b>	<b>189,521</b>

## NOTE 35 - FOREIGN CURRENCY TRANSLATION OF ASSETS AND LIABILITIES

### A) FOREIGN CURRENCY TRANSLATION DIFFERENCES RECOGNIZED IN INCOME

As of December 2015 and 2014, foreign currency translation differences on balances of assets and liabilities in currencies other than the functional currency, were credited (charged) to income for the year detailed as follows:

DESCRIPTION	YEAR	
	2015 THUS\$	2014 THUS\$
Assets in currencies other than the functional currency	(121,300)	(126,047)
Liabilities in currencies other than the functional currency	130,932	224,546
<b>TOTAL</b>	<b>9,632</b>	<b>98,499</b>

The effects related to changes in the fair values of financial instruments including forwards, options, forwards related to investments in Chilean pesos (CLP\$) and which through these are redenominated in US dollars (US\$), cross currency swaps and swaps, other than those under hedge accounting, are recorded under other profits (losses) in the income statement.



## B) ASSETS AND LIABILITIES IN FOREIGN CURRENCY

As of December 31, 2015 and 2014, assets in currency other than the presentation currency affected by changes in the exchange rate are detailed as follows:

TYPE OF ASSET	CURRENCY	12/31/2015 THU\$	12/31/2014 THU\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	CLP	172,860	425,673
Cash and cash equivalents	EUR	1,596	3,090
Cash and cash equivalents	ARS	5,134	7,543
Cash and cash equivalents	UYU	504	421
Cash and cash equivalents	PEN	5,853	24,567
Cash and cash equivalents	COP	1,728	600
Cash and cash equivalents	MXN	9,775	6,919
Cash and cash equivalents	BRL	7,308	20,249
Cash and cash equivalents	GBP	672	550
Cash and cash equivalents	SEK	879	3,902
<b>SUBTOTAL CASH AND CASH EQUIVALENTS</b>		<b>206,309</b>	<b>493,514</b>
Other current financial assets	CLP	-	155
Other current financial assets	CLF	-	43,552
<b>SUBTOTAL OTHER CURRENT FINANCIAL ASSETS</b>		<b>-</b>	<b>43,707</b>
Other current non-financial assets	CLP	13,007	12,083
Other current non-financial assets	ARS	982	1,232
Other current non-financial assets	UYU	411	700
Other current non-financial assets	PEN	1,833	1,788
Other current non-financial assets	COP	131	265
Other current non-financial assets	BRL	3,599	3,864
Other current non-financial assets	MXN	1,098	2,006
Other current non-financial assets	GBP	1	2
<b>SUBTOTAL OTHER CURRENT NON-FINANCIAL ASSETS</b>		<b>21,062</b>	<b>21,940</b>
Current trade and other accounts receivable	CLP	165,060	176,760
Current trade and other accounts receivable	EUR	14,428	18,517
Current trade and other accounts receivable	ARS	52,940	53,477
Current trade and other accounts receivable	UYU	7,026	7,181
Current trade and other accounts receivable	PEN	27,741	28,504
Current trade and other accounts receivable	COP	7,445	9,286
Current trade and other accounts receivable	MXN	44,595	44,854
Current trade and other accounts receivable	BRL	65,766	64,463
Current trade and other accounts receivable	GBP	7,227	9,602
<b>SUBTOTAL CURRENT TRADE AND OTHER ACCOUNTS RECEIVABLE</b>		<b>392,228</b>	<b>412,644</b>
Current accounts receivable from related parties	CLP	2,255	2,484
<b>SUBTOTAL CURRENT ACCOUNTS RECEIVABLE FROM RELATED PARTIES</b>		<b>2,255</b>	<b>2,484</b>
Inventory	CLP	88,846	91,609
Inventory	ARS	44,898	52,850
Inventory	UYU	17,383	20,688
Inventory	PEN	34,832	34,451
Inventory	COP	15,361	20,378
Inventory	MXN	45,204	36,217
Inventory	BRL	37,692	41,224
<b>SUBTOTAL INVENTORY</b>		<b>284,216</b>	<b>297,417</b>
Current tax assets	CLP	47,816	68,401
Current tax assets	ARS	2,744	8,053
Current tax assets	UYU	1,000	1,774
Current tax assets	PEN	4,257	4,382
Current tax assets	COP	2,106	2,679
Current tax assets	MXN	7,346	10,190
Current tax assets	BRL	51,357	9,291
<b>SUBTOTAL CURRENT TAX ASSETS</b>		<b>116,626</b>	<b>104,770</b>
<b>TOTAL CURRENT ASSETS</b>		<b>1,022,696</b>	<b>1,376,476</b>

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TYPE OF ASSET	CURRENCY	12/31/2015 THUS\$	12/31/2014 THUS\$
<b>NON-CURRENT ASSETS</b>			
Other non-current non-financial assets	CLP	11,563	11,020
Other non-current non-financial assets	BRL	301,253	301,868
Other non-current non-financial assets	PEN	6	17
Other non-current non-financial assets	COP	572	752
Other non-current non-financial assets	ARS	4,185	-
<b>SUBTOTAL OTHER NON-CURRENT NON-FINANCIAL ASSETS</b>		<b>317,579</b>	<b>313,657</b>
Non-current accounts receivable	BRL	22,308	38,542
Non-current accounts receivable	CLP	102	817
Non-current accounts receivable	ARS	279	460
<b>SUBTOTAL NON-CURRENT ACCOUNTS RECEIVABLE</b>		<b>22,689</b>	<b>39,819</b>
Investments accounted for using the equity method	CLP	250	488
<b>SUBTOTAL INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD</b>		<b>250</b>	<b>488</b>
Intangible assets other than goodwill	CLP	1,058	1,411
Intangible assets other than goodwill	BRL	1,630	2,366
Intangible assets other than goodwill	MXN	157	467
Intangible assets other than goodwill	ARS	37	47
Intangible assets other than goodwill	COP	716	497
Intangible assets other than goodwill	UYU	50	211
<b>SUBTOTAL INTANGIBLE ASSETS OTHER THAN GOODWILL</b>		<b>3,648</b>	<b>4,999</b>
Goodwill	ARS	4,532	6,881
Goodwill	MXN	546	638
Goodwill	BRL	30,546	44,908
<b>SUBTOTAL GOODWILL</b>		<b>35,624</b>	<b>52,427</b>
Property, plant and equipment	CLP	222,828	233,680
Property, plant and equipment	ARS	50,858	73,929
Property, plant and equipment	UYU	31,815	39,611
Property, plant and equipment	PEN	111,328	109,556
Property, plant and equipment	COP	57,790	76,302
Property, plant and equipment	MXN	223,682	186,138
Property, plant and equipment	BRL	166,404	240,821
<b>SUBTOTAL PROPERTY, PLANT AND EQUIPMENT</b>		<b>864,705</b>	<b>960,037</b>
Non-current current tax assets	ARS	1,905	2,471
Non-current current tax assets	BRL	53,562	97,983
<b>SUBTOTAL NON-CURRENT CURRENT TAX ASSETS</b>		<b>55,467</b>	<b>100,454</b>
Deferred tax assets	CLP	1,161	471
Deferred tax assets	ARS	27	30
Deferred tax assets	UYU	1,393	884
Deferred tax assets	COP	10,356	14,228
Deferred tax assets	MXN	9,631	11,765
Deferred tax assets	BRL	24,039	15,287
<b>SUBTOTAL DEFERRED TAX ASSETS</b>		<b>46,607</b>	<b>42,665</b>
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,346,569</b>	<b>1,514,546</b>

As of December 31, 2015 and 2014, liabilities in currencies other than the presentation currency, affected by changes in the exchange rate, presented at undiscounted values are detailed as follows:

FOREIGN CURRENCY ASSETS AND LIABILITIES TYPE OF LIABILITY	CURRENCY	DECEMBER 31, 2015			DECEMBER 31, 2014		
		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 current financial liabilities	CLP	-	-	-	2,327	-	2,327
Other current financial liabilities	CLF	-	17,010	17,010	292,282	13,003	305,285
Other current financial liabilities	EUR	9	-	9	-	-	-
Other current financial liabilities	ARS	98	2,263	2,361	31,331	11,987	43,318
Other current financial liabilities	UYU	11,090	9,152	20,242	13,477	-	13,477
Other current financial liabilities	PEN	98	3,529	3,627	-	4,909	4,909
Other current financial liabilities	BRL	77,560	2,015	79,575	40,370	24,426	64,796
SUBTOTAL OTHER CURRENT FINANCIAL LIABILITIES		88,855	33,969	122,824	379,787	54,325	434,112
Trade and other accounts payable	CLP	216,814	23	216,837	242,369	1,313	243,682
Trade and other accounts payable	CLF	2,640	-	2,640	1,545	-	1,545
Trade and other accounts payable	EUR	11,138	16,586	27,724	10,126	3,544	13,670
Trade and other accounts payable	ARS	30,723	6	30,729	40,799	32	40,831
Trade and other accounts payable	COP	6,015	-	6,015	7,390	-	7,390
Trade and other accounts payable	UYU	3,708	-	3,708	3,606	-	3,606
Trade and other accounts payable	PEN	17,030	117	17,147	23,683	158	23,841
Trade and other accounts payable	MXN	20,773	2	20,775	26,850	215	27,065
Trade and other accounts payable	BRL	57,735	9,611	67,346	71,331	25,286	96,617
Trade and other accounts payable	GBP	128	-	128	49	-	49
Trade and other accounts payable	SEK	3,485	3,061	6,546	7,293	10,323	17,616
SUBTOTAL TRADE AND OTHER ACCOUNTS PAYABLE		370,189	29,406	399,595	435,041	40,871	475,912
Current accounts payable to related parties	CLP	8,056	-	8,056	3,373	-	3,373
Current accounts payable to related parties	PEN	26	-	26	-	-	-
SUBTOTAL CURRENT ACCOUNTS PAYABLE TO RELATED PARTIES		8,082	-	8,082	3,373	-	3,373
Other current provisions	CLP	-	200	200	-	91	91
Other current provisions	ARS	-	4,357	4,357	-	3,952	3,952
Other current provisions	COP	-	52	52	-	-	-
SUBTOTAL OTHER CURRENT PROVISIONS		-	4,609	4,609	-	4,043	4,043
Current tax liabilities	CLP	-	52,925	52,925	-	29,054	29,054
Current tax liabilities	ARS	-	3,325	3,325	-	397	397
Current tax liabilities	PEN	-	2,366	2,366	-	918	918
Current tax liabilities	COP	-	-	-	-	79	79
Current tax liabilities	BRL	-	862	862	-	96	96
Current tax liabilities	MXN	-	813	813	-	753	753
SUBTOTAL CURRENT TAX LIABILITIES		-	60,291	60,291	-	31,297	31,297
Current employee benefits provisions	CLP	-	27,566	27,566	-	30,159	30,159
Current employee benefits provisions	ARS	-	3,602	3,602	-	3,084	3,084
Current employee benefits provisions	PEN	-	1,374	1,374	-	785	785
Current employee benefits provisions	BRL	-	11,175	11,175	-	13,530	13,530
Current employee benefits provisions	MXN	-	281	281	-	22	22
Current employee benefits provisions	UYU	-	1,111	1,111	-	1,388	1,388
Current employee benefits provisions	COP	-	376	376	-	169	169
SUBTOTAL CURRENT EMPLOYEE BENEFITS PROVISIONS		-	45,485	45,485	-	49,137	49,137
Other current non-financial liabilities	CLP	-	1,005	1,005	-	10,624	10,624
Other current non-financial liabilities	PEN	-	-	-	-	8	8
Other current non-financial liabilities	ARS	-	534	534	-	355	355
Other current non-financial liabilities	MXN	-	-	-	-	236	236
Other current non-financial liabilities	BRL	-	715	715	-	29	29
Other current non-financial liabilities	COP	-	75	75	-	-	-
SUBTOTAL OTHER CURRENT NON-FINANCIAL LIABILITIES		-	2,329	2,329	-	11,252	11,252
TOTAL CURRENT LIABILITIES		467,126	176,089	643,215	818,201	190,925	1,009,126

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TYPE OF LIABILITY	CURRENCY	DECEMBER 31, 2015				DECEMBER 31, 2014			
		MORE THAN 1 & UP TO 3 YEARS THUS\$	MORE THAN 3 & UP TO 5 YEARS THUS\$	MORE THAN 5 YEARS THUS\$	TOTAL THUS\$	MORE THAN 1 & UP TO 3 YEARS THUS\$	MORE THAN 3 & UP TO 5 YEARS THUS\$	MORE THAN 5 YEARS THUS\$	TOTAL THUS\$
NON-CURRENT LIABILITIES									
Other non-current financial liabilities	CLF	34,019	34,019	651,012	719,050	38,020	38,020	746,567	822,607
Other non-current financial liabilities	ARS	39	2,445	-	2,484	1,051	-	6,273	7,324
Other non-current financial liabilities	UYU	-	-	-	-	12,645	-	-	12,645
Other non-current financial liabilities	PEN	2,111	7,953	-	10,064	-	21,353	-	21,353
Other non-current financial liabilities	BRL	249,068	246,767	27,162	522,997	522,645	51,698	30,627	604,970
SUBTOTAL OTHER NON-CURRENT FINANCIAL LIABILITIES		285,237	291,184	678,174	1,254,595	574,361	111,071	783,467	1,468,899
Other non-current provisions	ARS	96	-	-	96	89	-	-	89
Other non-current provisions	BRL	2,669	-	-	2,669	12,925	-	-	12,925
SUBTOTAL OTHER NON-CURRENT PROVISIONS		2,765	-	-	2,765	13,014	-	-	13,014
Deferred tax liabilities	CLP	-	-	1,234,758	1,234,758	-	-	1,204,675	1,204,675
Deferred tax liabilities	ARS	-	-	35,566	35,566	-	-	42,212	42,212
Deferred tax liabilities	PEN	-	-	10,177	10,177	-	-	9,581	9,581
Deferred tax liabilities	MXN	-	-	564	564	-	-	-	-
Deferred tax liabilities	BRL	-	-	432,955	432,955	-	-	197,883	197,883
SUBTOTAL DEFERRED TAX LIABILITIES		-	-	1,714,020	1,714,020	-	-	1,454,351	1,454,351
Non-current current tax liabilities	ARS	-	-	191	191	-	-	356	356
Non-current current tax liabilities	BRL	-	-	2,676	2,676	-	-	8,453	8,453
SUBTOTAL NON-CURRENT CURRENT TAX LIABILITIES		-	-	2,867	2,867	-	-	8,809	8,809
Non-current employee benefits provisions	CLP	7,391	7,391	59,130	73,912	7,937	7,937	63,497	79,371
Non-current employee benefits provisions	UYU	102	-	-	102	194	-	-	194
Non-current employee benefits provisions	MXN	211	-	-	211	186	-	-	186
Non-current employee benefits provisions	BRL	2,064	2,064	16,513	20,641	2,530	2,530	20,238	25,298
SUBTOTAL NON-CURRENT EMPLOYEE BENEFITS PROVISIONS		9,768	9,455	75,643	94,866	10,847	10,467	83,735	105,049
Other non-current non-financial liabilities	BRL	217	-	-	217	644	-	-	644
SUBTOTAL OTHER NON-CURRENT NON-FINANCIAL LIABILITIES		217	-	-	217	644	-	-	644
TOTAL NON-CURRENT LIABILITIES		297,987	300,639	2,470,704	3,069,330	598,866	121,538	2,330,362	3,050,766



## NOTE 36 - INCOME TAX EXPENSE AND TAXABLE RETAINED EARNINGS REGISTRY

As of December 31, 2015 and 2014, balances of the taxable retained earnings registry (FUT) of Empresas CMPC S.A. classified in accordance with the corresponding tax credits are detailed as follows:

	12/31/2015 THU\$	12/31/2014 THU\$
<b>Taxable profits (FUT):</b>		
Profits with 22.5% credit	1,846	-
Profit with 21% credit	3,321	3,982
Profit with 20% credit	13,479	18,120
Profit with 17% credit	7,281	13,859
Profit with 16.5% credit	1,005	1,132
Profit with 16% credit	5	6
Profit with 15% credit	10	11
Profit without credit	3,434	27,720
<b>TOTAL FUT</b>	<b>30,381</b>	<b>64,830</b>
<b>Non-taxable profits (FUNT):</b>		
Profits from non-taxable income	310,548	346,573
<b>TOTAL FUNT</b>	<b>310,548</b>	<b>346,573</b>

As of December 31, 2015 and 2014, the consolidated current and deferred income tax expense is detailed as follows:

	YEAR	
INCOME TAX EXPENSE	2015 THU\$	2014 THU\$
<b>CURRENT INCOME TAX CREDIT (CHARGE)</b>		
Current tax	(171,245)	(109,292)
Tax recovery on absorption of losses	-	739
Prior year adjustments and other taxes	(1,263)	(301)
<b>TOTAL CURRENT INCOME TAXES</b>	<b>(172,508)</b>	<b>(108,854)</b>
<b>DEFERRED INCOME TAX (CHARGE) CREDIT</b>		
Deferred tax (charge) income on creation and reversal of temporary differences (includes foreign currency translation differences)	(248,341)	(125,871)
<b>TOTAL DEFERRED TAXES</b>	<b>(248,341)</b>	<b>(125,871)</b>
<b>INCOME TAX (CHARGE) CREDIT</b>	<b>(420,849)</b>	<b>(234,725)</b>

In 2015, the Chilean companies calculated and accounted for the income tax provision on the basis of taxable net income using a rate of 22.5% for the 2015 commercial year and a rate of 21% for the 2014 commercial year, in accordance with Law 20,780, published in the Official Gazette on September 29, 2014.

The main amendments introduced by the aforementioned Law 20,780 include the progressive increase in the First Category (Corporate) tax rate, which will reach 27%, as of the 2018 commercial year, if the Partially Integrated Tax System established in letter B) of article 14 of the Income Tax Law is applied. Law 20,780 establishes that taxpayers obligated to declare on the basis of their effective rate according to full accounting, can opt to apply the provisions referring to the Attributed Taxable Income system at a final rate of 25% as of the 2017 commercial year or the Partially Integrated Tax System at a rate of 27% as of 2018. When the companies are public, the chosen option must be approved at an Extraordinary Shareholders' Meeting that must be held before the 2017 commercial year effective date, with at least two thirds of voting shares. Notwithstanding, if the public company does not exercise its option, the law provides that the Partially Integrated Tax System established in letter B) of article 14 of the Income Tax Law shall be applied to it.

The effects of updating deferred tax assets and liabilities based on their reversal period have been accounted for in equity in accordance with Circular 856 issued by the SVS on October 17, 2014 (see Note 21).

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As of December 31, 2015 and 2014, the current and deferred income tax expense of foreign and domestic parties is detailed as follows:

DOMESTIC AND FOREIGN INCOME TAX (CHARGE) CREDIT	YEAR	
	2015 THUS\$	2014 THUS\$
Current foreign taxes	(26,748)	(16,966)
Current domestic taxes	(145,760)	(91,888)
<b>TOTAL CURRENT INCOME TAXES</b>	<b>(172,508)</b>	<b>(108,854)</b>
Foreign deferred taxes	(216,338)	(57,195)
Domestic deferred taxes	(32,003)	(68,676)
<b>TOTAL DEFERRED TAXES</b>	<b>(248,341)</b>	<b>(125,871)</b>
<b>INCOME TAX EXPENSE</b>	<b>(420,849)</b>	<b>(234,725)</b>

The Board of Directors of CMPC S.A. agreed to request authorization from the SII to carry the tax accounting records in US dollars, request that was granted as of January 1, 2016. The above shall be applicable to all Chilean companies subsidiaries of CMPC, except for CMPC Tissue S.A. This change in tax accounting currency will lessen the effects on deferred taxes generated by changes in the exchange rate of the Chilean peso in relation to the US dollar.

As of December 31, 2015 and 2014, the reconciliation of income tax expenses using the legal rate to tax expenses using the effective rate is detailed as follows:

	YEAR	
	2015 THUS\$	2014 THUS\$
PROFIT (LOSS) BEFORE TAXES	417,725	372,543
Taxes using the legal rate in Chile	(93,988)	(78,234)
Effect of tax losses	(9,547)	21,925
Tax effect due to difference in rates abroad	85,032	16,897
Fluctuation of changes in conversion of tax assets and liabilities	(103,818)	(109,749)
Exchange rate fluctuation in the conversion of tax assets and liabilities abroad	(309,228)	(79,736)
Other tax effects due to reconciliation between accounting profit and tax expense	10,700	(5,828)
<b>TAX CHARGE USING THE EFFECTIVE RATE</b>	<b>(420,849)</b>	<b>(234,725)</b>

As of December 31, 2015 and 2014, the reconciliation of the local tax rate to the effective tax rate is detailed as follows:

DESCRIPTION	YEAR	
	2015 %	2014 %
Taxable income using the legal rate in Chile	22.50	21.00
Effect of tax losses	2.29	(5.89)
Tax effect of different rates abroad	(20.36)	(4.53)
Fluctuation of changes in the conversion of domestic taxable assets and liabilities	24.85	29.46
Fluctuation of changes in the conversion of tax assets and liabilities abroad	74.03	21.41
Other tax effects of reconciliation between accounting profit to tax expense	(2.56)	1.56
<b>AVERAGE EFFECTIVE TAX RATE</b>	<b>100.75</b>	<b>63.01</b>

In accordance with IFRS the Company and its subsidiaries record their operations in their functional currency which is mostly the US dollar. However, for tax purposes they carry accounting in local currency, and balances of assets and liabilities are converted to US dollars as of each year-end, for comparison with accounting balances under IFRS, and the Company thus determines deferred taxes on differences existing between both amounts. The effect of changes in the exchange rate of the US dollar over deferred taxes has been recorded with an effect on income in the income tax expense line (ThUS\$ 413,046 with a charge to income as of December 2015, of which ThUS\$ 103,818 are domestic and ThUS\$ 309,228 are from foreign subsidiaries (ThUS\$ 189,485 with a charge to net income as of December 2014, of which ThUS\$ 109,749 are domestic and ThUS\$ 79,736 are from foreign subsidiaries) which arise mainly from the exchange rate fluctuation on conversion of property, plant and equipment, taxable biological assets and tax losses to US dollars.

As of December 31, 2015 and 2014, the expense for taxes other than current and deferred income taxes is detailed as follows:

DESCRIPTION	YEAR	
	2015 THUS\$	2014 THUS\$
Property tax expense	4,206	3,590
Other taxes	37,740	31,423
<b>TOTAL TAXES OTHER THAN INCOME TAX EXPENSES</b>	<b>41,946</b>	<b>35,013</b>

## NOTE 37 - EXPENSES, BY NATURE

As of December 31, 2015 and 2014, the Company's main operating and administrative costs and expenses are detailed as follows:

DESCRIPTION	YEAR	
	2015 THUS\$	2014 THUS\$
LUMBER, CHEMICALS AND ENERGY	2,421,356	2,507,129
Wages and salaries	327,085	347,274
Social security contributions	38,783	39,995
Other short-term employee benefits	81,909	83,010
Post-employment benefits, defined benefits plans expenses	2,325	2,875
Termination benefits expenses (severance indemnities)	16,707	16,691
Other employee expenses	20,872	39,521
<b>EMPLOYEE PAYROLL AND OTHER</b>	<b>487,681</b>	<b>529,366</b>
Depreciation expense	372,126	349,215
Amortization expense	1,559	1,371
<b>DEPRECIATION AND AMORTIZATION</b>	<b>373,685</b>	<b>350,586</b>
Administrative and selling expenses	307,733	323,130
Research and development expenses	7,265	6,513
<b>ADMINISTRATIVE AND SELLING EXPENSES</b>	<b>314,998</b>	<b>329,643</b>
Variable selling expenses	522,070	518,181
Maintenance expenses	305,074	246,817
Other miscellaneous operating expenses	13,450	9,935
<b>OTHER EXPENSES BY NATURE</b>	<b>840,594</b>	<b>774,933</b>
<b>TOTAL EXPENSES BY NATURE</b>	<b>4,438,314</b>	<b>4,491,657</b>

## NOTE 38 - COMMITMENTS

There are future cash flows committed to projects approved by the Company. CMPC currently has projects in progress amounting to close to US\$ 1,670 million, whose completion it estimates will require future disbursements of US\$ 800 million. As of December 31, 2015 the main investment cash flows committed are detailed as follows:

BALANCES TO BE INVESTED IN PROJECTS	MILLION US\$
Pulp Line II - Guaíba - Brazil *	318
Paper machine - Cañete - Peru	118
Operating continuity M450 Paper - Maule - Chile	107
Automation of Folding Conversion - Talagante - Chile	9
Go-generation energy plant - Altamira - Mexico	8

(\*) This project, the most relevant one in CMPC's history, will allow it to increase its pulp production capacity by 46% and it will have one of the lowest production costs in the industry. As of December 31, 2015 US\$ 1,988 had been invested.

The amounts are expressed at the current value of disbursements projected for 2016 to 2018.

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

Significant commitments as of year-end are recorded, of which the commitments for property, plant and equipment stand out.

## NOTE 39 - CONTROLLER AND TRANSACTIONS WITH RELATED PARTIES

### 39.1. IDENTIFICATION OF MAIN CONTROLLERS

The Company is controlled by Minera Valparaíso S.A. through its subsidiary Forestal Cominco S.A. and Forestal Constructora y Com. del Pacífico Sur S.A. and other legal entities and individuals related to the Matte Group. Both Minera Valparaíso S.A. and Forestal Constructora y Com. del Pacífico Sur S.A. are public companies registered in the Securities Registry of the SVS under numbers 0098 and 0059, respectively. Control is exercised through having a majority of outstanding shares and consequently electing a majority of the Directors of Empresas CMPC S.A.

The main share interests of the controlling entities of Empresas CMPC S.A. are detailed as follows:

SHAREHOLDERS	NUMBER OF SHARES
Forestal Cominco S.A.	486,392,057
Forestal Constructora y Com. del Pacífico Sur S.A.	476,205,596
Forestal O'Higgins S.A.	176,476,488
Forestal Bureo S.A.	106,457,955
Inmobiliaria Ñague S.A.	52,603,021
Coindustria Ltda.	46,575,370
Forestal y Minera Ebro Ltda.	14,408,280
Forestal y Minera Volga Ltda.	8,823,060
Viecal S.A.	6,501,641
Forestal Peumo S.A.	5,141,294
Forestal Calle Las Agustinas S.A.	3,863,334
Other	7,669,858
<b>TOTAL</b>	<b>1,391,117,954</b>
<b>CONTROL OVER OUTSTANDING SHARES</b>	
	<b>55.64%</b>

### 39.2. TWELVE MAIN SHAREHOLDERS

SHAREHOLDER	NUMBER OF SHARES	% INTEREST
Forestal Cominco S.A.	486,392,057	19.46%
Forestal Constructora y Com. del Pacífico Sur S.A.	476,205,596	19.05%
Forestal O'Higgins S.A.	176,476,488	7.06%
Banco de Chile, on account of others	172,550,179	6.90%
Forestal Bureo S.A.	106,457,955	4.26%
Banco Itaú Chile S.A., on account of foreign investors	97,438,300	3.90%
A.F.P. Provida S.A., for pension funds	76,442,867	3.05%
A.F.P. Habitat S.A., for pension funds	64,035,299	2.56%
A.F.P. Capital S.A., for pension funds	60,171,432	2.41%
A.F.P. Cuprum S.A., for pension funds	54,209,421	2.17%
Inmobiliaria Ñague S.A.	52,603,021	2.10%
Banco Santander - J.P. Morgan Chase Bank N.A.	49,848,977	1.99%
<b>TOTAL</b>	<b>1,872,831,592</b>	<b>74.91%</b>

As of December 31, 2015 the Company had a total of 25,690 shareholders (27,536 as of December 31, 2014).



### 39.3. COMMERCIAL TRANSACTIONS WITH ASSOCIATES AND OTHER RELATED PARTIES

Commercial transactions with companies in the economic group and with associates are detailed as follows:

RELATED PARTY TAXPAYER NO.	NAME	NATURE OF THE RELATIONSHIP	COUNTRY OF ORIGIN	DESCRIPTION OF TRANSACTIONS WITH RELATED PARTIES	NATURE OF THE TRANSACTIONS WITH RELATED PARTY	TRANSACTION AMOUNT		DESCRIPTION OF OTHER INFORMATION ON TRANSACTIONS WITH RELATED PARTIES
						YEAR ENDED AS OF 12/31/2015 THUS\$	YEAR ENDED AS OF 12/31/2014 THUS\$	
97.080.000-K	Banco BICE	Common director at the parent	Chile	Sale of dollars on the spot market	Financial transaction	106,000	160,000	Effects on income: 12/2015 income of ThUS\$ 43; 12/2014 income of ThUS\$ 68
				Sale of dollars on the forward market	Financial transaction	9,602	-	Effects on income: 12/2015 income of ThUS\$ 151
				Purchase of dollars on the spot market	Financial transaction	9,600	-	No effect on income
				Purchase of dollars on the forward market	Financial transaction	20,003	80,008	Effects on income: 12/2015 expenses of ThUS\$ 1; 12/2014 expenses of ThUS\$ 61
				Average balance invested in time deposits	Financial transaction	40,000	-	Effects on income: 12/2015 income of ThUS\$ 9
76.055.353-0	Bice Agente de Valores S.A.	Common director at the parent	Chile	Average balance invested in agreements	Financial transaction	251,233	549,514	Effects on income: 12/2015 income of ThUS\$ 707; 12/2014 income of ThUS\$ 1,343
96.656.410-5	Bice Vida Compañía de Seguros S.A.	Common director at the parent	Chile	Insurance purchase	Commercial transaction	340	463	Effects on income: 12/2015 expenses of ThUS\$ 340; 12/2014 expenses of ThUS\$ 463
96.657.900-5	Consortio Protección Fitosanitaria Forestal S.A.	Associate	Chile	Services purchase	Commercial transaction	418	439	Effects on income: 12/2015 expenses of ThUS\$ 418; 12/2014 expenses of ThUS\$ 439

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Significant commercial transactions with other related parties through one or more directors or executives of CMPC, are detailed as follows:

RELATED PARTY TAXPAYER NO.	NAME	NATURE OF THE RELATIONSHIP	COUNTRY OF ORIGIN	DESCRIPTION OF TRANSACTIONS WITH RELATED PARTIES	NATURE OF THE TRANSACTIONS WITH RELATED PARTY	TRANSACTION AMOUNT		DESCRIPTION OF OTHER INFORMATION ON TRANSACTIONS WITH RELATED PARTIES
						YEAR ENDED AS OF 12/31/2015 THUS\$	YEAR ENDED AS OF 12/31/2014 THUS\$	
97.053.000-2	Banco Security	Common director at the parent	Chile	Average balance invested in time deposits	Financial transaction	-	435.123	Effects on income: 12/2014 income of ThUS\$ 164
				Foreign currency purchase	Financial transaction	15.002	-	No effect on income
				Foreign currency sale	Financial transaction	146.000	215.365	Effects on income: 12/2015 income of ThUS\$ 16; 12/2014 income of ThUS\$ 29
96.639.280-0	Administradora General de Fondos Security S.A.	Common director at the parent	Chile	Average balance invested in mutual funds	Financial transaction	963	-	Effects on income: 12/2015 income of ThUS\$ 3
91.806.000-6	Abastecedora de Combustibles S.A.	Common director at the parent	Chile	Fuel purchase	Commercial transaction	1.116	1.743	Inventory product
77.215.640-5	Administradora de Ventas al Detalle Ltda.	Common director at the parent	Chile	Sale of products	Commercial transaction	607	646	Effects on income: 12/2015 income of ThUS\$ 427; 12/2014 income of ThUS\$ 425
70.360.100-6	Asociación Chilena de Seguridad	Common director	Chile	Insurance purchase	Commercial transaction	2.636	2.700	Effects on income: 12/2015 expenses of ThUS\$ 2,636; 12/2014 expenses of ThUS\$ 2,700
96.848.750-7	Aislantes Volcán S.A.	Common director at the parent	Chile	Sale of products	Commercial transaction	672	605	Effects on income: 12/2015 income of ThUS\$ 344; 12/2014 income of ThUS\$ 239
Foreign	Arauco Argentina S.A.	Common director at the parent	Argentina	Sale of products	Commercial transaction	163	723	Effects on income: 12/2015 income of ThUS\$ 100; 12/2014 income of ThUS\$ 98
				Products purchase	Commercial transaction	31.930	27.778	Inventory product
96.565.750-9	Aserraderos Arauco S.A.	Common director at the parent	Chile	Export collection transactions	Financial transaction	-	2.400	No effect on income
				Export payment transactions	Financial transaction	-	10.458	No effect on income
93.458.000-1	Celulosa Arauco y Constitución S.A.	Common director at the parent	Chile	Pulp purchase	Commercial transaction	798	2	Inventory product
				Sale of products	Commercial transaction	89	303	Effects on income: 12/2015 income of ThUS\$ 5; 12/2014 income of ThUS\$ 63
96.547.510-9	Arauco Bioenergía S.A.	Common director at the parent	Chile	Electricity purchase	Commercial transaction	7.050	2.892	Effects on income: 12/2015 expenses of ThUS\$ 7,050; 12/2014 expenses of ThUS\$ 2,892
99.513.400-4	CGE Distribución S.A.	Common director at the parent	Chile	Electricity purchase	Commercial transaction	-	2.716	Effects on income: 12/2014 expenses of ThUS\$ 2,716
				Electricity sales	Commercial transaction	-	1.134	Effects on income: 12/2014 income of ThUS\$ 278
96.719.210-4	Transnet S.A.	Common director at the parent	Chile	Services purchase	Commercial transaction	-	1.659	Effects on income: 12/2014 expenses of ThUS\$ 1,659
90.209.000-2	Cía. Industrial El Volcán S.A.	Common director	Chile	Sale of products	Commercial transaction	4.591	4.974	Effects on income: 12/2015 income of ThUS\$ 1,590; 12/2014 income of ThUS\$ 1,611
96.505.760-9	Colbún S.A.	Common director	Chile	Electricity purchase	Commercial transaction	13.120	5.329	Effects on income: 12/2015 expenses of ThUS\$ 13,120; 12/2014 expenses of ThUS\$ 5,329
				Electricity sales	Commercial transaction	1	378	Effects on income: 12/2015 income of ThUS\$ 1; 12/2014 income of ThUS\$ 271
76.218.856-2	Colbún Transmisión S.A.	Common director	Chile	Electricity purchase	Commercial transaction	353	324	Effects on income: 12/2015 expenses of ThUS\$ 353; 12/2014 expenses of ThUS\$ 324

(Continued)

RELATED PARTY TAXPAYER NO.	NAME	NATURE OF THE RELATIONSHIP	COUNTRY OF ORIGIN	DESCRIPTION OF TRANSACTIONS WITH RELATED PARTIES	NATURE OF THE TRANSACTIONS WITH RELATED PARTY	TRANSACTION AMOUNT		DESCRIPTION OF OTHER INFORMATION ON TRANSACTIONS WITH RELATED PARTIES
						YEAR ENDED AS OF 12/31/2015 THUS\$	YEAR ENDED AS OF 12/31/2014 THUS\$	
99.520.000-7	Compañía de Petróleos de Chile S.A.	Common director at the parent	Chile	Fuel purchase	Commercial transaction	7.033	10.944	Inventory product
92.580.000-7	Entel S.A.	Common shareholders at the parent	Chile	Services purchase	Commercial transaction	1.914	2.651	Effects on income: 12/2015 expenses of ThUS\$ 1,914; 12/2014 expenses of ThUS\$ 2,651
96.806.980-2	Entel PCS Telecomunicaciones S.A.	Common shareholders at the parent	Chile	Services purchase	Commercial transaction	1.632	1.756	Effects on income: 12/2015 expenses of ThUS\$ 1,632; 12/2014 expenses of ThUS\$ 1,756
85.805.200-9	Forestal Arauco S.A.	Common director at the parent	Chile	Lumber sales	Commercial transaction	2.580	1.785	Effects on income: 12/2015 income of ThUS\$ 723; 12/2014 income of ThUS\$ 457
				Lumber purchase	Commercial transaction	261	421	Inventory product
96.772.810-1	Iansagro S.A.	Common director at the parent	Chile	Sale of products	Commercial transaction	178	645	Effects on income: 12/2015 income of ThUS\$ 101; 12/2014 income of ThUS\$ 324
96.722.460-K	Metrogas S.A.	Common director at the parent	Chile	Gas purchase	Commercial transaction	27.954	36.550	Effects on income: 12/2015 expenses of ThUS\$ 27,954; 12/2014 expenses of ThUS\$ 36,550
93.628.000-5	Molibdenos y Metales S.A.	Common director	Chile	Products purchase	Commercial transaction	57	609	Inventory product
Foreign	Soluciones Constructivas Volcán S.A.C.	Common director at the parent	Peru	Sale of products	Commercial transaction	521	1.296	Effects on income: 12/2015 income of ThUS\$ 122; 12/2014 income of ThUS\$ 316
99.301.000-6	Seguros de Vida Security Previsión S.A.	Common director at the parent	Chile	Insurance purchase	Commercial transaction	1.983	2.216	Effects on income: 12/2015 expenses of ThUS\$ 1,983; 12/2014 expenses of ThUS\$ 2,216
96.573.780-4	Sociedad Industrial Pizarreño S.A.	Common director at the parent	Chile	Sale of products	Commercial transaction	1.553	2.568	Effects on income: 12/2015 income of ThUS\$ 705; 12/2014 income of ThUS\$ 1,088
86.113.000-2	Sociedad Industrial Romeral S.A.	Common director at the parent	Chile	Sale of products	Commercial transaction	3.137	1.678	Effects on income: 12/2015 income of ThUS\$ 960; 12/2014 income of ThUS\$ 336
78.023.030-4	Sofruco Alimentos Ltda.	Common shareholders at the parent	Chile	Sale of products	Commercial transaction	527	545	Effects on income: 12/2015 income of ThUS\$ 210; 12/2014 income of ThUS\$ 202
96.959.030-1	Puerto Lirquén S.A.	Common director at the parent	Chile	Services purchase	Commercial transaction	10.712	11.769	Effects on income: 12/2015 expenses of ThUS\$ 10,712; 12/2014 expenses of ThUS\$ 11,769

For disclosure purposes, all transactions whose annual total exceeds ThUS\$ 300 have been considered to be significant.

Financial transactions with Banco Bice, Bice Agente de Valores S.A., Administradora General de Fondos Security S.A. and with Banco Security correspond to financial and exchange transactions carried out with cash surpluses under market conditions. For financial statement presentation purposes, balances maintained at each year-end with the mentioned entities are disclosed in the accounts of the statement of financial position which represent 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. Since the effects and results of certain types of transactions depend on the term and rates applicable to the invested amount, for the purpose of better disclosure, the respective amounts of those types of transactions that are presented in the accompanying table, have been averaged, using the daily invested average as criteria for the calculation methodology. This demonstrates that the relation between interest accrued on a monthly basis and average principal represent market conditions in each year.

Transactions with Bice Vida Compañía de Seguros S.A. refer to employee life and health insurance of employees.

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Transactions with Consorcio Protección Fitosanitaria Forestal S.A. refer to the purchase of services performed under market conditions. Invoiced amounts are payable within 30 days.

In general transactions from sale of products with other related parties correspond to commercial transactions in the line of business, which are carried out at market values.

Transactions with Abastecedora de Combustibles S.A., mainly refer to the purchase of liquefied petroleum gas (LPG) for certain industrial plants, whose prices are indexed according to a formula which provides for changes in the consumer price index and ENAP's prices. The invoiced amounts are payable in 30 days.

Transactions with Arauco Argentina S.A. (formerly Alto Paraná S.A.) correspond mainly to the purchase of pulp carried out under market conditions and agreed in US dollars. The invoiced amounts are payable within 60 days.

Purchase and sales transactions between subsidiaries of the Company and Celulosa Arauco y Constitución S.A., Forestal Arauco S.A. and Arauco Bioenergías S.A. are mainly transactions in the line of business (lumber, energy and cuttings) at market values and are due in 30 to 60 days.

Transactions with CGE Distribución S.A., correspond mainly to electric energy purchase contracts agreed in US dollars, carried out until November 14, 2014. Invoiced values are payable in 30 days.

Transactions with Transnet S.A. correspond to collection of tolls on the use of electric energy sub transmission networks in coordination with the Centro de Despacho Económico de Carga (CDEC), carried out until November 14, 2014. Values are invoiced in Chilean pesos and are payable in 30 days.

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. and Colbún Transmisión S.A., refer to electric energy purchase contracts agreed in dollars. In turn subsidiary Bioenergías Forestales S.A. sells electric energy under similar conditions. The invoiced values are due in 30 days.

Transactions with Puerto Lirquén S.A., and Compañía Portuaria Andalien S.A. refer to purchase of port services, which are based on contracts with fixed values and variable rates based on volume (tons and cubic meters) expressed in US dollars. Invoiced amounts are payable within 30 days.

Transactions with Entel S.A. and its related companies refer mainly to landline and cellular telephone services, data transfer, perimeter security and electronic commerce. There are contracts for these services that consider fixed values and variable rates based on volume. Invoiced values are payable within 60 days.

Transactions with Metrogas S.A. correspond to natural gas purchase contracts, agreed in US dollars and invoiced values are payable at 30 days.

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 monthly billing.

Transactions with Asociación Chilena de Seguridad refer to work accidents insurance contracts.

Transactions with Molibdenos y Metales S.A. relate to the purchase of industrial services and products undertaken under market conditions. Invoiced amounts are due within 60 days.

Transactions and balances receivable from Administradora de Ventas al Detalle Ltda., Compañía Industrial El Volcán S.A., Aislantes Volcán S.A., Soluciones Constructivas El Volcán S.A.C., Sociedad Industrial Pizarreño S.A., Sofruco Alimentos Ltda., Iansagro S.A., Sociedad Industrial Romeral S.A. and Orizon S.A. correspond to sales of the Company's products, which were carried out under market conditions.



Transactions with Aserraderos Arauco S.A. correspond to export collection services, which are performed at market values.

### 39.4. REMUNERATIONS AND FEES OF THE BOARD AND DIRECTORS COMMITTEE AND REMUNERATIONS OF KEY EXECUTIVES

At the Ordinary General Shareholders' Meeting held on April 17, 2015 the shareholders established, in the same manner as in the previous year, that the remuneration of the Board shall be 1% of ordinary dividends paid in 2015, distributed in equal parts, and doubled for the Chairman. It was also established that the remuneration of the Directors Committee shall be 0.04167% of ordinary dividends paid in 2015, i.e. a third of what each director receives.

As of December 31, 2015 board fees amounted to ThUS\$ 309 (ThUS\$ 586 as of December 31, 2014) and those of the Directors Committee amounted to ThUS\$ 39 (ThUS\$ 74 as of December 31, 2014).

Keys executives have an incentive plan consisting of a variable annual bonus that depends on profits and other bonuses during the course of the year, based on the achievement of strategic objectives and compliance of business profitability goals. Total gross remuneration received by the 14 executives of CMPC and subsidiaries, which include these incentives, reached ThUS\$ 5,954 as of December 31, 2015 (ThUS\$ 5,499 as of December 31, 2014).

### NOTE 40 - 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 ISO 9,001 and 14,001 quality standard certification. 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 mitigating the environmental impact of its operation. The projects whose aim is primarily environmental involved disbursements in the year of ThUS\$ 57,629 (ThUS\$ 66,821 in 2014).

The main disbursements for the year by subsidiary and project are detailed as follows:

Companies:	Papeles Cordillera S.A. (Puente Alto - Chile), CMPC Tissue S.A. (Talagante - Chile) And Grupo ABS Internacional S.A. de CV (Altamira - Mexico).
Project:	Co-generation Plants Project
Accounting recognition:	Non-current assets, property, plant & equipment
Amount disbursed in the year:	ThUS\$ 52,481 (ThUS\$ 117,524 accumulated as of December 2015)
Amount committed in future years:	ThUS\$ 19,576
Estimated final date of disbursements:	March 2016

#### DISBURSEMENTS CONCEPT:

Three co-generation plants that are natural gas based, with high thermal efficiency, that produce high pressure steam and electric energy to replace that which is purchased from the public network, in addition to using the medium/low pressure steam to dry paper.

Company:	CMPC Tissue S.A.
Project:	Talagante Plant, energy savings project
Accounting recognition:	Non-current assets, property, plant & equipment
Amount disbursed in the year:	ThUS\$ 267 (ThUS\$ 964 accumulated as of December 2015)
Amount committed in future years:	ThUS\$ 1,275
Estimated final date of disbursements:	March 2016

#### DISBURSEMENTS CONCEPT:

CMPC Tissue S.A. is developing a project to increase energy use efficiency at its Talangante Plant, through the systematic adaptation of its main equipment, such as changing the drying hoods of the older paper machines.

# FINANCIAL STATEMENTS 2015

Company:	CMPC Celulosa S.A.
Project:	Pacífico Plant abatement of aerial emissions project.
Accounting recognition:	Non-current assets, property, plant and equipment
Amount disbursed in the year:	ThUS\$ 4,881 (ThUS\$ 6,993 accumulated as of December 2015)
Amount committed in future years:	ThUS\$ 2,377
Estimated final date of disbursements:	March 2016

## DISBURSEMENTS CONCEPT:

CMPC Celulosa S.A. is installing aerial emissions abatement equipment at the Pacífico Plant, specifically in the recovery boiler, in order to optimize the performance of the production plant and guarantee compliance with applicable standards.

All the projects with committed cash flows are in development as of the date of these financial statements. At CMPC, there are also other projects associated to developing new applied technologies to mitigate impact on the environment.

## NOTE 41 - EVENTS AFTER THE REPORTING PERIOD

1. At the Board of Directors' Meeting of Empresas CMPC S.A. held on January 29, 2016, the directors, among other things, agreed to call an Extraordinary Shareholders' Meeting of the Company, to be held on March 16, 2016, at 11:00 a. m. at Agustinas No. 1343, community of Santiago, in order to submit the following matters to the consideration of the shareholders:
  - a) Amendment of company bylaws to increase the number of directors in the Company's Board from 7 to 9.
  - b) Adopt all agreements necessary to materialize and carry out the amendment of the bylaws and other agreements adopted at the Meeting, amply empowering the Board for that purpose.
2. Lawsuits
  - a) CMPC Celulosa S.A. is involved in a tax lawsuit in the amount of ThUS\$6,803, derived from an appraisal of the value of an internal transfer of shares, by the Chilean Internal Revenue Service (SII) on June 30, 2001. Due to errors in the proceeding, the Company filed an action before the Supreme Court (Case No. 1767-3) which was accepted on August 5, 2005, and produced invalidation of the ongoing lawsuit. On February 3, 2016 the SII dictated sentence rejecting the Company's claim for which the Company filed an appeal.
  - b) In May 2006, subsidiary Inversiones Protisa S.A. received a tax assessment amounting to ThUS\$ 43,468, based on a discrepancy with the SII in relation to the criteria for tax valuation and price-level restatement used by the Company in respect to its investments abroad. The company filed its defense before the SII, ratifying the criteria used and providing the legal and administrative supporting documentation for that criteria. On March 28, the SII rejected the claim filed by the Company, and in response the Company filed an appeal, which was partially accepted on June 10, 2014. Both parties filed appeals before the Supreme Court. On January 21, the appeal filed by the company was accepted. After this favorable result the case is ended and this contingency will be eliminated from this report.

There are no other events after the presentation date of these consolidated financial statements that could significantly affect their interpretation.



## **SUBSIDIARIES & ASSOCIATED COMPANIES OF CMPC**

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# SUMMARIZED FINANCIAL STATEMENTS OF SUBSIDIARIES

## SUMMARIZED CLASSIFIED STATEMENT OF FINANCIAL POSITION

(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		
	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$	
ASSETS											
CURRENT ASSETS	2,780,541	3,280,628	495,619	474,480	1,076,504	816,905	553,663	553,921	658,747	711,762	
Property, plant and equipment	6,689,110	6,556,785	1,110,692	1,127,315	4,886,988	4,690,817	792,683	774,926	917,552	1,013,607	
Biological assets	772,321	703,230	2,193,544	2,309,195	597,547	531,652	-	-	174,774	171,578	
Intangibles and other assets	1,152,879	1,245,020	23,943	23,711	390,959	444,320	38,997	40,679	147,087	210,779	
NON-CURRENT ASSETS	8,614,310	8,505,035	3,328,179	3,460,221	5,875,494	5,666,789	831,680	815,605	1,239,413	1,395,964	
TOTAL ASSETS	11,394,851	11,785,663	3,823,798	3,934,701	6,951,998	6,483,694	1,385,343	1,369,526	1,898,160	2,107,726	
LIABILITIES AND SHAREHOLDERS' EQUITY											
CURRENT LIABILITIES	1,221,994	1,506,640	238,096	308,282	856,722	1,136,513	154,264	164,547	1,110,255	956,420	
NON-CURRENT LIABILITIES	5,161,143	5,103,253	804,445	765,292	4,092,055	3,499,961	323,300	341,376	394,666	570,957	
Equity attributable to owners of the parent	4,858,495	5,034,372	2,781,170	2,861,041	2,002,785	1,846,719	896,839	854,154	349,691	535,382	
Non-controlling interests	153,219	141,398	87	86	436	501	10,940	9,449	43,548	44,967	
TOTAL SHAREHOLDERS' EQUITY	5,011,714	5,175,770	2,781,257	2,861,127	2,003,221	1,847,220	907,779	863,603	393,239	580,349	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	11,394,851	11,785,663	3,823,798	3,934,701	6,951,998	6,483,694	1,385,343	1,369,526	1,898,160	2,107,726	



	INMOBILIARIA PINARES S.A.		FORESTAL Y AGRICOLA MONTE AGUILA S.A.		COOPERATIVA AGRICOLA Y FORESTAL EL PROBOSTE LTDA.		SERVICIOS COMPARTIDOS CMPC S.A.		PORTUARIA CMPC S.A.		BIOENERGÍAS FORESTALES S.A.		INVERSIONES CMPC CAYMAN LTD. AND SUBSIDIARY	
	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$
	1,463	1,463	19,127	8,768	2,640	2,134	10,068	11,766	2,126	1,773	23,126	30,633	303	316
	314	314	76,722	76,735	1,334	1,334	2	1	144	131	-	-	-	-
	-	-	131,150	158,866	12,297	13,545	-	-	-	-	-	-	-	-
	4,480	4,046	5,056	4,583	-	-	337	381	1,332	1,563	27	60	497,639	497,639
	4,794	4,360	212,928	240,184	13,631	14,879	339	382	1,476	1,694	27	60	497,639	497,639
	6,257	5,823	232,055	248,952	16,271	17,013	10,407	12,148	3,602	3,467	23,153	30,693	497,942	497,955
	1,057	1,226	1,165	4,458	338	286	5,575	7,973	348	394	7,582	14,837	1,150	1,138
	1,818	2,064	77,519	86,005	-	3,343	3,154	3,250	1,000	1,035	-	-	-	-
	3,382	2,533	153,371	158,489	15,933	13,384	1,678	925	2,254	2,038	15,571	15,856	496,792	496,817
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	3,382	2,533	153,371	158,489	15,933	13,384	1,678	925	2,254	2,038	15,571	15,856	496,792	496,817
	6,257	5,823	232,055	248,952	16,271	17,013	10,407	12,148	3,602	3,467	23,153	30,693	497,942	497,955

# SUMMARIZED FINANCIAL STATEMENTS OF SUBSIDIARIES

## SUMMARIZED STATEMENT OF CHANGES IN EQUITY, NET

(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		
	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$	
Issued capital, ordinary shares	399,272	399,272	1,092,095	1,092,095	678,884	678,884	216,541	216,541	455,766	533,443	
Foreign currency translation difference reserve	(634,555)	(395,105)	(34)	3	478	546	(10,333)	(7,780)	(82,941)	(81,296)	
Cash flow hedging reserve	(115,397)	(102,763)	6,671	4,781	(84,792)	(80,961)	(15,486)	649	(6,556)	(1,105)	
Profits and losses on defined benefit plans reserve	(12,112)	(12,112)	(2,768)	(2,768)	(3,588)	(3,588)	(3,678)	(3,678)	(2,067)	(2,419)	
Other miscellaneous reserves	(34,273)	(34,046)	(700)	(650)	124,552	124,797	(2,349)	(2,349)	-	-	
Retained earnings (losses)	5,255,560	5,179,126	1,685,906	1,767,580	1,287,251	1,127,041	712,144	650,771	(14,511)	86,759	
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	4,858,495	5,034,372	2,781,170	2,861,041	2,002,785	1,846,719	896,839	854,154	349,691	535,382	
Non-controlling interest	153,219	141,398	87	86	436	501	10,940	9,449	43,548	44,967	
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>5,011,714</b>	<b>5,175,770</b>	<b>2,781,257</b>	<b>2,861,127</b>	<b>2,003,221</b>	<b>1,847,220</b>	<b>907,779</b>	<b>863,603</b>	<b>393,239</b>	<b>580,349</b>	

	INMOBILIARIA PINARES S.A.		FORESTAL Y AGRICOLA MONTE AGUILA S.A.		COOPERATIVA AGRICOLA Y FORESTAL EL PROBOSTE LTDA.		SERVICIOS COMPARTIDOS CMPC S.A.		PORTUARIA CMPC S.A.		BIOENERGÍAS FORESTALES S.A.		INVERSIONES CMPC CAYMAN LTD. AND SUBSIDIARY	
	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$
	1,558	1,558	45,214	45,214	1,091	1,091	54	54	1,106	1,106	10	10	574,265	574,265
	-	-	-	-	-	-	-	-	-	-	-	-	(33)	(33)
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	(534)	(534)	(158)	(158)	-	-	-	-
	115	165	350	349	-	-	(4)	(4)	-	-	6	6	(46,933)	(46,933)
	1,709	810	107,807	112,926	14,842	12,293	2,162	1,409	1,306	1,090	15,555	15,840	(30,507)	(30,482)
	3,382	2,533	153,371	158,489	15,933	13,384	1,678	925	2,254	2,038	15,571	15,856	496,792	496,817
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	3,382	2,533	153,371	158,489	15,933	13,384	1,678	925	2,254	2,038	15,571	15,856	496,792	496,817

# SUMMARIZED FINANCIAL STATEMENTS OF SUBSIDIARIES

## SUMMARIZED COMPREHENSIVE INCOME STATEMENTS, 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		
	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$	
Gross profit	1,162,885	1,117,447	(32,232)	6,067	423,680	343,740	164,039	197,353	548,037	535,824	
Other income	(680,247)	(774,253)	(18,455)	15,907	57,757	14,149	(68,938)	(74,916)	(605,310)	(578,394)	
PROFIT (LOSS), BEFORE TAXES	482,638	343,194	(50,687)	21,974	481,437	357,889	95,101	122,437	(57,273)	(42,570)	
Income tax credit (debit)	(393,880)	(200,407)	(30,987)	(31,185)	(321,243)	(138,673)	(32,236)	(34,873)	(27,453)	(8,004)	
<b>PROFIT (LOSS)</b>	<b>88,758</b>	<b>142,787</b>	<b>(81,674)</b>	<b>(9,211)</b>	<b>160,194</b>	<b>219,216</b>	<b>62,865</b>	<b>87,564</b>	<b>(84,726)</b>	<b>(50,574)</b>	
Profit (loss) attributable to owners of the parent	76,434	134,864	(81,674)	(9,214)	160,210	219,225	61,373	86,792	(88,437)	(52,801)	
Profit (loss) attributable to non-controlling interest	12,324	7,923	1	3	(16)	(9)	1,492	772	3,711	2,227	
<b>PROFIT (LOSS)</b>	<b>88,758</b>	<b>142,787</b>	<b>(81,673)</b>	<b>(9,211)</b>	<b>160,194</b>	<b>219,216</b>	<b>62,865</b>	<b>87,564</b>	<b>(84,726)</b>	<b>(50,574)</b>	
<b>COMPREHENSIVE INCOME STATEMENT</b>											
Profit (loss)	88,758	142,787	(81,673)	(9,211)	160,194	219,216	62,865	87,564	(84,726)	(50,574)	
Other comprehensive income	(252,311)	(140,272)	1,853	4,718	(4,144)	(78,543)	(18,688)	(1,565)	(102,384)	(62,851)	
<b>COMPREHENSIVE INCOME</b>	<b>(163,553)</b>	<b>2,515</b>	<b>(79,820)</b>	<b>(4,493)</b>	<b>156,050</b>	<b>140,673</b>	<b>44,177</b>	<b>85,999</b>	<b>(187,110)</b>	<b>(113,425)</b>	
Comprehensive income attributable to owners of the parent	(175,877)	(5,408)	(79,821)	(4,496)	156,066	140,682	42,685	85,227	(190,821)	(115,652)	
Comprehensive income attributable to non-controlling interest	12,324	7,923	1	3	(16)	(9)	1,492	772	3,711	2,227	
<b>COMPREHENSIVE INCOME</b>	<b>(163,553)</b>	<b>2,515</b>	<b>(79,820)</b>	<b>(4,493)</b>	<b>156,050</b>	<b>140,673</b>	<b>44,177</b>	<b>85,999</b>	<b>(187,110)</b>	<b>(113,425)</b>	



	INMOBILIARIA PINARES S.A.		FORESTAL Y AGRICOLA MONTE AGUILA S.A.		COOPERATIVA AGRICOLA Y FORESTAL EL PROBOSTE LTDA.		SERVICIOS COMPARTIDOS CMPC S.A.		PORTUARIA CMPC S.A.		BIOENERGÍAS FORESTALES S.A.		INVERSIONES CMPC CAYMAN LTD. AND SUBSIDIARY	
	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$
-	-	-	(5,191)	(7,464)	(542)	(186)	557	(13)	1,236	754	2,193	17,649	-	-
998	501		13	11,951	331	580	488	453	(884)	(541)	(2,036)	(2,399)	(25)	(22)
998	501		(5,178)	4,487	(211)	394	1,045	440	352	213	157	15,250	(25)	(22)
(99)	(118)		59	(2,135)	3,288	(330)	(292)	(79)	(136)	(78)	(442)	(3,252)	-	-
899	383		(5,119)	2,352	3,077	64	753	361	216	135	(285)	11,998	(25)	(22)
899	383		(5,119)	2,352	3,077	64	753	361	216	135	(285)	11,998	(25)	(22)
-	-		-	-	-	-	-	-	-	-	-	-	-	-
899	383		(5,119)	2,352	3,077	64	753	361	216	135	(285)	11,998	(25)	(22)
899	383		(5,119)	2,352	3,077	64	753	361	216	135	(285)	11,998	(25)	(22)
(50)	397		-	-	-	-	-	(198)	-	(54)	-	-	-	(2)
849	780		(5,119)	2,352	3,077	64	753	163	216	81	(285)	11,998	(25)	(24)
849	780		(5,119)	2,352	3,077	64	753	163	216	81	(285)	11,998	(25)	(24)
-	-		-	-	-	-	-	-	-	-	-	-	-	-
849	780		(5,119)	2,352	3,077	64	753	163	216	81	(285)	11,998	(25)	(24)

# SUMMARIZED FINANCIAL STATEMENTS OF SUBSIDIARIES

## SUMMARIZED STATEMENT OF CASH FLOWS

(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		
	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$	
Net cash flows provided by (used in) operating activities	704,708	750,665	121,647	107,710	476,795	444,230	105,301	120,099	126,645	176,008	
Net cash flows provided by (used in) investing activities	(764,802)	(1,401,736)	(108,552)	(100,910)	(490,773)	(1,250,486)	(68,042)	(139,517)	(143,225)	(149,538)	
Net cash flows provided by (used in) financing activities	(485,227)	890,264	(13,745)	(5,108)	20,150	783,245	(32,390)	19,395	8,853	(25,931)	
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS, BEFORE THE EFFECT OF CHANGES IN THE EXCHANGE RATE	(545,321)	239,193	(650)	1,692	6,172	(23,011)	4,869	(23)	(7,727)	539	
Effects of changes in the exchange rate on cash and cash equivalents	(39,828)	(69,677)	26	15	(13,243)	(8,414)	(285)	(326)	(5,068)	2,123	
Cash and cash equivalents, beginning of year	1,093,040	923,524	2,384	677	13,560	44,985	2,824	3,173	48,870	46,208	
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>507,891</b>	<b>1,093,040</b>	<b>1,760</b>	<b>2,384</b>	<b>6,489</b>	<b>13,560</b>	<b>7,408</b>	<b>2,824</b>	<b>36,075</b>	<b>48,870</b>	

	INMOBILIARIA PINARES S.A.		FORESTAL Y AGRICOLA MONTE AGUILA S.A.		COOPERATIVA AGRICOLA Y FORESTAL EL PROBOSTE LTDA.		SERVICIOS COMPARTIDOS CMPC S.A.		PORTUARIA CMPC S.A.		BIOENERGÍAS FORESTALES S.A.		INVERSIONES CMPC CAYMAN LTD. AND SUBSIDIARY	
	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$
	(88)	(16)	4,103	3,800	1,351	64	(4,251)	1,585	492	346	(201)	15,047	(13)	(7)
	156	79	2,418	198	-	-	4,251	(439)	(493)	(362)	-	-	(12)	(2)
	(68)	(63)	(6,495)	(3,998)	(495)	(887)	-	(1,146)	(1)	15	201	(15,506)	12	2
	-	-	26	-	324	(1,269)	-	-	(2)	(1)	-	(459)	(13)	(7)
	-	-	(26)	-	(72)	(155)	-	-	-	-	-	16	-	-
	-	-	-	-	433	1,857	-	-	3	4	-	443	203	210
	-	-	-	-	685	433	-	-	1	3	-	-	190	203

# DETAIL OF SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

In ThUS\$ (thousands of dollars)

	2015			SELLER / INVESTOR														
				90.222.000-3	96.596.540-8	91.440.000-7	96.532.330-9	96.757.710-3	96.529.310-8	96.768.750-2	84.552.500-5	76.188.197-3	96.500.110-7	70.029.300-9	96.656.410-5	96.657.900-5	91.806.000-6	
	RELATED PARTY TAXPAYER NO.	NAME		EMPRESAS CMPC S.A.	INVERSIONES CMPC S.A.	FORESTAL MININCO S.A. AND SUBSIDIARIES	CMPC CELULOSA S.A. AND SUBSIDIARIES	CMPC PAPELES S.A. AND SUBSIDIARIES	CMPC TISSUE S.A. AND SUBSIDIARIES	SERVICIOS COMPARTIDOS CMPC S.A.	PORTUARIA CMPC S.A.	BIOENERGÍAS FORESTALES S.A.	FORESTAL Y AGRICOLA MONTE AGUILA S.A.	COOPERATIVA AGRICOLA Y FORESTAL EL PROBOSTE LTDA.	BICE VIDA COMPANIA DE SEGUROS S.A.	CONSORCIO PROTECCIÓN FITOSANITARIA FORESTAL S.A.	ABASTECEDORA DE COMBUSTIBLES S.A.	
Buyer / Receiver of the investment or financing	90.222.000-3	Empresas CMPC S.A.	C	11			7		2	4,102								
			F	25,692														
	96.596.540-8	Inversiones CMPC S.A.	C	989														
			F		5,199		85,763	16,918		590	459							
	91.440.000-7	Forestal Mininco S.A. and subsidiaries	C	720	417		7,555	32,971		7,871	827	6,261	9,775	2,011	134	412	77	
			F		90,269													
	96.532.330-9	CMPC Celulosa S.A. and subsidiaries	C	775	1,770	263,940		852		9,420	1,697	20,042	41		205	5	34	
			F		136,988													
	96.757.710-3	CMPC Papeles S.A. and subsidiaries	C	3,728	319	11	165,402		2,296	10,510		50,273			1		581	
			F		82,733				265									
	96.529.310-8	CMPC Tissue S.A. and subsidiaries	C	16,956	837	1	116,998	41,178		12,152		17,974					422	
			F		283,754													
	96.768.750-2	Servicios Compartidos CMPC S.A.	C	1,166														
			F		2,842													
	96.500.110-7	Forestal y Agrícola Monte Aguila S.A.	C			6,854				129								
			F		3,627													
	84.552.500-5	Portuaria CMPC S.A.	C							192							3	
	76.188.197-3	Bioenergías Forestales S.A.	C				83,979	374										
	70.029.300-9	Cooperativa Agrícola y Forestal El Proboste Ltda.	C			463												
			F		3													
	97.080.000-K	Banco BICE	F		135,602													
	76.055.353-0	Bice Agente de Valores S.A.	F		860,575													
	97.053.000-2	Banco Security	F		146,000													
	96.639.280-0	Administradora General de Fondos Security S.A.	F		11,432													
	77.215.640-5	Administradora de Ventas al Detalle Ltda.	C						607									
	96.848.750-7	Aislantes Volcán S.A.	C					672										
	Extranjera	Arauco Argentina S.A.	C			63			100									
	93.458.000-1	Celulosa Arauco y Constitución S.A.	C				3	85										
	90.209.000-2	Cia. Industrial El Volcán S.A.	C					4,591										
	96.505.760-9	Colbún S.A.	C									1						
	85.805.200-9	Forestal Arauco S.A.	C			410	2,170											
	96.772.810-1	Iansagro S.A.	C					178										
	96.573.780-4	Sociedad Industrial Pizarreño S.A.	C				1,553											
	86.113.200-2	Sociedad Industrial Romeral S.A.	C					3,137										
	78.023.030-4	Sofruco Alimentos Ltda.	C					527										
	Extranjera	Soluciones Constructivas Volcán S & C	C					521										

\*C: Commercial transaction

\*F: Financial transaction



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# DETAIL OF SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

In ThUS\$ (thousands of dollars)

				SELLER / INVESTOR												
	2014			90.222.000-3	96.596.540-8	91.440.000-7	96.532.330-9	96.757.710-3	96.529.310-8	96.768.750-2	84.552.500-5	76.188.197-3	96.656.410-5	96.657.900-5		91.806.000-6
	RELATED PARTY TAXPAYER NO.	NAME		EMPRESAS CMPC S.A.	INVERSIONES CMPC S.A.	FORESTAL MININCO S.A. AND SUBSIDIARIES	CMPC CELULOSA S.A. AND SUBSIDIARIES	CMPC PAPELES S.A. AND SUBSIDIARIES	CMPC TISSUE S.A. AND SUBSIDIARIES	SERVICIOS COMPARTIDOS CMPC S.A.	PORTUARIA CMPC S.A.	BIOENERGÍAS FORESTALES S.A.	BICE VIDA COMPANÍA DE SEGUROS S.A.	CONSORCIO PROTECCIÓN FITOSANITARIA FORESTAL S.A.		ABASTECEDORA DE COMBUSTIBLES S.A.
Buyer / Receiver of investment or financing	90.222.000-3	Empresas CMPC S.A.	C	2,990						2,990						
			F	177,536												
	96.596.540-8	Inversiones CMPC S.A.	C	956												
			F		15,300		5,028		425	489	16,311					
	91.440.000-7	Forestal Mininco S.A. and subsidiaries	C	900		60,664	26,393		8,367	880	10,648	110	432	145		
			F	359	47,326											
	96.532.330-9	CMPC Celulosa S.A. and subsidiaries	C	831		286,001	838		11,096	1,685	23,763	350	7	49		
			F		85,518											
	96.757.710-3	CMPC Papeles S.A. and subsidiaries	C	3,884		165,289		3,055	12,892		72,042	1		890		
			F		95,725											
	96.529.310-8	CMPC Tissue S.A. and subsidiaries	C	18,925		100,247	50,579		8,591		22,927	0		656		
			F		74,906											
	96.768.750-2	Servicios Compartidos CMPC S.A.	C							188						
			F	1,278												
	96.500.110-7	Forestal y Agrícola Monte Aguila S.A.	C	2		6,303			137							
			F		374											
	84.552.500-5	Portuaria CMPC S.A.	C						188						4	
			F													
	76.188.197-3	Bioenergías Forestales S.A.	C				85,490									
			F													
	97.080.000-K	Banco BICE	F		160,000											
	76.055.353-0	Bice Agente de Valores S.A.	F		839,622											
	97.053.000-2	Banco Security	F		552,198											
	77.215.640-5	Administradora de Ventas al Detalle Ltda.	C						646							
	96.848.750-7	Aislantes Volcán S.A.	C					605								
	Extranjera	Alto Paraná S.A.	C			369			354							
	96.565.750-9	Aserraderos Arauco S.A.	F			2,400										
	93.458.000-1	Celulosa Arauco y Constitución S.A.	C				226	77								
	99.513.400-4	CGE Distribución S.A.	C					2			1,132					
	90.209.000-2	Cia. Industrial El Volcán S.A.	C					4,974								
	96.505.760-9	Colbún S.A.	C			8					370					
	85.805.200-9	Forestal Arauco S.A.	C			929	856									
	96.772.810-1	Iansagro S.A.	C					645								
	96.573.780-4	Sociedad Industrial Pizarreño S.A.	C				2,568									
	86.113.200-2	Sociedad Industrial Romeral S.A.	C					1,678								
	78.023.030-4	Sofruco Alimentos Ltda.	C					545								
	Extranjera	Soluciones Constructivas Volcán S.A.C.	C					1,296								

\*C: Commercial transaction

\*F: Financial transaction

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# SUBSIDIARIES OF CMPC, IN CHILE

NAME AND LEGAL STATUS	LINE OF BUSINESS	GENERAL INFORMATION
FORESTAL MININCO S.A.	Forestation and reforestation, on its own land and on the land of others; purchase, sale and marketing of land, forests, lumber, seeds, plants and other similar products; marketing, exporting and importing lumber products or their derivatives; and providing forestry, management and other services.	Closed stock company. Established thorough public deed dated July 22, 1949, signed before Valparaíso Notary Public Mr. Ernesto Cuadra M., amended by public deed issued on September 20, 1949, signed before the same Notary Public. Authorized by Treasury Decree No. 8044, dated October 20, 1949. Taxpayer No. 91.440.000-7
CMPC CELULOSA S.A.	The production, marketing, importing and exporting of pulp, paper and their derivatives in their various forms, as well as all other transactions related to this line of business; purchase and sale of lumber in any form, including standing forests; and participation or investment in companies whose line of business comprises the mentioned activities.	Closed stock company. Established by public deed dated March 31, 1988, signed before Santiago Notary Public Mr. Enrique Morgan T., under the name of "Celulosa del Pacífico S.A." On December 31, 1998, at the company's Extraordinary General Shareholders' Meeting, the shareholders agreed to change the name to "CMPC Celulosa S.A." Taxpayer No. 96.532.330-9
CMPC PAPELES S.A.	The production, importing, exporting and in general the marketing of paper, in its various forms.	Closed stock company. Established by public deed dated April 20, 1988, signed before Notary Public Mr. Enrique Morgan T. The extract was published in the Official Gazette on May 4, 1988, under the name CMPC Capital de Riesgo S.A. On July 7, 1998, the Extraordinary General Shareholders' Meeting was committed to public deed signed before Notary Public Mr. Raúl I. Perry P. whereby the shareholders agreed to change the name to "CMPC Papeles S.A." The extract of that deed was published in the Official Gazette on July 14, 1998. Taxpayer No. 79.818.600-0
CMPC TISSUE S.A.	The fabrication and/or conversion of sanitary products, diapers, towels, napkins, handkerchiefs and face wipes, and other elaborated or semi-elaborated tissue or similar products. The purchase/sale, importing, exporting, consignment, distribution, representation and marketing, whether on its own account or on account of others, of the indicated products, as well as spare parts, raw materials and materials.	Closed stock company. Established by public deed dated February 24, 1988, signed before Santiago Notary Public Mr. Sergio Rodríguez G., under the name of "Forestal e Industrial Santa Fe S.A." at the company's 7th Extraordinary General Shareholders' Meeting held on January 6, 1998, the shareholders agreed to change the name to "CMPC Tissue S.A." which was committed to public deed on January 27, 1998 signed before Santiago Notary Public Mr. Raúl I. Perry P. Taxpayer No. 96.529.310-8
SERVICIOS COMPARTIDOS CMPC S.A.	The remunerated providing of services in management, tax, third-party payments, accounting, computer systems, data processing, information technologies, data and telephone communications, human resources and supply of materials and property in general, and any services that might be necessary in order to carry out the industrial and commercial activities of Empresas CMPC S.A. and its subsidiary, associated and related companies.	Closed stock company. Established by public deed dated October 17, 1995, signed before Santiago Notary Public Mr. Raúl I. Perry P., under the name of Abastecimientos CMPC S.A. On September 5, 2005 at the 1st Extraordinary General Shareholders' Meeting the shareholders agreed to change the name to Servicios Compartidos CMPC S.A. which was committed to public deed dated October 4, 2005 signed before deputy Notary Public Mr. Pablo Roberto Poblete Saavedra and was registered in the Santiago Commercial Registry on page 37690 No. 26864. Taxpayer No. 96.768.750-2.
PAPELES CORDILLERA S.A.	The production, exporting, importing and marketing of paper or paper products and their derivatives, forestry activities in any of their forms and the investment of resources in companies, related to the indicated lines of business.	Closed stock company. Established through public deed dated March 9, 1998, signed before Santiago Notary Public Mr. Gonzalo de la Cuadra F. Registered in the Commercial Registry on March 13, 1998 on page 5993 No. 4812. Taxpayer No. 96.853.150-6
CARTULINAS CMPC S.A.	The production, importing, exporting and in general the marketing of paper in its various forms and their derivatives, forestry activities, exploitation of forests, the acquisition or disposal in any manner, of agricultural goods and marketing of lumber; for which it can perform all acts, make all investments or deals and sign all necessary contracts.	Closed stock company. Established by public deed dated April 27, 1995, signed before Santiago Notary Public Mr. Raúl I. Perry P. The extract was published in the Official Gazette on May 16, 1995 and registered in the Commercial Registry of Puente Alto on May 22, 1995 on page 41 No. 41 under the name of "CMPC PAPELES S.A.". On June 24, the Extraordinary Shareholders' Meeting that agreed to change the name to "CARTULINAS CMPC S.A." was committed to public deed signed before the same Notary. The extract of that public deed was published in the Official Gazette on June 30, 1998. The 4th Extraordinary Shareholders' Meeting that agreed to expand the line of business was committed to public deed signed before Santiago Notary Public, Mr. Ivan Torrealba A. The extract of that public deed was published in the Official Gazette on October 10, 2003. Taxpayer No. 96.731.890 - 6.
CMPC MADERAS S.A.	The exploitation of the sawmill industry, marketing, exporting and importing forestry products, and also carrying out any transaction that is related to forests; the providing of forestry and management services, acting as lessee or lessor or sub-lessee or sub-lessor of all types of assets, whether real estate or chattel.	Closed stock company. Established by public deed dated October 28, 1983, signed before Santiago Notary Public Mr. Enrique Morgan T. The Extraordinary Shareholders' Meeting held on November 27, 2000, at which the shareholders agreed to change the name to CMPC Maderas S.A. was committed to public deed signed before the same Notary Public. The extract of that deed was published in the Official Gazette on December 2, 2000. Taxpayer No. 95.304.000-K.
INVERSIONES CMPC S.A.	Investing in the country and abroad in all types of goods, intangibles and real property and particularly, its participation as shareholder in any type of company and investing in real estate in the country or abroad.	Closed stock company. Registered in the Securities Registry under No. 672. Established by public deed dated January 2, 1991, signed before Santiago Notary Public Mr. Rubén Galecio G. Taxpayer No. 96.596.540-8
PORTUARIA CMPC S.A.	Managing the logistics chains of forestry or any other product, including moving cargo on any media to serve as cargo agent, perform the duties of national and foreign ship agents, and operation of ports, exploiting the business of inland and marine transportation, both cabotage and exporting and importing	Closed stock company. Established through public deed dated October 28, 1976, signed before Santiago Notary Public Mr. Patricio Zaldivar M. as a limited liability company under the name Muellaje San Vicente Ltda. Transformed to a stock company through public deed dated November 8, 1993, signed before Santiago Notary Public Mr. Raúl I. Perry P. The 4th Extraordinary Shareholders' meeting, held on June 21, 2000 which agreed to change the name to Portuaria CMPC S.A. was committed to public deed signed before the same notary on July 4, 2000. Taxpayer No. 84.552.500-5.



	EQUITY THUS\$	PROFIT (LOSS) THUS\$	DIRECT AND INDIRECT INTEREST	MANAGER	BOARD OF DIRECTORS	
	2,781,170	(81,674)	100.00%	Francisco Ruiz-Tagle Edwards	Chairman Vice Chairman Directors	Jorge Matte Capdevilla Hernán Rodríguez Wilson (2) Leonidas Montes Lira Jorge Larraín Matte Fernando Raga Castellanos Gonzalo García Balmaceda (3) Bernardo Matte Larraín (1)
	2,002,785	160,210	100.00%	Washington Williamson Benaprés	Chairman Vice Chairman Directors	Bernardo Matte Larraín (1) Hernán Rodríguez Wilson (2) Jorge Matte Capdevilla Andrés Echeverría Salas Gonzalo García Balmaceda (3) Sergio Hernán Colvin Truco
	896,839	61,374	100.00%	Luis Llanos Collado	Chairman  Vice Chairman  Directors	Juan Carlos Eyzaguirre Echenique  Hernán Rodríguez Wilson (2)  Eliodoro Matte Capdevilla Bernardo Matte Larraín Martín Costabal Llona (1) Andrés Infante Tirado
	349,691	(88,437)	100.00%	Gonzalo Darraidou Díaz	Chairman Vice Chairman Directors	Jorge Hurtado Garretón Hernán Rodríguez Wilson (2) Gonzalo García Balmaceda (3) Jorge Larraín Matte Bernardo Matte Larraín Jorge Matte Capdevilla
	1,677	753	100.00%	Rodrigo Quiroga Correa	Chairman Directors	Jacqueline Saquel Mediano (3) Hernán Rodríguez Wilson (2) Gonzalo García Balmaceda (3) Rodrigo Gómez Fuentes (3) Luis Llanos Collado
	167,169	27,210	100.00%	Edgar González Tatlock	Chairman Directors	Luis Llanos Collado (3) Jacqueline Saquel Mediano (3) Gonzalo García Balmaceda (3) Andrés Infante Tirado
	547,892	19,898	100.00%	Francisco García-Huidobro Morandé	Chairman  Directors	Luis Llanos Collado (3)  Hernán Rodríguez Wilson (2) Gonzalo García Balmaceda (3) Octavio Marfán Reyes (3)
	386,405	(7,970)	97.51%	Hernán Fournies Latorre	Chairman Directors	Francisco Ruiz-Tagle Edwards (3) José Antonio Correa Rafael Cox Montt Gonzalo García Balmaceda (3) Fernando Raga Castellanos
	4,858,495	76,434	100.00%	Luis Llanos Collado	Chairman Directors	Hernán Rodríguez Wilson (2) Rodrigo Quiroga Correa (3) Gonzalo García Balmaceda (3) Rafael Cox Montt (3)
	2,253	216	100.00%	Felipe Eguiguren Eyzaguirre	Chairman Directors	Raimundo Varela Hernán Fournies Latorre (3) Guillermo Mullins Lagos (3)

(1) Director CMPC

(2) General Manager CMPC

(3) Manager at CMPC and subsidiaries

# SUBSIDIARIES OF CMPC, IN CHILE

NAME AND LEGAL STATUS	LINE OF BUSINESS	GENERAL INFORMATION
BIOENERGÍAS FORESTALES S.A.	a) Production, transportation, distribution, supply and distribution of energy. b) Administration and operation of energy generating power plants c) Providing services and performing an activity related to the energy industry."	Company established through public deed dated November 22, 2011 signed before Santiago Notary Public Mr. Raúl Iván Pérez P. Taxpayer No. 76.188.197-3.
INVERSIONES PROTISA S.A.	Make all types of investments, especially the purchase and sale of shares or debt securities, carry out operations in the capitals market and apply its resources in all types of financial deals inherent to the line of business.	Closed stock company. Established through public deed dated March 4, 1998, signed before Notary Public Mr. Gonzalo de la Cuadra F. Taxpayer No. 96.850.760-5.
EMPRESA DISTRIBUIDORA DE PAPELES Y CARTONES S.A. EDIPAC	The purchase, sale, consignment, marketing and distribution, on its own account or on account of others, of paper, cardboard and other products derived from pulp and paper.	Closed stock company. Established through public deed dated December 24, 1981, signed before Santiago Notary Public Mr. Jorge Zañartu S. Taxpayer No. 88.566.900-K.
SOCIEDAD RECUPERADORA DE PAPEL S.A. SOREPA	Recovery of paper and cardboard and purchase/sale of new or used paper	Closed stock company. Established through public deed dated October 1, 1979, signed before Santiago Notary Public Mr. Patricio Zaldívar M. Taxpayer No. 86.359.300-K.
ENVASES IMPRESOS S.A.	Production of printed and punched corrugated cardboard containers.	Closed stock company. Established through public deed dated October 25, 1993, signed before Santiago Notary Public Mr. Raúl Perry P. Taxpayer No. . 89.201.400-0.
FORSAC S.A.	The fabrication of paper products and materials for packing, packaging or other similar purposes, and articles related to paper, as well as the purchase, sale, importing or exporting of those products and the like.	Closed stock company. Established by public deed dated October 4, 1989, signed before Santiago notary Public Mr. Aliro Veloso M., under the name of Forestal Angol Ltda. Through public deed dated April 3, 1998, signed before Santiago Notary Public Mr. Jaime Morandé O. the company underwent a transformation, changing its line of business and name to Papeles Angol S.A. On May 5, 1998, at the 1st Extraordinary Shareholders' Meeting, after absorbing PROPA S.A., the shareholders agreed to change the name from "Papeles Angol S.A." to "PROPA S.A." Taxpayer No. 79.943.600-0. At the 5th Extraordinary Shareholders' Meeting of PROPA S.A. held on January 21, 2010, the shareholders approved the change of name to "FORSAC SA", established in public deed signed on March 10, 2010 before Notary Public Mr. Raúl Iván Perry Pefaur.
CHILENA DE MOLDEADOS S.A. CHIMOLSA	The fabrication and wholesale and retail sale of trays for exporting fruit and containers for eggs and other products; in general molded containers of different types, sizes and styles; importing, exporting, purchase and sale of these same articles.	Closed stock company. Established through public deed dated March 31, 1976, signed before Santiago Notary Public Mr. Enrique Zaldívar D. Taxpayer No. 93.658.000-9
INMOBILIARIA PINARES S.A.	The acquisition of land, its subdivision, lot division and urbanization construction of social housing, on its own account and on account of others, and their disposal.	Closed stock company. Established through public deed signed on April 29, 1990, before Concepción Notary Public, Mr. Humberto Faúndez R. as a limited liability company
FORESTAL Y AGRÍCOLA MONTE AGUILA S.A.	The forestry and agricultural exploitation of real estate belonging to it, acquired, possessed or exploited by it in any manner during the execution of agricultural, stockbreeding or forestry work and other activities directly or indirectly related to its line of business; as well as the marketing and/ or exploitation in any manner, of products and sub products obtained from agricultural and forest exploitation and from providing services related to the company's line of business to third parties.	Closed stock company. Established through public deed dated Oct. 11, 1985, signed before Santiago notary Public Mr. Andrés Rubio F., under the name of Forestal Colcura S.A. At the Ext. Shareholders' meeting held on Dec. 3, 1992, the shareholders agreed to change the name to Forestal y Agrícola Monte Águila S.A., which was committed to public deed on the same date and signed before Santiago Notary Public, Mr. Sergio Rodríguez G. Taxpayer No. 96.500.110-.
COOPERATIVA AGRÍCOLA Y FORESTAL EL PROBOSTE LTDA.	Undertake on account of its associates, the management, handling and maintenance of the Proboste and Galumavida farms located in the communities of Empedrado and Chanco, Constitución, especially in reference to the work of caretaking, forestation and pine forests and other types of forests located in those sites.	Limited liability company authorized by Supreme Decree no. 971 dated October 17, 1958, issued by the ministry of Agriculture. The bylaws current as of April 28, 1990 were amended and approved at General Partners' meeting, whose minutes were committed to public deed on April 6, 2004 at the Santiago Notary Public office of Mr. René Benavente Cash. The extract of this public deed was registered in the Commercial Registry of the Santiago Real Estate Registrar for 2004, and was published in the Official Gazette on April 17, 2004. The Department of Cooperatives of the Ministry of Economy, Development and Reconstruction issued Certificate No. 529, dated March 31, 2004, which evidences the Minutes of the Founding General Meeting, as well as the Minutes of the meeting where the statutes were amended. Taxpayer No. 70.029.300-9.
INMOBILIARIA Y CONSTRUCTORA SAN ROQUE S.A	The purchase, sale, leasing, temporary cession, and in general, the exploitation of all types of real estate, urban or rural, the construction, whether directly or on account of others of all types of real estate and in general, the execution of all types of acts and contracts necessary to comply with the company's objective and the development of its line of business	Company established by public deed dated November 4, 2014 signed before Santiago Notary Public Mr. Eduardo Díez Morello. An extract of that public deed was registered to page 90,718 number 55,359 of the Commercial Registry of the Santiago Real Estate Registrar for 2014 and was published in the Official Gazette on December 4, of the same year.

	EQUITY THUS\$	PROFIT (LOSS) THUS\$	DIRECT AND INDIRECT INTEREST	MANAGER		BOARD OF DIRECTORS
	15,571	(285)	100.00%	Eckart Eitner Delgado	Chairman Directors	Washington Williamson Benaprés (3) Luis Llanos Collado Francisco Ruiz-Tagle Edwards (3) Sergio Balharry
	416,890	27,964	100.00%	Alfredo Bustos Azócar	Chairman Directors	Luis Llanos Collado (3) Rafael Cox Montt (3)
	13,199	1,987	100.00%	Nicolás Moreno López	Chairman Directors	Luis Llanos Collado (3) Oscar Carrasco Larrazabal (3) Francisco García-Huidobro Morandé (3) Eduardo Gildemeister Meier (3) Cristóbal Somarriva Quezada
	20,488	2,907	100.00%	Eduardo Gildemeister Meier (3)	Chairman Directors	Luis Llanos Collado Arturo Celedón Rojas (3) Cristóbal Somarriva Quezada Octavio Marfán Reyes (3) Sergio Balharry Reyes (3) Edgar Gonzalez Tatlock (3)
	31,593	6,262	100.00%	Pablo Sufán González	Chairman Directors	Luis Llanos Collado (3) Gonzalo García Balmaceda (3) Andrés Infante Tirado Jacqueline Saquel Mediano (3)
	31,513	1,086	100.00%	Rolf Zehnder Marchant	Chairman Directors	Luis Llanos Collado (3) Octavio Marfán Reyes (3) Gonzalo García Balmaceda (3) Rafael Cox Montt (3)
	26,447	4,142	100.00%	Jorge Urrea Acosta	Chairman Directors	Luis Llanos Collado (3) Gonzalo García Balmaceda (3) Andrés Infante Tirado Jacqueline Saquel Mediano (3)
	3,383	899	100.00%	Rodrigo Levy Wilson	Chairman Directors	Rodrigo Quiroga Luis Llanos Collado (3) Rafael Cox Montt (3)
	153,371	(5,119)	99.75%	Luis Rodríguez Rodríguez	Chairman Directors	Francisco Ruiz-Tagle Edwards (3) Luis Llanos Collado (3) Rodrigo Quiroga Correa Eduardo Hernandez José Antonio Correa García
	15.933	3.077	74.95%	Victor Fuentes Palma	Advisors	Hernán Fournies Latorre (3) Patricio Javier Santibáñez Carmona (3) Juan Andrés Celhay Schoerlermann Cristian Rodríguez Velasco Rodrigo Valiente Toriello
	1.665	1.684	100.00%	Pablo Smith	Chairman Directors	Francisco Ruiz-Tagle Edwards José Antonio Correa García Luis Llanos Collado

<sup>(1)</sup> Director CMPC

<sup>(2)</sup> General Manager CMPC

<sup>(3)</sup> Manager at CMPC and subsidiaries

# SUBSIDIARIES OF CMPC, ABROAD

NAME AND LEGAL STATUS	LINE OF BUSINESS	GENERAL INFORMATION
INVERSIONES CMPC CAYMAN LTD. (Islas Caymán)	Undertaking of all types of mercantile and financial investments, and particularly its participation as shareholder in any type of company.	Company established in accordance with the laws of the Cayman Islands, as per registry No. 77890 dated November 21, 1997, at the Companies Registry of the Cayman Islands.
CMPC INVERSIONES DE ARGENTINA S.A. (Argentina)	Financial activities on its own account or on account of third parties or associated to third parties.	Closed stock company established by public deed dated June 29, 1992, Argentina. CUIT 30-65451689-4
LA PAPELERA DEL PLATA S.A. (Argentina)	Fabrication, industrialization, elaboration and marketing of all types of paper, cartons, cardboard, their products and sub products (Argentina) of all types and forms. Forestry and lumber exploitation, Industrialization and marketing of its products	Stock company approved by the Executive Branch of the Province of Buenos Aires on September 2, 1929, Argentina CUIT 30-50103667-2
PRODUCTOS TISSUE DEL PERU S.A. (Peru)	Fabrication, industrialization and elaboration of all types of paper, cartons, cardboard, their products and sub products of all types and forms sale, import, export, assignment, consignment, splitting, packing, distributing and in general, any form of marketing of the products. Consulting, advisory and providing senior management, management and administration services.	Closed stock company. Established by deed dated July 21, 1995, signed before Notary Public, Mr. Gustavo Correa M., Lima, Peru.
NASCHEL S.A. (Argentina)	Printing of paper, polyethylene and polypropylene reels.	Stock company. Its articles of association were approved by decree from the national executive branch on November 24, 1955, granting it legal status. Transcript of final public deed of establishment dated January 23, 1956, signed before Notary Public, Mr. Weinich Waisman, Buenos Aires, Argentina and subsequent amendment for division and capital reduction through deed dated January 2, 1996, signed before Notary Public Mr. Raúl Félix Vega Olmos, Buenos Aires, Argentina CUIT 30-50164543-1
FABI BOLSAS INDUSTRIALES S.A. (Argentina)	Fabrication of paper bags and carton	Stock company. Established by public deed dated January 2, 1996, signed before Notary Public Mr. Raúl Félix Vega O., Buenos Aires, Argentina
INDUSTRIA PAPELERA URUGUAYA S.A. IPUSA - Uruguay	Fabrication, industrialization and marketing in all forms of paper and derivatives, as well as those related to graphic arts.	Closed stock company. Established by public deed dated January 14, 1937, in Montevideo, Uruguay. On April 29, 1937 its bylaws were approved by the Executive Branch and were registered in the Contracts Registry on May 14, 1937. Taxpayer No. 21 006645 0012
COMPAÑÍA PRIMUS DEL URUGUAY S.A. (Uruguay)	Real estate leasing	Closed stock company, established through public deed dated April 28, 1932, in Montevideo, Uruguay. On September 13, 1932 its bylaws were approved by the Executive Branch. Taxpayer No. 21 000234 0011
CELULOSAS DEL URUGUAY S.A. (Uruguay)	Forestry and cattle raising	Closed stock company. Its statutes were approved and registered at the DGI on February 3, 1960. On June 10, 1960 it was registered in the Public and General Commercial Registry, Taxpayer No. 21 015454 0013
FORSAC PERU S.A. (Peru)	Fabricating and providing fabricating services for multi-ply paper sacks	Stock company. Established through public deed dated June 5, 1996, signed before Notary Public Mr. Gustavo Correa M., Lima, Peru, under the name Fabi Perú S.A. That company merged with Forsac Perú S.A., which was absorbed, and Fabi Perú S.A. changed its name to "Forsac Perú S.A." This merger was committed to public deed dated December 1, 2000, signed before Notary Public Mr. Gustavo Correa M., Lima, Perú. There was a division of an equity block of Forsac Perú S.A. as per document dated October 1, 2002
FORSAC Mexico S.A. DE C.V.	Purchase, sale production and marketing of goods and products, including those related to the paper and lumber industry and other in the forestry industry.	Trading company established on January 10, 2008, in accordance with Mexican law.
FORESTAL BOSQUES DEL PLATA S.A. (Argentina)	Forestry, agricultural and stockbreeding activities on its real estate. Purchase and sale of urban or rural real estate. Industrial exploitation of lumber, splitting sawmill, conditioning and conservation.	Closed stock company, established through public deed dated August 30, 1993 and registered with the Superintendency of Corporations on September 23, 1993, under the name Proyectos Australes S.A. It changed its name to Forestal Bosques del Plata S.A. by decision of the Extraordinary General Shareholders' Meeting held on January 2, 2001, committed to public deed on May 9, 2001, and registered at the Superintendency of Corporations on May 22, 2001, Argentina

	EQUITY THUS\$	PROFIT (LOSS) THUS\$	DIRECT AND INDIRECT INTEREST	MANAGER		BOARD OF DIRECTORS
	496,792	(25)	100.00%		Chairman Directors	Luis Llanos Collado (3) Rodrigo Quiroga Correa Rafael Cox Montt (3)
	46,465	10,299	100.00%	Juan La Selva De Lisio	Chairman ViceChairman Directors	Juan La Selva De Lisio Jorge Luis Pérez Alati Jorge Schurmann Martirena (3) Paula Cecchini Della Role
	89,616	19,851	99.99%	Juan La Selva De Lisio	Chairman ViceChairman Directors	Jorge Luis Perez Alati Juan La Selva De Lisio Jorge Schurmann Martirena Paula Cecchini Della Role
	137,604	16,269	100.00%	Jorge Navarrete García	Chairman Directors	Gonzalo Darraidou Díaz Alfredo Bustos Azócar Eduardo Nicolás Patow Nerny
	460	44	100.00%	Juan La Selva De Lisio	Chairman ViceChairman Directors	Juan La Selva De Lisio Jorge Luis Pérez Alati Jorge Schurmann Martirena (3) Paula Cecchini Della Role
	13,396	(1,498)	100.00%	Adrian Saj	Chairman ViceChairman Directors	Juan La Selva De Lisio Jorge Luis Pérez Alati Jorge Schurmann Martirena (3) Paula Cecchini Della Role
	33,939	5,685	99.61%	Ricardo Pereiras Formigo	Chairman Directors	Cristian Rubio Adriasola Gonzalo Darraidou Díaz (3) Alfredo Bustos Azócar Carlos Hirigoyen García
	166	4	100.00%	Ricardo Pereiras Formigo	Chairman Directors	Cristian Rubio Adriasola Gonzalo Darraidou Díaz (3) Alfredo Bustos Azócar Carlos Hirigoyen García
	102		100.00%	Ricardo Pereiras Formigo	Chairman Directors	Cristian Rubio Adriasola Gonzalo Darraidou Díaz (3) Alfredo Bustos Azócar Carlos Hirigoyen García
	28,196	2,551	100.00%	Nicolai Patow Nerny	Chairman ViceChairman Directors	Luis Llanos Collado (3) Rolf Zehnder Marchant Jorge Navarrete García Octavio Marfán Reyes
	28,833	(2,889)	100.00%	Ernesto Villegas Sánchez	Chairman Directors	Rolf Zehnder Marchant Luis Llanos Collado (3) Cristian Barrera Almazán (3)
	169,112	9,004	100.00%	Sergio Alvarez	Chairman ViceChairman Directors	Juan La Selva De Lisio Jorge Luis Pérez Alati Jorge Schurmann Martirena (3) Paula Cecchini Della Role

(1) Director CMPC  
(2) General Manager CMPC  
(3) Manager at CMPC and subsidiaries



# SUBSIDIARIES OF CMPC, ABROAD

NAME AND LEGAL STATUS	LINE OF BUSINESS	GENERAL INFORMATION
FORESTAL TIMBAUVA S.A. (Argentina)	Financial and investing activities on its own account or on account of third parties or associated to third parties.	Stock company, established by public deed dated August 5, 2011 and registered with the Superintendency of Corporations on August 17, 2011. CUIT being processed by the AFIP.
Papelera del RIMAC S.A. (Peru)	Merged with Protisa del Perú S.A.	
GRUPO ABS INTERNACIONAL S.A. DE C.V. (Mexico)	Participate in the establishment or investment in other trading or civil companies, both national or foreign. The acquisition, importing, exporting and marketing of all types of raw materials, parts and components to carry out its line of business.	Variable capital stock company, established by public deed under policy number 1,802, on October 31, 1997, by Mr. Francisco Javier Lozano Medina, Commercial Notary Public No. 19, in the City of Monterrey, Nuevo León, Mexico. RFC.- GAI971031RD7
ABSORMEX S.A. DE C.V. (Mexico)	Manufacturing of absorbent sanitary articles. The acquisition, sale, import and export of all types of equipment and materials that are related to its line of business. The representation in the Mexican Republic or abroad as agent, commissions agent or abroad as agent, commissions agent, broker factor, representative or consignee or principal of any type of company or person.	Variable capital stock company, established by public deed with policy number 3,532, on November 19, 1981, signed before Mr. Mario Leija Arzave, Notary Public No. 25, in the City of Monterrey, Nuevo León, Mexico. Change from stock company to variable capital stock company by public deed 1,582 dated May 12, 1982 RFC.- ABS811125L52 signed before Mr. Abelardo Benito Rdz de León, Notary Public No. 13
CONVERTIDORA DE PRODUCTOS HIGIENICOS S.A. DE C.V. (Mexico)	The fabrication of all types of sanitary products, as well as importing, exporting and marketing of all types of products, on its own behalf or on behalf of others	Variable capita stock company, established through public deed policy number 4,131, on December 1, 1992 signed before Mr. Fernando Treviño Lozano, Notary Public No. 55, in the City of Monterrey, Nuevo León, Mexico. RFC.- CPH921201LE6
CONVERTIDORA CMPC México S.A de C.V. (Mexico)	The fabrication of all types of sanitary products, as well as importing all types of products on its own account or on account of others.	Variable capital stock company, established by public deed with policy No. 12,568 on December 28, 2012, signed before Mr. Carlos Montaña Pedraza, Notary Public No. 130, in Monterrey, Nuevo León, Mexico. RFC.- CMPC1212191KA.
ABSORMEX CMPC TISSUE S.A. DE C.V. (Mexico)	Fabrication, conversion, exporting, importing and marketing of sanitary products. Importing, exporting and selling all types of raw materials, parts and components required to carry out its line of business. The representation or being agent of any type of commercial and industrial company and intervening in the sale and marketing of its products and services	Variable capital stock company, established by public deed under policy No. 1,552, on July 17, 1997 signed before Mr. Francisco Javier Lozano Medina, Commercial Notary Public No. 19, in the City of Monterrey, Nuevo León, Mexico. RFC.- IPG970717QU9
PRODUCTOS TISSUE DEL ECUADOR S.A. (Ecuador)	The fabrication, elaboration, sale and marketing in any manner of all types of paper, including but not limited to: paper napkins, towels, paper table cloths, disposable paper rags, and in general all kinds, types or forms of paper products or materials derived from paper or in which paper is a main or secondary material.	Closed stock company. Established by public deed dated April 24, 2007, signed before Notary No. 40 of the Metropolitan District of Quito. RUC 1792083354001
DRYPERS ANDINA & CO. S.C.A. (Colombia)	The production, importing, marketing, advertising, sale and exporting of disposable baby diapers and other similar consumer products.	Closed stock company, established through public deed No. 0000374 signed at Notary Office 49 in Bogotá on February 16, 1999, under the name Drypers Andina & Cias S.C.A. The company was changed from a limited joint-stock partnership to a stock company through public deed No. 0001598 signed at Notary Office 15 in Calidél on September 7, 2001. Taxpayer No. 817.002.753-0
PROTISA COLOMBIA S.A. (Colombia)	The production, importing, marketing, advertising, sale and exporting of disposable baby diapers, paper products, and sanitary products, including but not limited to diapers, toilet paper, paper towels, napkins, sanitary products in general (adult diapers, feminine pads, moist towelettes, panty liner, etc.) and other similar consumer products.	Closed stock company, established through public deed number 0002539 signed at Notary Office 16, Bogota, on October 28, 2008, under the legal name of Protisa Colombia S.A. Taxpayer No. 900.251.415-4
MELHORAMENTOS PAPEIS LTDA.	The fabrication and/or conversion de sanitary products, diapers, towels napkins, handkerchiefs and facial wipes and other tissue and similar elaborated or semi-elaborated products. The purchase/sale, importing, exporting, consignment, distribution, representation and marketing, whether on its own account or on account of others, of the indicated products, as well as spare parts, raw materials and materials. Fabrication, production, transformation and marketing in any of its forms of pulp and its derivatives.	Limited liability company established and registered on August 29, 1974 under No. 35.200.929.860 before the Commercial Board of the State of Sao Paulo, Brazil, under the name of K.C do Brasil Ltda. The company's name was changed on September 22, 1994, to Melhoramientos Papéis Ltda. At meeting held on June 1, 2009 the company's control was transferred to CMPC Participações Ltda., which was incorporated to Melhoramientos Papeis in March 2010. In September 2010 capital was increased by US\$ 50 million (R\$ 85 million). CNPJ 44.145.845/ 0001-40
CMPC INVESTMENTS LTD. (England)	Financial investment activities of the holding and subsidiaries	Limited liability company established in Guernsey, Channel Islands, England on May 28, 1991. Registered office at P.O. Box 58, St. Julian Court St. Peter Port.

	EQUITY THUS\$	PROFIT (LOSS) THUS\$	DIRECT AND INDIRECT INTEREST	MANAGER		BOARD OF DIRECTORS
	188,960	14,817	100.00%	Sergio Alvarez	Chairman ViceChairman Directors	Juan La Selva De Lisio Jorge Luis Pérez Alati Jorge Schurmann Martirena (3)
	244,833	(8,277)	100.00%	Humberto Narro Flores	Chairman Directors	Gonzalo Darraidou Diaz (3) Hernán Rodríguez Wilson (2) Gonzalo García Balmaceda (3) Cristian Rubio Adriasola
	3,909	(886)	100.00%	Humberto Narro Flores	Secretary Chairman	Rafael Cox Montt (3) Humberto Narro
					Directors Secretary	Cristian Rubio Adriasola Alfredo Bustos Azócar Rafael Cox Montt
	(2,239)	(465)	100.00%	Humberto Narro Flores	Chairman Directors	Humberto Narro Flores Cristian Rubio Adriasola Alfredo Bustos Azócar
	3,547	(39)		Humberto Narro Flores	Secretary Chairman Directors	Rafael Cox Montt Humberto Narro Flores Cristian Rubio Adriasola Alfredo Bustos Azócar
	245,254	(5,567)	100.00%	Humberto Narro Flores	Secretario Chairman Directors	Rafael Cox Montt Gonzalo Darraidou Diaz (3) Hernán Rodríguez Wilson (2) Gonzalo García Balmaceda (3) Cristian Rubio Adriasola
	26,152	390	100.00%	José Luis Aravena Aguirre	Chairman Directors	Alfredo Bustos Azócar Gonzalo Darraidou Diaz (3) Rafael Cox Montt (3)
	2,593	(10,866)	100.00%	Rodrigo Cood Schoepke	Chairman Directors	Gonzalo Darraidou Diaz (3) Alfredo Bustos Azócar Rafael Cox Montt (3)
	45,000	(10,760)	100.00%	Rodrigo Cood Schoepke	Chairman Directors	Gonzalo Darraidou Diaz (3) Alfredo Bustos Azócar Rafael Cox Montt
	122,405	(32,709)	100.00%	Pedro Urrechaga C.	Chairman Directors	Gonzalo Darraidou Diaz (3) Alfredo Bustos Azócar Cristian Rubio Adriasola Alejandro Araya Yáñez
	54,815	(13)	100.00%	Fernando Hasenberg L.	Chairman Director	Hernán Rodríguez Wilson (2) Luis Llanos Collado (3)

(1) Director CMPC  
(2) General Manager CMPC  
(3) Manager at CMPC and subsidiaries

# SUBSIDIARIES OF CMPC, ABROAD

NAME AND LEGAL STATUS	LINE OF BUSINESS	GENERAL INFORMATION
CMPC EUROPE LIMITED (England)	Promotion and distribution of products derived from pulp and lumber	Limited liability company established in Guernsey, Channel Islands, England on May 28, 1991. Registered office at P.O. Box 58, St. Julian Court St. Peter Port.
TISSUE CAYMAN LTD. (Islas Cayman)	Investing in all types of mercantile and financial investments and particularly participating as shareholder in any type of company.	Company established in accordance with the laws of the Cayman Islands, under Registry No. 92448 dated September 9, 1999 in the Companies Registry of the Cayman Islands.
PROPA CAYMAN LTD. (Cayman Islands)	Investing in all types of mercantile and financial investments and particularly participating as shareholder in any type of company.	Company established in accordance with the laws of the Cayman Islands, under Registry No. 92447 dated September 9, 1999 in the Companies Registry of the Cayman Islands.
CMPC USA, Inc. (USA)	Marketing and distribution of forestry, lumber and related products, as well as any operation approved by the Board that is related to Forestry products, included in the Georgia Business Corporations Code.	Corporation established on January 9, 2002, in accordance with the Georgia Business Corporations Code, under the laws of the State of Georgia, USA.
CMPC CELULOSE RIOGRANDENSE LTDA.	Forestation and reforestation, industrialization and marketing of forestry products, pulp, paper and their sub products. The exploration of renewable sources of energy, carrying out industrial, commercial and agricultural in general. The production, purchase, sale, import, export and marketing of products made of and derived from paper; cosmetic and sanitary products for adults, and children; utensils and receptacles for daily use. The operation of the port terminal, participation in other partnerships and companies as partner, shareholder or member of the consortium, including investments in the industry, commerce and other areas of the economy	Company established on October 15, 2009 with its articles of incorporation filed at the Companies Registry of Rio Grande do Sul under number 43,206,502,899 at meeting held on October 19, 2009 under the name of CMPC Pulp do Brasil Ltda. The name was changed on June 12, 2010 to CMPC Celulose Riograndense Ltda., and the Minutes were filed at the Companies Registry of Rio Grande do Sul under number 3332804 on July 20, 2010.
CMPC RIOGRANDENSE LTDA.	The production, purchase, sale, importing, exporting and marketing of products made of and derived from paper, cosmetic products and sanitary products for adults and children, utensils and receptacles for daily use. The forestation, reforestation, industrialization and marketing of forestry and pulp products, the exploration of renewable sources of energy. Performing industrial, commercial and agricultural activities in general. Participation in other companies and enterprises as partner shareholder, or member of the consortium, including investments in industry, commerce and other areas of the economy.	Company established on May 3, 1999 with its articles of incorporation filed at the Companies Registry of Sao Paulo under number 35,215,672,118, at Board meeting held on May 11, 1999 under the name of Boise Cascade do Brazil Ltda. The company's headquarters were changed on September 1, 2000 to Rio Grande do Sul at meeting held on October 17, 2000 under number 43,204,523,520. The name was changed on July 23, 2008 to Aracruz Riograndense Ltda., document filed at the Companies Registry of Rio Grande do Sul under number 3005323. Finally the name was changed to CMPC Riograndense Ltda. At session held on January 20, 2010 under number 352959
GUAIBA ADMINISTRACAO FLORESTAL LTDA.	Company that manages the single activities of objects, forestry research and management.	Company established on October 22, 2009, with its articles of incorporation filed at the Companies Registry in the State of de Rio Grande do Sul - JUCERGS under number 43206511251, on October 29, 2009 and the last modification of the articles of incorporation was filed under number 3581427 on January 27, 2012. CNPJ:11.308.600/0001-38

	EQUITY THUS\$	PROFIT (LOSS) THUS\$	DIRECT AND INDIRECT INTEREST	MANAGER		BOARD OF DIRECTORS
	389	(61)	100.00%	Mr. Kiran Dhanani	Directors	Guillermo Mullins Lagos (3) Cristóbal Somarriva Quezada Rodrigo Gómez Fuentes (3) Washington Williamson Benapres (3)
	180,347	22,793	100.00%		Chairman Directors	Gonzalo Darraidou Diaz (3) Luis Llanos Collado (3) Rafael Cox Montt (3)
	33,221	2,548	100.00%		Chairman Directors	Gonzalo Darraidou Diaz (3) Luis Llanos Collado (3) Rafael Cox Montt (3)
	1,397	170	97.54%	Dany Bagley	Chairman Directors	Hernán Fournies Latorre (3) Rodrigo Valiente Toriello (3) Martín Koster (3) Francisco Ruiz-Tagle Edwards (3)
	2,029,519	(64,454)	100.00%	Walter Lidio Nunes	Chairman Directors	Washington Williamson Benapres (3) Andrés Echeverría Salas Hernán Rodríguez Wilson (2) Jorge Matte Capdevila Sergio Hernán Colvin Truco Francisco Ruiz-Tagle Edwards (3)
	24,695	(8,810)	100.00%	Walter Lidio Nunes	Chairman Directors	Washington Williamson Benapres (3) Andrés Echeverría Salas Hernán Rodríguez Wilson (2) Jorge Matte Capdevila Sergio Hernán Colvin Truco Francisco Ruiz-Tagle Edwards (3)
	65,078	(13,882)	99.90%	Walter Lidio Nunes	Directors	Walter Lidio Nunes (3)

# CMPC'S ASSOCIATED COMPANIES, IN CHILE

NAME AND LEGAL STATUS	LINE OF BUSINESS	GENERAL INFORMATION
BICECORP S.A.	Providing consulting, planning and advisory services in the areas of management, economy and finance to individuals or legal entities, of a public or private nature; participation in banking companies and insurance entities; participation in companies that manage third party funds; performing factoring transactions.	Open stock company, established by public deed dated November 2, 1978, signed before Santiago Notary Public Mr. Enrique Morgan T. Taxpayer No. 85.741.000-9
CONTROLADORA DE PLAGAS FORESTALES S.A.	The production, purchase and sale of elements, and the providing of services, destined to protecting and improving the cultivation and development of tree species of any type; production, investigation and training in forest resources, and activities related to the above, able to perform all acts that directly or indirectly lead to compliance with those objectives.	Closed stock company. Established through public deed on November 12, 1992, signed before Notary Public Mr. Enrique Morgan T. Taxpayer No. 96.657.900-5
GENÓMICA FORESTAL S.A.	Performing all types of services and activities destined to development of forest genomics, through the use of biotechnological, molecular and bio-information tools; the providing of technology, engineering, biotechnology and bio-information services; the purchase, sale and marketing of seeds, utensils and all types of tangible and intangible assets necessary to carry out the line of business; the management and execution of the projects of Genómica Forestal.	Closed stock company. Established by public deed dated October 26, 2006, signed at the Santiago Notary Public Office of Mr. Iván Torrealba Acevedo, whose extract was registered on page 2039 v. No. 1705 of the Commercial Registry for 2006 of the Concepción Real Estate Registrar, which was published in the Official Gazette on November 16, 2006. Taxpayer No. 76.743.130-9
BIOENERCEL S.A.	Develop, capture and adapt technologies that allow the implementation in Chile of a biofuel industry obtained from lignocellulosic materials. In addition to developing scientific and technological research for bioprocesses whose purpose is the conversion of lignocellulosic biomass into fuel.	"Consorcio Tecnológico Bioenercel S.A." was established on August 21, 2009, through public deed signed before Santiago Notary Public Mr. Félix Jara Cadot, whose extract was registered on page 1,560, No. 1572, of the Commercial Registry of the Concepción Real Estate Registrar for 2009, and published in the Official Gazette on September 15, 2009. Taxpayer No. 76.077.468-5



	EQUITY THUS\$	PROFIT (LOSS) THUS\$	DIRECT AND INDIRECT INTEREST	MANAGER		BOARD OF DIRECTORS
	987,659	110,804	7.74%	Juan Eduardo Correa G.	Chairman Directors	Bernardo Matte Larrain (1) Kathleen Barclay Collins Vicente Monge A. Juan Carlos Eyzaguirre Echenique José Miguel Irrarrazabal Elizalde Eliodoro Matte C. Bernardo Fontaine T. René Lehuédé F. Demetrio Zañartu E.
	490	13	29.01%	Oswaldo Ramírez Grez	Chairman Directors	Jorge Serón Ferré Luis De Ferrari Fontecilla Rodrigo Vicencio Andaur Rigoberto Rojo Rojas Jaime Smith Bloom
	162	(28)	25.00%		Chairman Directors	Eduardo Rodríguez Treskow Jaime Rodríguez Gutiérrez Francisco Rodríguez Aspillaga Felipe Leiva Morey Andrés Pesce Aron
	334	901	20.00%	Christian Villagra	Chairman Directors	Fernando Rioseco Eduardo Rodríguez Eckart Eitner (3) Jorge Correa Marcelo Molina

(1) Director CMPC  
(2) General Manager CMPC  
(3) Manager at CMPC and subsidiaries



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