EARNING ANALYSIS

Second Quarter
2017

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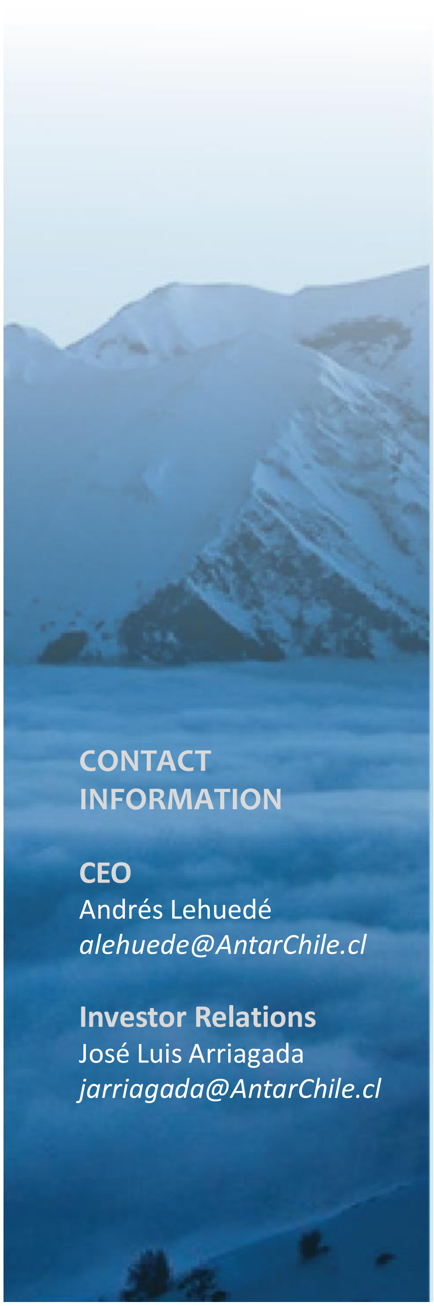

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EARNINGS consolidated

2Q17 2Q16

In the second quarter of this year, AntarChile obtained earnings in the amount of US$107 million, 3% less than the same quarter of 2016. Although the operational income increased by US$69 million, this was offset by a US$38 million decrease in the non-operational income and by higher tax disbursement in the amount of US$43 million. The operational income increased thanks to a better performance of the forestry business (+US$ 73 million), mainly due to higher prices in pulp and panels. The decrease in the operational income is due to lower other income corresponding to a lower revaluation of biological assets (as these were lost in the wildfires of early this year) in the amount of US$ 24 million, plus lower income from affiliates and joint businesses as a consequence of a drop in the results of Corpesca.

2Q17 1Q17

AntarChile's earnings increased 260% with respect to the preceding quarter, on account of a US$ 166 million increase in the non-operational income owing to the US$178 million loss brought by the wildfires of early 2017. In addition, the operational income saw a US$27 million increase associated with a better performance of the forestry sector (+US$29 million). The pulp business registered better prices and the panels business saw an increase in both prices and sales volumes.

2017 2016 YTD

In the first half of 2017, AntarChile's accumulated earnings are US$137 million, which is 29% lower than those accumulated as of the first semester of 2016. The non-operational income recorded a US$220 million drop, explained mainly by the US$178 million loss brought by the wildfires occurred in Chile in the first quarter of 2017, which affected an approximate 80 thousand hectares of forests representing 6% of the IFRS value of the Company's forests and 2% of Arauco's total assets. The above is increased by the consequential decrease in the revaluation of biological assets in the amount of US$32 million. On the other hand, the operational income saw an increase of US$130 million, mainly thanks to the forestry sector (+US$94 million), where Arauco registered higher income in all its business lines and particularly in pulp where prices and sales went up in the first semester of 2017. In addition, the fuels sector had higher earnings from the affiliate Copec (+US$ 39 million), which obtained better margins in Chile and Colombia, as well as higher sales volumes in the retail channel in Chile. The consolidation of the operations of Mapco in the United States also contributed. Lastly, Abastible obtained a US$2 million increase thanks to the good performance of the GLP business in Colombia (Inversiones del Nordeste) and to the consolidation of Solgas in Peru and Duragas in Ecuador.

US$ million	2Q 2017	1Q 2017	2Q 2016	Q-Q Var.	Y-Y Var.	YTD 2017	YTD 2016	Y-Y Acc. Var.
Sales revenue	4,947	4,878	4,086	1%	21%	9,825	7,887	25%
EBIT	295	268	226	10%	31%	563	433	30%
EBITDA*	543	504	473	8%	15%	1,047	887	18%
Adjusted EBITDA**	878	795	578	10%	52%	1,673	984	70%
Non-operating income	(29)	(195)	9	85%	-416%	(224)	(4)	-5,758%
Net Income	187	60	193	211%	-3%	247	335	-26%
Net income of controlling interest	**107**	**30**	**111**	**260%**	**-3%**	**137**	**193**	**-29%**
Net income of minority interest	80	30	82	164%	-3%	110	142	-22%
EBITDA Margin	11%	10%	12%	6%	-5%	11%	11%	-5%
EBITDA / net financial expense	7.9 x	7.2 x	6.9 x	9%	15%	7.5 x	6.4 x	18%

(*) EBITDA = Operational Income+ Depreciation+ Amortization+ Stumpage (Fair value of harvested timber)

(**) Adjusted EBITDA = Net Income + Financial Costs– Financial Income + Taxes+ Depreciation and Amortization + Fair value of harvested timber – Changes in valuation of biological assets + Exchange rate differences + Provision for losses due to wildfires

BALANCE SHEET consolidated

US$ million	YTD 2017	YTD 2016	Variation US$ million	Variation %
Current Assets	4,884	5,010	(126)	-2,5%
Non-current Assets	16,753	16,909	(156)	-0,9%
Total Assets	**21,637**	**21,919**	**(282)**	**-1,3%**
Other current financial liabilities	864	978	(114)	-11,7%
Other current liabilities	1,488	1,751	(263)	-15,0%
Other non-current financial liabilities	5,839	5,890	(51)	-0,9%
Other non-current liabilities	2,621	2,613	8	0,3%
Total liabilities	**10,813**	**11,232**	**(420)**	**-3,7%**
Equity of minority interest	**4,433**	**4,393**	**40**	**0,9%**
Equity attributable to controlling interest	**6,391**	**6,294**	**97**	**1,5%**
Leverage	0.49	0.50		-1,0%
Net financial debt	5,311	5,295	16	0,3%

As of June 30th 2017 AntarChile's total consolidated assets decreased by 1.3% compared to year end 2016.

Current assets present a 2,5% decrease due to a 10.2% negative variation in cash and equivalents, coming mainly from Arauco and Copec. This was partially compensated by an increase in the inventory of Copec and Igemar, together with higher non-financial current assets coming from Arauco.

Non-current assets decreased 0.9% compared to year end 2016. This decrease is explained mainly by a US$73 million reduction in non-current biological assets due to the wildfire affecting Arauco. In addition, there was a lowering of investments accounted by the participation criterion (US$84 million) and of properties, plants and equipment (US$18 million), where the negative effect suffered in Arauco could not be completely balanced by the increases generated by Empresas Copec and Copec combustibles. The above, however, was partially compensated by a US$35 million positive effect brought by tax deferral in Arauco.

Current liabilities decreased by 13.8% as a consequence of lower accounts payable in Copec and Arauco, together with lower other liabilities in Arauco associated to payment of debt, which were partially compensated by an increase in Copec.

Non-current liabilities were stable, with a slight decrease in other non-current financial assets in Arauco.

Lastly, net equity increased by 1.5% with respect to year end 2016, chiefly thanks to a raise in accumulated earnings as well as higher reserves for conversion and hedging.

CASH FLOW

consolidated

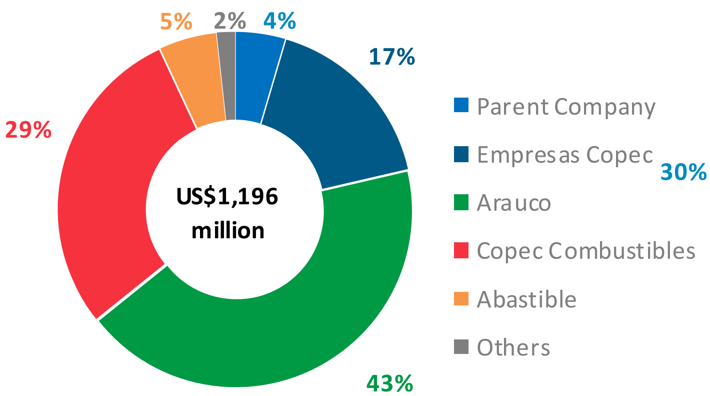
US$ million	jun-17	jun-16	Variation	
			US$ MM	%
Cash flow from (used in) operating activities	613	739	(126)	-17%
Cash flow from (used in) investing activities	(310)	(772)	462	60%
Cash flow from (used in) financing activities	(442)	(202)	(240)	-119%
Net increase (decrease) in cash and cash equivalents, before exchange rate adjustments	**(139)**	**(235)**	**96**	**41%**

The operational flow in June 2017 reached US$613 million, a 17% decreased compared to 2016. This decrease is explained by higher payments to employees in affiliates Copec and Arauco, plus an increase in net disbursements to suppliers in Copec, partially compensated by lower disbursements to suppliers in Arauco. All the above was, in turn, compensated by a lower income tax disbursement.

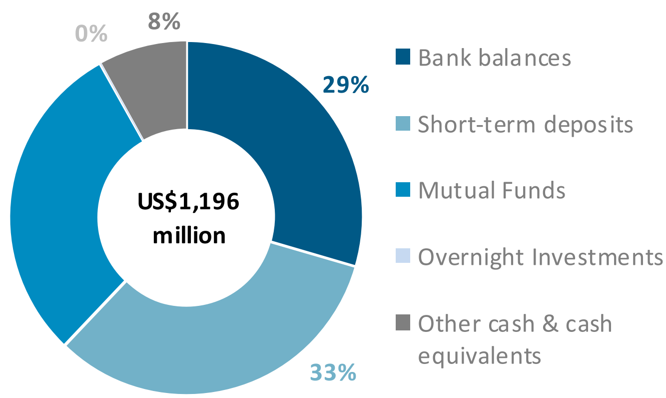
The investment flow disbursements year-to-date are of US$310, 60% less than the US$772 million of 2016. The drop is caused by lower cash flow disbursed to the overtaking of subsidiaries and other businesses, which in 2016 was high on account of the acquisition of Solgas in Peru (US$263 million) and the purchase by Arauco of its share in Tafisa (US$150 million). This effect was partially compensated by higher purchases of property, plant and equipment in Arauco, Copec and Abastible, as well as by the acquisition of other intangible assets in Arauco and Copec.

Financing activities brought a negative flow in the amount of US$442 million as of June 2017, which may be negatively compared to a US$202 million disbursement in 2016. This is explained by lower loan requirements from the forestry sector and higher loan payments in Abastible.

CASH AND EQUIVALENTS
by entity

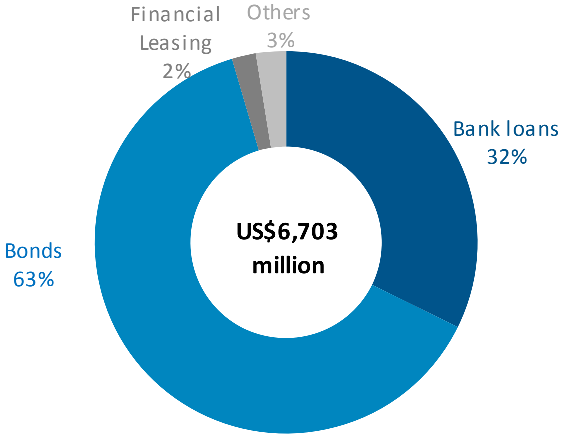


BREAKDOWN
by instrument

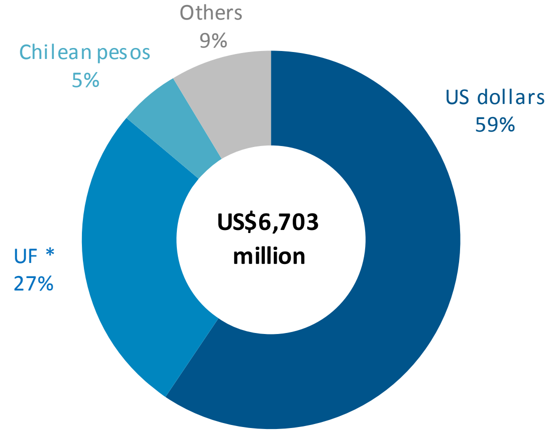


FINANCIAL DEBT consolidated

BREAKDOWN
by instrument



DETAIL
by currency

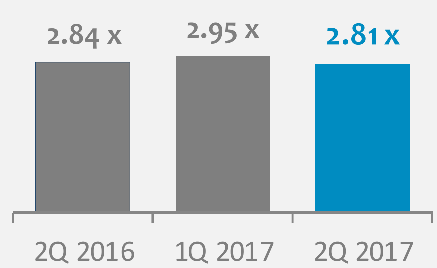


(*) "Chilean currency unit indexed according to inflation"
Source: Ministry of Finance, Chile

FINANCIAL DEBT
Net

US$ million	2Q 2017	1Q 2017	2Q 2016
Current financial liabilities	864	961	838
Non-current financial liabilities	5,839	5,897	5,862
Total financial liabilities	**6,703**	**6,858**	**6,701**
Cash and cash equivalents	1,196	1,303	1,484
Current financial assets	196	187	170
Net financial debt*	**5,311**	**5,368**	**5,047**

NET DEBT/ EBITDA LTM



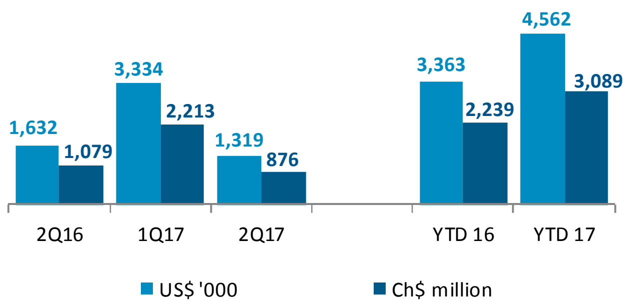
** Net Debt = Current financial liabilities + Non-current financial liabilities- cash and cash equivalents– Other current financial assets.*

EARNINGS consolidated by segment

antarchile

US$ million	2Q 2017	1Q 2017	2Q 2016	Q-Q Var.	Y-Y Var.	YTD 2017	YTD 2016	Y-Y Acc. Var.
Sales								
Forestry	1,280	1,234	1,207	4%	6%	2,514	2,353	7%
Fuels	3,625	3,615	2,835	0%	28%	7,240	5,459	33%
Fisheries	40	31	43	30%	-7%	71	75	-5%
Other companies	2	(2)	0	217%	1,329%	0	0	5%
Total	**4,947**	**4,878**	**4,086**	**1%**	**21%**	**9,825**	**7,887**	**25%**
EBITDA								
Forestry	335	293	275	14%	22%	628	536	17%
Fuels	209	215	198	-3%	5%	424	350	21%
Fisheries	5	3	9	61%	-40%	9	15	-41%
Other companies	(6)	(8)	(9)	28%	36%	(14)	(13)	-1%
Total	**543**	**504**	**473**	**8%**	**15%**	**1,047**	**887**	**18%**
Net income								
Forestry	84	(45)	56	286%	49%	39	110	-65%
Fuels	101	102	114	-1%	-11%	204	186	10%
Fisheries	(6)	(5)	4	-30%	-272%	(11)	0	-9,760%
Other companies	8	8	18	3%	-55%	16	39	-59%
Total	**187**	**60**	**193**	**211%**	**-3%**	**247**	**335**	**-26%**
Capex								
Forestry	132	120	255	10%	-48%	252	372	-32%
Fuels	75	73	341	3%	-78%	148	399	-63%
Fisheries	1	2	2	-29%	-51%	3	4	-37%
Other companies	2	3	(1)	-	-	5	(1)	556%
Total	**211**	**197**	**599**	**7%**	**-65%**	**408**	**776**	**-47%**

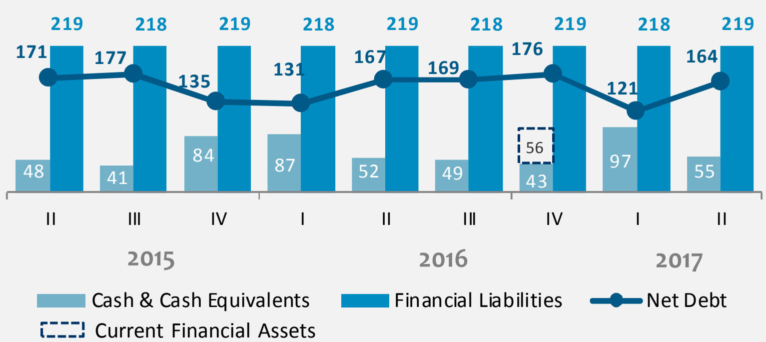
SALES AND OVERHEAD EXPENSES



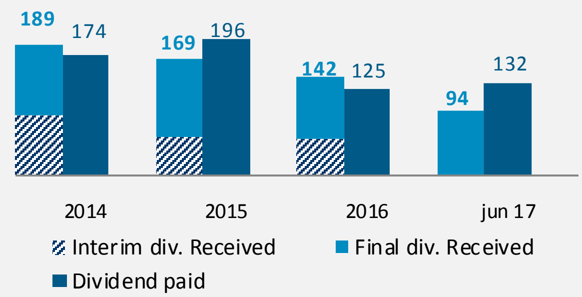
Å Overhead expenses of AntarChile (individual) decreased by US$0.3 million on the second quarter of 2017 compared to the same period of 2016, thanks to lower provisions for severance payments.

Å The increase in accumulated expenses compared to 2016 is explained by extraordinary severance payments incurred in this year's first quarter.

NET DEBT
US$ MM



DIVIDENDS
US$ MM



AntarChile seeks to maintain a relatively constant level of financial liabilities over time.

Cash and cash equivalents are directly related with dividends received and dividends paid by AntarChile.

The company's policy establishes a minimum dividend distribution of 40% of the year's liquid net earnings. Said policy is linked to that of Empresas Copec, so as to avoid unnecessary accumulation of cash at the holding company.

In December of each year, Empresas Copec pays out an interim dividend, which drives cash and equivalents up in the last quarter. In May of each year, both Empresas Copec and AntarChile pay out a definitive dividend, and so cash and cash equivalents normally decrease in the Second Quarter.

EMPRESAS COPEC CONSOLIDATED

US$ million	2Q 2017	1Q 2017	2Q 2016	Q-Q Var.	Y-Y Var.	YTD 2017	YTD 2016	Y-Y Acc. Var.
Sales revenue	4,947	4,878	4,086	1%	21%	9,825	7,887	25%
EBIT	296	271	227	9%	30%	567	436	30%
EBITDA*	545	507	475	7%	15%	1,052	890	18%
Adjusted EBITDA **	560	508	496	10%	13%	1,068	898	19%
Non-operating income	(33)	(199)	3	83%	-1,200%	(232)	(15)	-1,447%
Net income	185	60	188	208%	-2%	244	328	-26%
Net income of controlling interest	**174**	**49**	**173**	**255%**	**1%**	**223**	**305**	**-27%**
Net income of minority interest	11	10	15	10%	-27%	22	22	0%

(*) EBITDA = Operational income+ Depreciation+ Amortization+ Stumpage (Fair value of harvested timber)

(**) Adjusted EBITDA = Net Income+ Financial Costs– Financial Income + Taxes+ Depreciation and Amortization + Fair value of harvested timber – Changes in valuation of biological assets + Exchange rate differences + Provision for losses due to wildfires

AntarChile's results are highly correlated with those of its subsidiary Empresas Copec.

The following pages contain a brief analysis of the key variations of Q2 2017 for the principal subsidiaries.

For further detail please refer to:
- Empresas Copec, press release, at investor.empresascopec.cl
- Celulosa Arauco y Constitución, press release, at www.arauco.cl, and
- Terpel, results presentation, at www.terpel.com/en/Accionistas

CELULOSA ARAUCO Y CONSTITUCIÓN, CONSOLIDATED

US$ million	2Q 2017	1Q 2017	2Q 2016	Q-Q Var.	Y-Y Var.	YTD 2017	YTD 2016	Y-Y Acc. Var.
Sales revenue	1,280	1,234	1,207	4%	6%	2,514	2,353	7%
EBIT	147	118	74	25%	99%	265	171	55%
Adjusted EBITDA*	**335**	**292**	**283**	**15%**	**18%**	**626**	**536**	**17%**
Non-operating income	(25)	(189)	(4)	86%	-499%	(214)	(21)	-941%
Net income	84	(45)	57	286%	46%	39	110	-65%
Net income of controlling interest	**84**	**(46)**	**57**	**284%**	**48%**	**38**	**109**	**-65%**
Net income of minority interests	0	0	1	-80%	-88%	0	1	-69%

(*) Adjusted EBITDA = Net Income + Financial Costs– Financial Income + Taxes+ Depreciation and Amortization + Fair value of harvested timber – Changes in valuation of biological assets + Exchange rate differences + Provision for losses due to wildfires

2Q17 2Q16

In the second quarter of 2017, Arauco obtained earnings by US$84 million, US$27 million more than the same period in 2016. The raise is due mainly to a US$73 million increase in the operational income thanks to better prices in the pulp and panels segments, partially compensated by a US$21 million drop in other income associated to the revaluation of biological assets, as well as a tax disbursement US$25 million higher than that of 2016.

2Q17 1Q17

Net earnings in the second quarter of 2017 were US$130 million higher than the preceding quarter. This surge was brought by a US$164 million increase in the operational income, as the negative effect of the wildfires of early 20167 was registered in the first quarter. In addition, the operational income saw a US$29 million increase owing to higher income in the pulp and panels businesses.

2017 2016 YTD

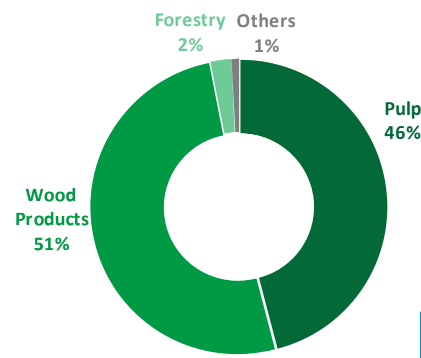
Earnings accumulated to June 2017 are US$38 million, which constitutes a US$71 million drop compared to 2016. This is explained mainly by the non-operational income, which fell by US$194 million due to the negative effect of the aforementioned wildfires in the amount of US$178 million. At the same time, the operational income saw a 55% increase thanks to higher earnings in all the business lines, particularly pulp on account of better prices and higher physical sales volumes.

SALES
by segment

US$ million	2Q 2017	1Q 2017	2Q 2016	Q-Q Var.	Y-Y Var.
Pulp (*)	588	564	541	4%	9%
Wood Products (*)(**)	653	640	635	2%	3%
Forestry (*)	29	20	25	48%	17%
Others	10	10	6	0%	79%
Total	**1,280**	**1,234**	**1,207**	**4%**	**6%**

(*) Sales include energy
(**) Includes panels and mills

Total 2Q17: US$ 1,280 million



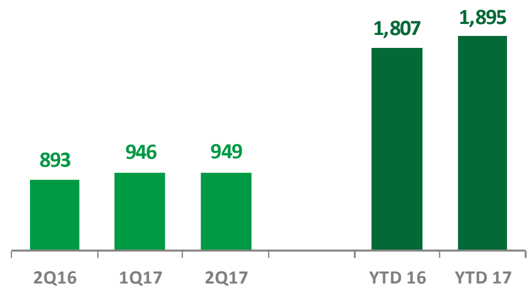
PULP

In the first semester of 2017, pulp revenues increased by 5% compared to 2016, due to higher physical sales in the first quarter and better prices in the second. Markets in general showed good performances, despite the lower demand trend usually displayed in the months prior to the northern hemisphere summer.

In Asia, prices rose thanks to an increase in demand coming from China, resulting in a US$40 (+6.5%) increase in the price of short fiber in the March-June period, and US$20 (+3%) in long fiber between May and June. The latter however receded 1% in the month of June, thus its total variation between March and June was an increase of 1%.

Although the European market for short fiber welcomed a price increase of 16%, it is still below Asian levels. Price increase in Europe began in January, that is, three months after the Asian market. In addition, the raise in discount levels in Europe makes it difficult to obtain returns similar to the Asian ones. This has pushed shippings into Asia, which in turn has put pressure on the European market. At the same time, the situation on Latin America, including Brazil, is stable, except for Venezuela where no sales have been recorded.

PRODUCTION
Thousands of Adt



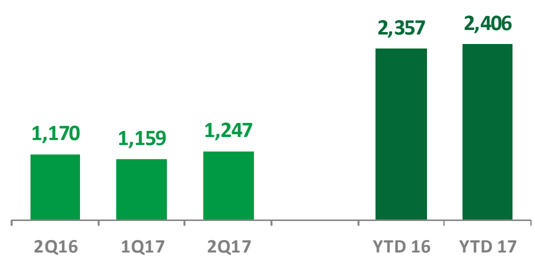
PANELS

The plywood segment showed stability during this trimester, with a continued increase in prices. North America has maintained good demand levels, as well as slightly better prices. Europe has recovered compared to 2016; higher demand levels and a stronger Euro have contributed to better billings in this market. Latin America has been dynamic, also resulting in better prices.

In panels, sales saw a minor increase compared to the preceding quarter. MDF physical sales grew by 0.7%, and its prices 1.1%, while MDP growths were 6.4% and 3% respectively.

Wood panels sales in Brazil have been affected by the political and economic crisis going on in that country, resulting in lower billings in the first semester compared to the previous year. In Mexico, competition has intensified due to higher offer of MDF coming from local and Brazilian producers, which has pushed prices down. In North America, the domestic wood panel market has been stable for MDP and MDF; in a virtually flat market, imports of panels, moldings, furniture and flooring have grown. In Argentina, billings for MDF and MDP have also increased, surpassing the growth experimented last year, chiefly thanks to melamine sales.

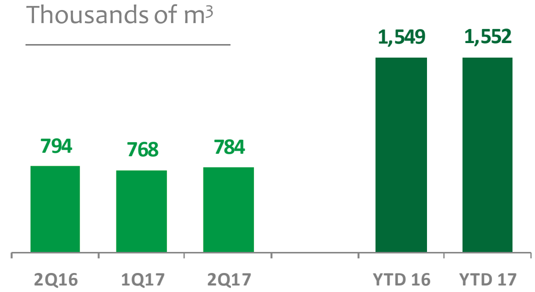
PRODUCTION
Thousands of m^3



SAWN TIMBER

Sales in this segment have recovered in comparison with the preceding quarter, due mainly to higher physical sales. Prices have also shown growth compared to last year, as the Asian, North American and Middle Eastern markets have been dynamic. Offer of remade products is still high, at levels similar to the preceding period. Projections for the coming months are stable for both volumes and prices, per the balance currently observed between supply and demand.

PRODUCTION
Thousands of m^3



COPEC CONSOLIDATED

Millions of Chilean Pesos	2Q 2017	1Q 2017	2Q 2016	Q-Q Var.	Y-Y Var.	YTD 2017	YTD 2016	Y-Y Acc. Var.
Sales	2,228,999	2,205,928	1,804,076	1%	24%	4,434,927	3,571,383	24%
EBIT	70,617	84,018	77,400	-16%	-9%	154,636	134,138	15%
EBITDA	**96,112**	**108,750**	**97,137**	**-12%**	**-1%**	**204,862**	**173,361**	**18%**
Non-operating income	(10,201)	(9,150)	(12,277)	-11%	17%	(19,351)	(25,016)	23%
Net Income	**38,824**	**50,883**	**44,892**	**-24%**	**-14%**	**89,707**	**78,072**	**15%**
Copec Chile's physical sales (thousands of m³)	2,415	2,496	2,468	-3%	-2%	4,911	4,960	-1%
Copec Chile's market share	57.5%	58.6%	59.0%	-2%	-3%	58.1%	58.7%	-1%
Mapco's Sales (MM US$)	381	347	-	10%	-	729	-	-
Mapco's EBITDA (MM US$)	13	5	-	160%	-	18	-	-
Mapco's physical sales (thousands of m³)	486	444	-	9%	-	930	-	-

2Q17
2Q16

Copec obtained net earnings in the amount of CLP 38,824 million in this quarter, CLP 6,068 million less than in the same period of 2016. This is explained by a decrease in operational income in the amount of CLP 6,783 million, due to lower unit margins in Copec Chile and in Terpel. Commercial margins in Chile grew, but in 2016 there had been a positive effect due to inventory revaluation that pushed margins up.

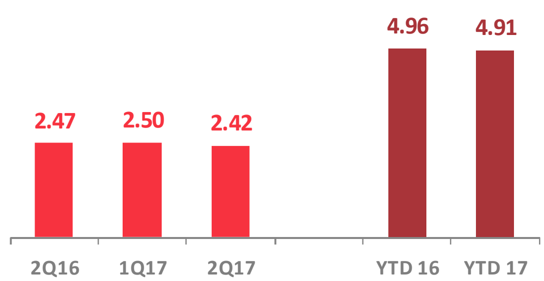
2Q17
1Q17

The quarterly result is CLP 12.059 million lower than that of the preceding quarter. Operational income dropped by CLP 13,401 million, due to lower margins and sales volumes in both the industrial and retail distributor channels (-3% in Chile). At the same time, the non-operational income was lower due to an increase in other expenses.

2017
2016
YTD

Compared to 2016, year to date results of Copec registered a positive variation of CLP 11,635 million. This is explained by a CLP 20,498 million increase the operational income, associated with better margins in Chile and Colombia, plus higher sales volumes in the distributors channel in Chile; and the consolidation of the Mapco operations in the United States also contributed. The non-operational income was better owing to Exchange rate differences partially compensated by higher financial costs.

COPEC CHILE FUEL SALES
Millions of m³



ORGANIZACIÓN TERPEL CONSOLIDATED

Millions of Colombian Pesos	2Q 2017	1Q 2017	2Q 2016	Q-Q Var.	Y-Y Var.	YTD 2017	YTD 2016	Y-Y Acc. Var.
Sales	3,646,845	3,588,928	3,538,335	2%	3%	7,235,773	6,989,771	4%
EBIT	117,350	113,564	138,118	3%	-15%	230,914	227,925	1%
EBITDA	**162,202**	**157,723**	**179,969**	**3%**	**-10%**	**319,925**	**314,015**	**2%**
Non-operating income	(29,506)	(29,331)	(40,793)	-1%	28%	(58,837)	(82,453)	29%
Net income of controlling interest	**54,748**	**50,244**	**65,895**	**9%**	**-17%**	**104,992**	**88,997**	**18%**
Net income of minority interest	**-**	**-**	**-**	**-**	**-**	**-**	**32**	**-100%**
Physical sales of Terpel (thousands of m³)								
Colombia	1,740	1,703	1,723	2%	1%	3,443	3,471	-1%
Panama	233	225	241	4%	-3%	458	482	-5%
Ecuador	140	137	134	2%	4%	277	255	9%
Dominican Republic	53	62	49	-15%	8%	115	107	7%
Physical sales of Gazel (thousands of m³)								
Colombia	71	70	79	1%	-10%	141	150	-6%
Panama	20	20	20	0%	0%	40	38	5%
Ecuador	16	14	12	14%	33%	30	24	25%

2Q17 2Q16

Earnings of Terpel in the second quarter of 2017 decreased 17% compared to the same quarter of 2016. The EBITDA dropped by COP 17,767 million, as a consequence of lower margins and a negative effect in inventory revaluation. In addition, there was a decrease in physical sales volumes in Panama and in the automobile natural gas business in Colombia and Panama.

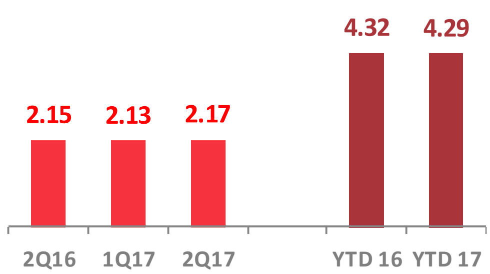
2Q17 1Q17

Compared to the preceding quarter, earnings increased by 9%, thanks to a 3% raise in the operational income brought by higher sales in Colombia and Panama.

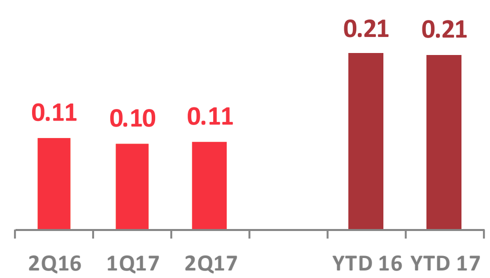
2017 2016 YTD

The EBITDA accumulated to June 2017 was 2% higher than the same period of 2016. This year has seen better margins, partially compensated by a slight decline in sales volumes.

TERPEL FUEL SALES
Millions of m³



GAZEL FUEL SALES
Millions of m³



ABASTIBLE CONSOLIDATED

Millions of Chilean Pesos	2Q 2017	1Q 2017	2Q 2016	Q-Q Var.	Y-Y Var.	YTD 2017	YTD 2016	Y-Y Acc. Var.
Sales	191,649	163,949	125,010	17%	53%	355,598	208,581	70%
EBIT	22,747	12,039	20,539	89%	11%	34,786	34,835	0%
EBITDA	**32,344**	**21,439**	**27,399**	**51%**	**18%**	**53,783**	**47,614**	**13%**
Non-operating income	1,804	(1,418)	6,087	227%	-70%	386	4,692	-92%
Net Income	**16,516**	**5,378**	**19,901**	**207%**	**-17%**	**21,894**	**29,784**	**-26%**
Physical sales of LPG in Chile (thousands of tons)	130	89	130	46%	0%	219	223	-2%
Physical sales of LPG in Colombia (thousands of tons)	48	49	46	-2%	4%	97	90	8%
Physical sales of LPG in Peru (thousands of tons)	132	129	-	2%	-	261	-	-
Physical sales of LPG in Ecuador (thousands of tons)	104	100	-	4%	-	204	-	-

2Q17 2Q16

In the second quarter of 2017 Abastible obtained earnings in the amount of CLP 16,516 million, CLP 3,385 million less than in the same period of 2016. This is due to a lower exchange rate difference, which in 2016 had been favorable. The operational income had an 11% increase thanks to a better performance in Colombia, as well as to the consolidation of the earnings of Solgas in Peru and Duragas in Ecuador.

2Q17 1Q17

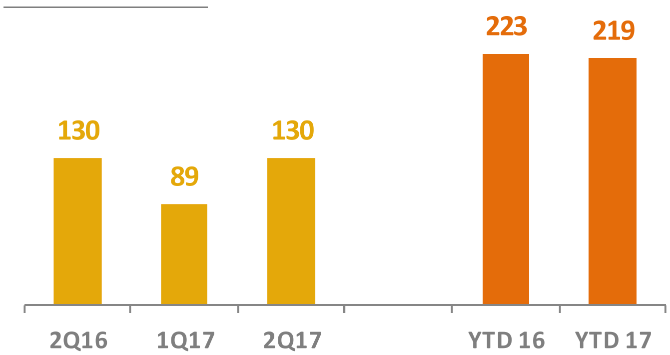
Compared to the preceding quarter, Abastible's earnings jumped 207%, as a result of the operational income being $10,708 higher as corresponds to the seasonality of GLP sales, whereby physical sales in Chile increased by 46%.

2017 2016 YTD

Earnings accumulated to the second quarter of 2017 present a 26% fall with respect to the same period of 2016. This is explained mainly by a CLP 4.306 million decrease in the non-operational income, caused by an unfavorable exchange rate difference and higher net financial costs. The operational income was stable as the good performance of Inversiones del Nordeste and the consolidation of Solgas and Duragas compensated the decline in the operational income registered in Chile.

ABASTIBLE CHILE LPG SALES

Thousands of m³



EMPRESA PESQUERA EPERVA

US$ million	2Q 2017	1Q 2017	2Q 2016	Q-Q Var.	Y-Y Var.	YTD 2017	YTD 2016	Y-Y Acc. Var.
Sales	103	84	69	22%	49%	187	155	21%
EBIT	8	(4)	(8)	279%	201%	3	(19)	118%
EBITDA	**12**	**10**	**16**	**23%**	**-22%**	**22**	**7**	**224%**
Non-operating income	(3)	(1)	1	-439%	-455%	(3)	5	-171%
Income (loss) from the discontinued operations	(8)	5	24	-259%	-134%	(3)	43	-107%
Net income of controlling interest	**(2)**	**0**	**6**	**-3,459%**	**-133%**	**(2)**	**(0)**	**-1,280%**
Net income of minority interest	(4)	2	12	-265%	-131%	(1)	11	-114%
Physical Sales*								
Fishmeal & other protein foods (tons)	97,894	96,614	67,081	1%	46%	194,508	157,359	24%
Fish oil (tons)	1,524	433	792	252%	92%	1,957	1,773	10%

(*) Do not include sales from Selecta

2Q17 2Q16

Eperva registered a US$2 million loss in the second quarter of 2017, while in the same period of 2016 it obtained earnings in the amount of US$6 million. The loss is due to a US$32 million decline in results caused by discontinued operations, associated with the effect of the exchange rate in Selecta. The operational income had a positive variation of US$16 million, thanks to higher physical sales of fishmeal.

2Q17 1Q17

This quarter's earnings are US$2 million lower than those of the preceding quarter. The operational income was higher by US$11 million, thanks to higher fishmeal prices and sales, while the non-operational income decreased by US$2 million due to a less favorable exchange rate difference. The result coming from discontinued operations was US$13 million lower, due to the exchange rate effect in Selecta.

2017 2016 YTD

Accumulated loss up to June 2017 is US$2 million higher than in the same period of 2016. This negative variation is due mainly to a decrease in the of results discontinued operations, associated with the effect of the exchange rate in Selecta as US dollar is depreciated. The above was partially compensated by a better operational income linked to higher of fishmeal, balanced by lower prices.

PESQUERA IQUIQUE-GUANAYE, IGEMAR

US$ million	2Q 2017	1Q 2017	2Q 2016	Q-Q Var.	Y-Y Var.	YTD 2017	YTD 2016	Y-Y Acc. Var.
Sales	40	31	43	30%	-7%	71	75	-5%
EBIT	0	(1)	4	114%	-97%	(1)	6	-110%
EBITDA	**5**	**3**	**9**	**61%**	**-40%**	**9**	**15**	**-41%**
Non-operating income	(7)	(6)	1	-5%	-913%	(13)	(4)	-189%
Net income	**(4)**	**(4)**	**4**	**-19%**	**-222%**	**(8)**	**(1)**	**-1,057%**
Physical Sales								
Fishmeal (tons)	7,433	2,330	10,246	219%	-27%	9,763	13,650	-28%
Fish oil (tons)	2,127	522	1,942	307%	10%	2,650	2,845	-7%
Canned fish (cases)	498,372	595,190	482,064	-16%	3%	1,093,563	1,091,079	0%
Frozen fish (tons)	5,791	2,185	4,260	165%	36%	7,977	6,154	30%
Catch (tons)	64,034	63,007	57,167	2%	12%	127,041	117,783	8%

2Q17 2Q16

Igemar had a US$4 million loss in the second quarter of this year, while in the same period of 2016 it obtained earnings in the amount of US$4 million. The operational income registered a negative variation of US$4 million due to lower prices and sales volumes both in fishmeal and fish oil. The non-operational income decreased by US$8 million mainly as a consequence of lower participation in affiliates and joint businesses, linked to the negative variation in the results of Corpesca.

2Q17 1Q17

With respect to the preceding quarter, losses grew by US$0.6 million. This was caused by a lower non-operational income due to higher expenses of idle ships, as well as lower earnings of affiliates and joint businesses. Conversely, the operational income improved by US$0.8 million thanks to higher sales volumes of fishmeal, fish oil and frozen goods curtailed by lower prices in these products.

2017 2016 YTD

The loss accumulated up to June 2017 is of US$8 million, US$7 million higher than the same period of 2016. This negative variation is explained by drops of US$9 million in non-operational income and US$7 million in operational income, compared to last year. The non-operational income decrease is explained by a combination of factors: increased expenses of idle ships and assets, (-US$3 million), a lower exchange rate difference (-US$2 million), and a decrease in lower earnings of affiliates and joint businesses (-US$0,8 million). The decline in the operational income is associated with a 30% fall in processed catch volumes coming from the self-owned industrial fleet, as the fishing season started later than last year. In addition, prices of fishmeal and fish oil have fallen.

HIGHLIGHTS

MAPA AND DISSOLVING PULP PROJECTS

- In April of 2012, Arauco presented an Environmental Impact Evaluation *("Estudio de Impacto Ambiental")* for its Proyecto Mapa before the Chilean Environmental Evaluation Service (SEA). The evaluation was approved in February of 2014, but a group of communities filed a constitutional recourse against it. After a series of proceedings, in May of this year the Supreme Court ruled in favor of the project.
- In the case of the dissolving pulp project in the Valdivia zone, in July 2017 Arauco reached an agreement with the communities opposing the project, who had also filed a constitutional recourse. The Supreme Court approved the withdrawal of said recourse.
- Proyecto Mapa is subject to technical and feasibility studies, as well as to Board approval, before going on with its execution.
- On September 2017, Arauco's Board approved the Dissolving Pulp project for Valdivia Pulp Mill. The project requires an estimated investment of US$185 million.

SALE OF SELECTA

- In June, 2017, Corpesca informed the market, through a Significant Event communication (Hecho Esencial), of the negotiations to sell 60% of the share interest in Sementes Selecta ("Selecta") by Corpesca do Brasil to Korean CJ Cheil Jedang Corporation. Said communication indicated that the Company would inform when the conditions precedent for the sale were met.
- Thus, in August 2017 Corpesca communicated the closing of the sale per the terms and conditions agreed. The buyers were CJ Logistics do Brasil Ltda. and the investment fund Stic CJ Global Investment Partnership Private Equity Fund, acquiring share portions of 37.33% and 22.67%, respectively.
- The sale Price for the package was US$214 million, to be adjusted according to working capital and debt as of the closing date. Not considering said adjustment, the operation shall yield for Corpesca a profit before taxes of US$124 million.

EPERVA AND IGEMAR INCREASE SHARE IN CORPESCA

- In July 2017, Eperva and Igemar announced the agreement to buy 23% of the share interest in Corpesca currently owned by Sociedad Pesquera Coloso S.A.
- The purchase is subject to a number of precedent conditions; among them, the closing of the sale of 60% of the share interest in the Brazilian company Sementes Selecta.
- The agreed purchase price is US$69.4 million, of which US$41.8 million will be paid by Eperva and the remaining US$27.6 million by Igemar.

AQCUISITION OF MASISA DO BRASIL

- In September 2017, Arauco do Brasil agreed to acquire the full share interest in Masisa do Brasil, an affiliate of Chilean company Masisa. The agreed purchase price is US$102.8 million. Arauco shall be able to deduct certain amounts as agreed by the parties, resulting in a final price of US$58.1 million.
- The principal assets of Masisa do Brasil are two industrial complexes located in Ponta Grossa (Paraná) and Montenegro (Rio Grande do Sul). The facilities include an MDF panel line with an installed capacity of 300,000 m^3 per year, an MDP panel line with an 500,000 m^3 per year output, and four lines of melamine veneers with a total installed capacity of 660,000 m^3 per year.
- The closing of the transaction is subject to a number of precedent conditions, chief among them the authorization by the Brazilian antitrust agency. Arauco estimates the transaction to be closed in early 2018.
- Upon closing of the transaction, Arauco will achieve an installed capacity of 10 million m^3, thus cementing its position as second world manufacturer.

BALANCE SHEET

US$ million	2Q 2017	1Q 2017	2Q 2016
Cash and cash equivalents	1,196	1,303	1,669
Other current financial assets	196	187	175
Other current non-financial assets	218	211	182
Trade and other receivables, current	1,362	1,411	1,352
Related party receivables	48	54	77
Inventories	1,452	1,428	1,365
Current biological assets	305	302	275
Current tax assets	99	166	118
Non-current assets classified as held for sale	7	7	7
Total current assets	**4,884**	**5,070**	**5,220**
Other non-current financial assets	447	463	531
Other non-current non-financial assets	116	114	132
Non-current fees receivable	33	36	41
Non-current accounts receivable from related parties	8	25	7
Investments accounted for using the equity method	935	1,050	632
Intangibles assets other than goodwill	815	835	636
Goodwill	409	418	168
Property, plant and equipment	10,100	10,143	9,277
Non-current biological assets	3,519	3,447	3,555
Investment property	46	46	45
Deferred tax assets	326	310	231
Total non-current assets	**16,753**	**16,886**	**15,253**
TOTAL ASSETS	**21,637**	**21,956**	**20,473**
Other current financial liabilities	864	961	464
Trade and other current payables	1,220	1,307	1,280
Related party payables	18	10	6
Other short-term provisions	16	16	4
Current tax liabilities	32	49	55
Current provisions for employee benefits	9	8	7
Other current non-financial liabilities	193	305	209
Total current liabilities	**2,352**	**2,656**	**2,025**
Other non-current financial liabilities	5,839	5,897	5,910
Other non-current accounts payable	1	1	1
Non-current account payable to related companies	-	-	-
Other long-term provisions	68	69	43
Deferred tax liabilities	2,310	2,292	2,173
Non-current provisions for employee benefits	108	107	90
Other non-current non-financial liabilities	134	138	104
Total non-current liabilities	**8,461**	**8,504**	**8,321**
Non-parent participation	4,433	4,417	4,120
Net equity attributable to owners of parent	**6,391**	**6,380**	**6,007**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**21,637**	**21,956**	**20,473**

EARNINGS STATEMENT

US$ million	2Q 2017	1Q 2017	2Q 2016	YTD 2017	YTD 2016
Sales revenue	4,947	4,878	4,086	9,825	7,887
Cost of sales	(4,107)	(4,085)	(3,391)	(8,192)	(6,551)
Gross Margin	**840**	**793**	**694**	**1,633**	**1,336**
Other income	40	53	65	92	126
Distribution costs	(305)	(293)	(298)	(599)	(497)
Administration expenses	(240)	(232)	(171)	(472)	(407)
Other expenses	(19)	(203)	(18)	(222)	(46)
Other income (loss)	(2)	(1)	(0)	(2)	(0)
Net financial expenses	(69)	(70)	(69)	(139)	(138)
Share of profit (loss) of associates and joint ventures	23	18	28	41	33
Exchange rate differences	(2)	8	4	5	22
Income (loss) before tax	**266**	**73**	**235**	**339**	**429**
Income tax expense	(78)	(13)	(42)	(91)	(93)
Income (loss) from continuing operations	187	60	193	247	335
Income (loss) from discontinued operations	-	-	-	-	-
Income (loss) attributable to owners of parent	**107**	**30**	**111**	**137**	**193**
Income (loss) attributable to minority interests	80	30	82	110	142
Net Income	**187**	**60**	**193**	**247**	**335**

CONSOLIDATED CASH FLOW

US$ million	YTD 2017	YTD 2016
Cash received from sale of goods and providing services	10,591	8,516
Cash received from premiums and claims, annuties and other policy benefits	3	0
Other cash received from operating activities	173	248
Payments to suppliers for goods and services	(9,447)	(7,366)
Payments to and on behalf of employees	(475)	(360)
Payment for premiums and claims, annuties and other policy obligations	(7)	(4)
Other cash payments for operating activities	(75)	(130)
Dividends received	15	15
Interest paid	(117)	(109)
Interest received	17	35
Income tax refunds (paid)	(61)	(94)
Other cash inflows (outlays)	(5)	(11)
Net cash flow from (used in) operating activities	**613**	**739**
Cash flows used in obtaining control of subsidiaries or other business	-	(275)
Cash flows used in the purchase of non-controlling interests	(0)	-
Other cash receipts from the sale of equity or debt instruments of other entities	3	7
Other cash payments to acquire interest in joint ventures	-	(153)
Loans to related parties	(0)	(11)
Proceeds from the sale of property, plant and equipment	6	10
Purchase of property, plant and equipment	(289)	(261)
Proceeds from the sale of intangible assets	-	0
Purchase of intangible assets	(32)	(12)
Proceeds from other long-term assets	0	0
Purchase of other long-term assets	(87)	(77)
Cash advances and loans to third parties	(0)	(1)
Charges to related parties	0	0
Dividends received	28	11
Interest received	3	0
Other cash inflows (outlays)	55	(10)
Net cash flow from (used in) investing activities	**(310)**	**(772)**
Amounts paid for equity stakes	-	(0)
Proceeds from long-term borrowings	37	88
Proceeds from short-term borrowings	260	415
Loans from related parties	-	-
Payment of borrowings	(491)	(464)
Payments of financial leasing liabilities	(2)	(2)
Dividends paid	(213)	(194)
Interest paid	(37)	(39)
Other cash inflows (outlays)	3	(5)
Net cash flow from (used in) financing activities	**(442)**	**(202)**
Net increase (decrease) in cash and cash equivalents before the exchange rate change effect	**(139)**	**(235)**
Effect of exchange rate changes on cash and cash equivalents	3	51
Cash and cash equivalents at the beginning of the year	1,332	1,668
Cash and cash equivalents at the end of the year	**1,196**	**1,483**