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Third Quarter 2018 Earnings Results

3Q18 Earnings Conference Call

Date:	November 16, 2018
Time:	8:00 AM ET
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CMPC Reports 2018 Third Quarter Results

Santiago de Chile, Chile, November 15, 2018 – Empresas CMPC S.A. (BCS: CMPC) ("CMPC" or "the Company") a leading large-scale Latin American producer of pulp, tissue, wood, paper and packaging products, serving global and local markets, today announced its unaudited results for 3Q18.

3Q18 HIGHLIGHTS

- Consolidated sales of USD1,623 million, stable QoQ and up 21% YoY, with annual double digit growth in the Pulp and Packaging businesses.
- All-time record pulp production of 1,066,000 tons, up 1% QoQ and 49% YoY with no maintenance downtime during the period and all mills running at full capacity.
- Market Pulp volumes of 925,000 tons, stable QoQ and up 23% YoY.
- Hardwood prices stable QoQ and increasing 35% YoY, reaching CIF USD761/ton. Softwood prices also stable QoQ and increasing 24% YoY to CIF USD852/ton.
- Pulp sales of USD886 million, a 1% decrease QoQ, but a 43% increase YoY.
- All-time EBITDA record of USD508 million, stable QoQ and up 57% YoY. Annual increase driven by the Pulp business, which almost doubled its EBITDA.
- EBITDA margin of 31.3%, stable compared to 2Q18 and up from the 24.2% in 3Q17.
- Net Income of USD151 million, up 59% QoQ and 70% YoY.
- Free Cash Flow of USD324 million, up from USD103 million in 2Q18 and from USD191 million in 3Q17.
- Net debt to EBITDA ratio of 1.8x, down from 2.2x in 2Q18 and 3.1x in 3Q17, marking its sixth consecutive quarter of decrease.

USD Million	3Q17	2Q18	3Q18	QoQ	YoY	9M17	9M18	YoY
Sales	1,338	1,618	1,623	0%	21%	3,831	4,736	24%
EBITDA	324	507	508	0%	57%	825	1,413	71%
EBITDA Margin	24.2%	31.3%	31.3%	-4 bps	707 bps	21.5%	29.8%	832 bps
Net Income (Loss)	89	95	151	59%	70%	96	390	304%
CAPEX	126	99	99	0%	-21%	344	301	-13%
Total Assets	15,421	14,770	14,975	1%	-3%	15,421	14,975	-3%
Net Debt	3,229	3,223	2,944	-9%	-9%	3,229	2,944	-9%
Market Capitalization	6,595	9,201	10,090	10%	53%	6,595	10,090	53%
Closing Exchange Rate (CLP/USD)	637.93	651.21	660.42	1%	4%	637.93	660.42	4%
Average Exchange Rate (CLP/USD)	643.23	620.94	662.05	7%	3%	654.45	3.59	-4%
Closing Exchange Rate (BRL/USD)	3.16	3.86	4.02	4%	27%	3.16	4.02	27%
Average Exchange Rate (BRL/USD)	3.16	3.60	3.94	10%	25%	3.17	3.59	13%

MANAGEMENT COMMENTARY

We are pleased to release the third quarter 2018 figures, that brought very positive and solid results for CMPC. The pulp market continued to respond in a very bullish manner, and the Company was prepared to take advantage of the momentum. We reported an all-time record pulp production of 1.1 million tons as our mill operated at full capacity, which – along with other businesses good performances – lead us to very consistent financial figures.

Coming from a very strong 2Q18, we were able to maintain our results in great conditions. EBITDA continues at an all-time high of USD508 million, stable compared to 2Q18 and 57% up on a year-on-year comparison. We reached a Free Cash Flow of USD324 million up from USD103 million in 2Q18 and from USD191 million in 3Q17. Our outstanding cash generation allowed us to keep advancing on strategic goals, specifically regarding improvement of our capital structure. Net Debt to EBITDA ratio kept its downward trend reaching 1.8x, down from 2.2x in 2Q18 and 3.1x in 3Q17. Our reported Net Income is also a highlight as we reached USD151 million in 3Q18, and USD390 million in the 9M18.

Specifically in the Tissue business we faced some challenging conditions, related to market and prices itself. Even though the year-on-year Tissue results presented some decrease, as we've been mentioning, our strategy is one focused on the long-term profitability and growth of the Company, and for that matter, we rather be prepared for a variety of future cycles and possible outcomes. Regarding the Zarate Mill, we are pleased to inform that the project keeps developing on schedule.

The positive and very solid consolidated numbers that we keep presenting in the last quarters boost our confidence to keep pushing our strategic goals. It is absolute priority for CMPC to remain delivering strong financials and do that while preparing the company to enjoy future business cycles, being as ready as we can for each and every one of the possible market scenarios.

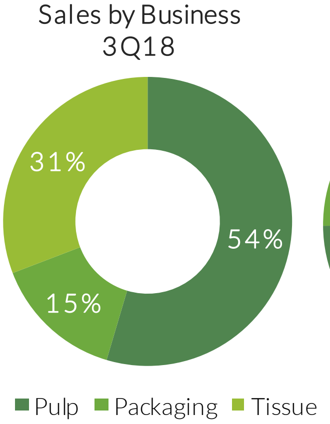
We also keep our commitment to being a solid investment grade company, with a very disciplined approach regarding our financial metrics. Those factors combined are fundamental to continue delivering and creating the highest possible value to our stakeholders in general and to our shareholders specifically.

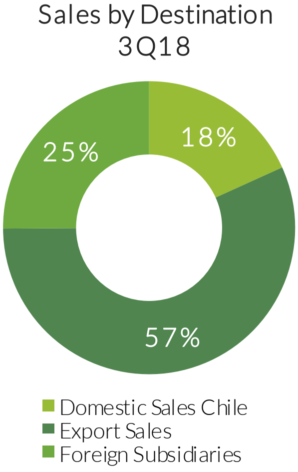
REVIEW OF 3Q18 CONSOLIDATED RESULTS

SALES

Total **Revenue** reached USD1,623 million for the third quarter of 2018, relatively unchanged on 2Q18, and up 21% compared to 3Q17.

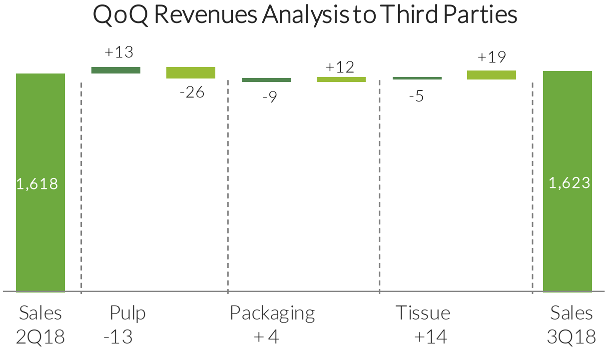
QoQ, revenue growth was driven by an increase in **Tissue** of 3% (USD14 million), seeing higher sales volumes of tissue paper, and in **Packaging** of 2% (USD4 million).

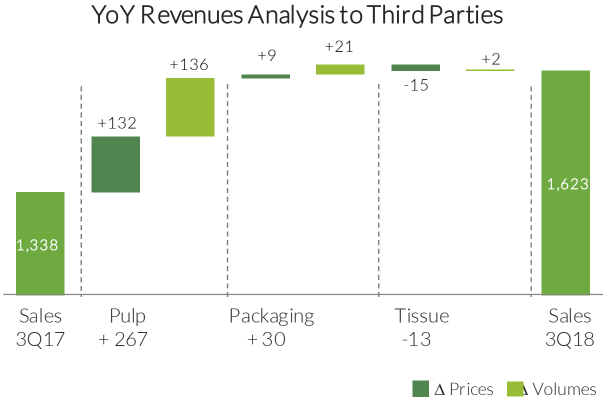




On the downside, the Pulp division experienced a 1% (USD13 million) revenue decrease QoQ primarily due to lower volumes in the forestry segment, partly offset by higher solid wood and pulp prices.

YoY, revenue grew in the Pulp and Packaging divisions, but was down in Tissue. In Pulp, higher prices and the normalization of production at Guaíba II contributed to a 43% (USD267 million) revenue hike. Packaging also saw both higher volumes due to increased productivity rates at the Maule mill as well as favorable prices, resulting in a 15% (USD30 million) revenue increase. Finally, despite higher volumes of sanitary products, Tissue experienced a decrease of both tissue paper and sanitary product prices leading to a drop in revenues of 3% (USD13 million).





OPERATING COSTS

Operating Costs, excluding depreciation, stumpage and decreases due to harvest, were USD923 million, up 1% sequentially and 11% annually. The QoQ result is explained by higher costs in the Tissue business, partly related to the increase in volumes. This was compensated by lower direct costs in the Pulp business, related to lower cash costs and the positive effect of the depreciation of the Chilean peso and the Brazilian real. YoY, the increase in operating costs is mainly related to higher sales volumes, especially in Pulp, and an increase in direct costs in Tissue and Packaging due to higher pulp prices. 3Q18 Consolidated Operating Costs represented 57% of total revenues, stable compared to 2Q18 and down from the 62% reported in 3Q17.

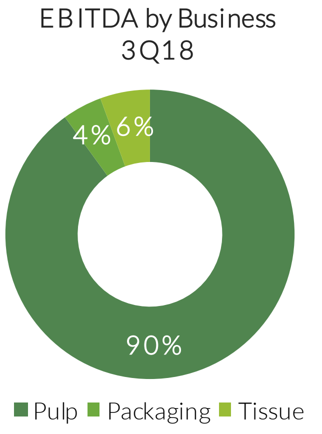
OTHER OPERATING EXPENSES

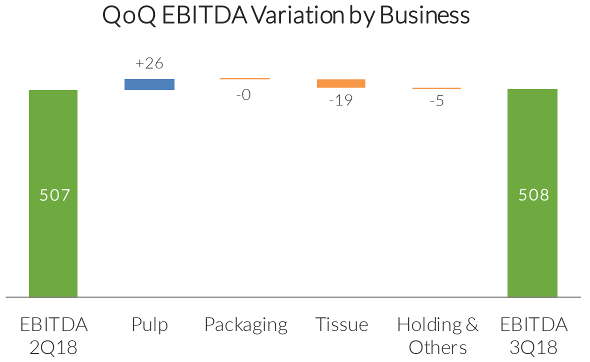
Other Operating Expenses totaled USD193 million, down 2% QoQ and up 7% YoY. The QoQ decrease is a result of lower administrative expenses in the Pulp and Tissue businesses, mainly driven by the depreciation of local currencies. The YoY increase was due to higher administrative expenses and distribution costs in the Pulp business, as a result of higher sales volumes. This was partly offset by lower expenses in the Tissue business related to the depreciation of local currencies. Consolidated Other Operating Expenses in 3Q18 were 12% of total revenues, stable compared to 2Q18 and down from the 13% reported in 2Q17.

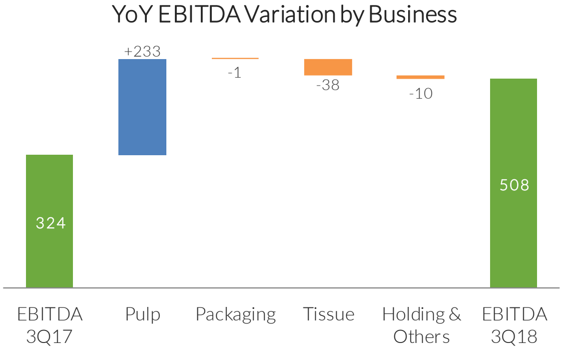
EBITDA

EBITDA totaled USD508 million during the quarter, relatively unchanged QoQ, and up 57% YoY, with 31.3% **EBITDA Margin**, unchanged from 2Q18 and up from 24.2% in 3Q17.

Higher EBITDA in the **Pulp** division, reflecting lower costs and SG&A, along with lower EBITDA in the **Tissue** division, as a result of hyperinflation in Argentina and higher costs, explain the stable QoQ result. The YoY increase is completely attributed to the USD233 million (+98%) expansion in **Pulp** EBITDA. Higher costs, depreciation of local currencies and hyperinflation in Argentina, however, negatively impacted EBITDA generation in **Tissue** YoY.





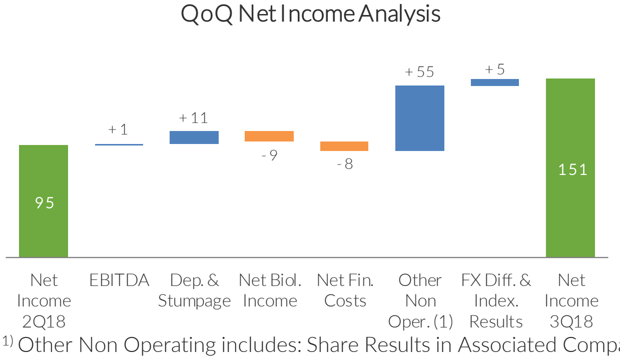


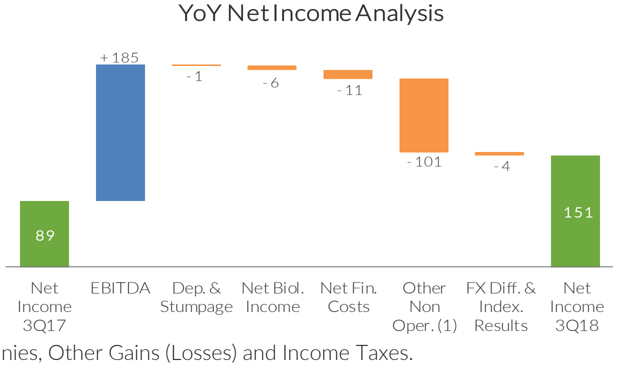
FINANCIAL RESULT

Financial Expenses totaled USD63 million in 3Q18, up 19% compared to 2Q18 and 10% compared to 3Q17, driven by the expenses related to the bond prepayment in August, 2018. CMPC's **Financial Income** totaled USD5.4 million, above the USD3.2 million in 2Q18, but below the USD9.6 million in 3Q17, both as a result of the different cash position held by the company in the mentioned periods.

NET INCOME (LOSS)

CMPC reported a **Net Income** of USD151 million in 3Q18, compared to a Net Income of USD95 million in 2Q18 and USD89 million in 3Q17. The QoQ increase is mainly explained by the lower impact of currency movement on deferred taxes, while the YoY increase is explained by the better operational result, partly offset by a higher income tax provision.





[1)] Other Non Operating includes: Share Results in Associated Companies, Other Gains (Losses) and Income Taxes.

Currency **Exchange Rate Differences** resulted in a USD9.4 million loss in the quarter, compared to losses of USD9.5 million in 2Q18 and of USD0.7 million in 3Q17, mostly as a result of the depreciation of the Argentinean Peso. The currency hedges taken in the previous periods have effectively reduced the exposure to the volatility of the Chilean Peso and the Brazilian Real.

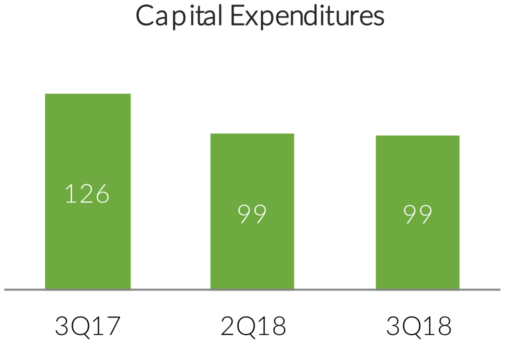
Indexation Unit Results registered a USD4.7 million gain in the quarter, compared to USD0.7 million loss in 2Q18 and USD0.06 million gain in 3Q17. The result for the quarter includes a USD5.2 million gain related to hyperinflation in Argentina.

Other Gains (Losses) resulted in a USD10 million loss. This result includes the reimbursement of expenses to consumer associations, as well as legal expenses related to the Guaíba II insurance claim. Other Gains (Losses) may also include non-core business revenues and other items, such as insurance claims deductibles, donations, and the relative effects of changes in the fair value of financial instruments including forwards and swaps (different from those under hedge accounting), among others.

Income Taxes amounted to a USD113 million loss in 3Q18, compared to a loss of USD170 million in 2Q18 and a USD15 million gain in 3Q17. The result for the quarter includes a USD128 million income tax provision, USD36 million gain from a lower deferred tax provision and a USD20 million loss related to the effect of currency exchange rate movement on deferred taxes. It is important to note that CMPC's tax accounting is in local currencies (except in Chile) and when it differs from its functional currency, the depreciation against the US dollar, particularly the Brazilian Real, decreases the tax base of assets measured in dollars, and therefore increases the Deferred Taxes account, which is a non-cash effect.

CAPITAL EXPENDITURES

Capital Expenditures in 3Q18 totaled USD99 million, stable QoQ and 21% lower YoY. These capital expenditures are mainly related to forest maintenance and disbursements related to the Zárate and Laja projects.



FREE CASH FLOW

Free Cash Flow reached USD324 million in 3Q18, compared to USD103 million in 2Q18 and USD191 million in 3Q17. The higher QoQ free cash flow generation relates to the positive working capital variation as well as lower financial expenses, income tax and dividend disbursements. The YoY growth is mainly due to the significantly higher EBITDA.

USD Million	3Q17	2Q18	3Q18	QoQ	YoY	9M17	9M18	YoY
EBITDA	324	507	508	0%	57%	825	1,413	71%
(-) Capex	(126)	(99)	(99)	0%	-21%	(344)	(301)	-13%
(-) Dividends	-	(66)	(52)	-21%	N/A	(5)	(119)	>1000%
(-) Net Financial Expenses	(34)	(60)	(37)	-38%	9%	(128)	(119)	-6%
(-) Income tax	(18)	(74)	(53)	-29%	197%	(55)	(149)	172%
(+/-) Working Capital Variation	44	(103)	58	N/A	31%	126	(227)	N/A
Free Cash Flow	191	103	324	213%	70%	418	498	19%

DEBT

	USD Million	3Q17	2Q18	3Q18	QoQ	YoY
(i)	Current Interest-Bearing Liabilities	832	329	306	-7%	-63%
(ii)	Non-Current Interest-Bearing Liabilities	3,798	3,573	3,587	0%	-6%
(iii)	Other Obligations	(32)	(31)	(31)	-1%	-5%
(iv)	Net Hedging Current Liabilities related to Debt Instruments	(8)	(2)	8	N/A	N/A
(v)	Net Hedging Non-Current Liabilities related to Debt Instruments	3	(6)	(7)	14%	N/A
	Total Debt ((i) + (ii) + (iii) + (iv) + (v))	**4,593**	**3,863**	**3,863**	**0%**	**-16%**
	Cash*	1,364	639	919	44%	-33%
	Net Debt	**3,229**	**3,223**	**2,944**	**-9%**	**-9%**

*Cash and cash equivalents + Term deposits within 90 to 360 days of maturity

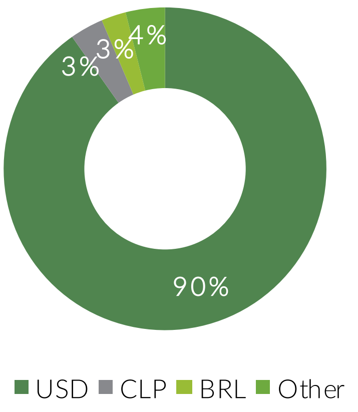
As of September 30, 2018, CMPC's **Financial Debt** stood at USD3,863 million, unchanged compared to June 30, 2018, and 16% lower than in September 30, 2017. The YoY change reflects the USD500 million bond issuance in April, 2017 and the prepayment of the 2018 bond in October that same year in addition to the BNDES and ECAs amortizations during the period.

Cash held by the Company at the end of 3Q18 totaled USD919 million, 44% higher QoQ and 33% lower YoY. The QoQ increase is explained by the higher free cash flow generation during the quarter, while the YoY decrease relates to the bond issuance in 2Q17 and the prepayment of the 2018 bond in 4Q17.

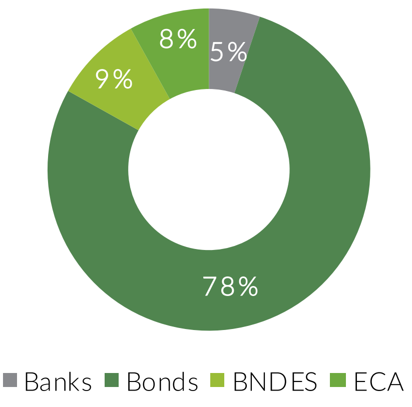
Net Financial Debt stood at USD2,944 million as of September 30, 2018, down 9% compared to both June 30, 2018 and September 30, 2017.

Debt Breakdown

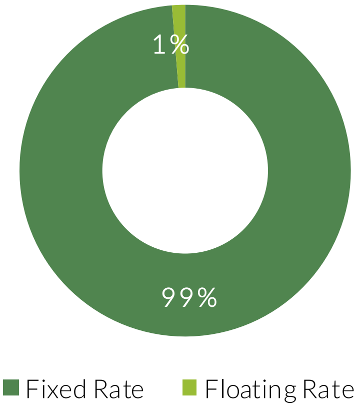
Debt by Currency



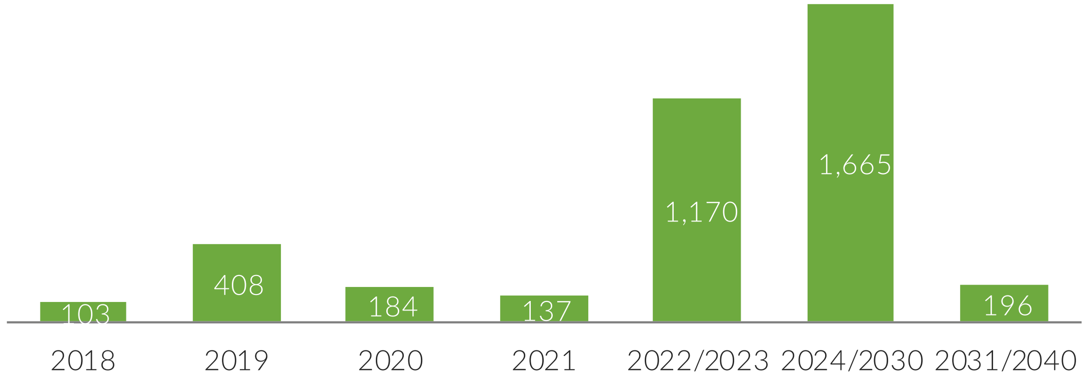
Debt by Instrument



Debt by Interest Rate



Amortization Schedule*



* The 2018 figure includes USD62 million in amortizations and USD41 million related to accrued interests

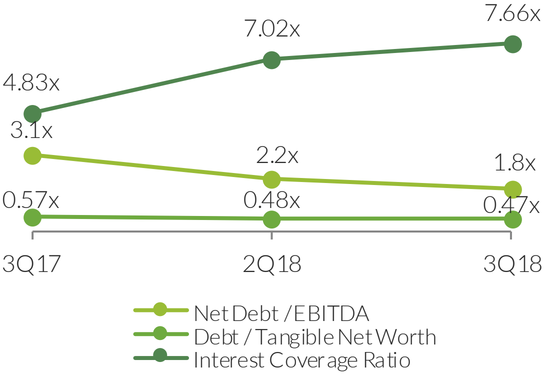
FINANCIAL RATIOS

The **Net Debt/EBITDA** ratio in 3Q18 was 1.8x, down from 2.2x in 2Q18 and from 3.1x in 3Q17. This is the sixth consecutive quarter with a decrease in this ratio.

The **Debt/Tangible Net Worth** ratio was 0.47x, stable compared to 2Q18 and down from the 0.57x reported in 3Q17.

The **Interest Coverage** ratio was 7.66x, compared to 7.02x in 2Q18 and 4.83x in 3Q17.

Financial Ratio Evolution



REVIEW OF RESULTS BY BUSINESS

PULP MARKET

According to PPPC W-100, global demand for chemical market pulp rose 2.2% after 9 months with growth entirely concentrated in hardwood and unbleached kraft (+5% each), while softwood demand slipped -1.5% over the same period and -4.9% in 3Q18 versus the year-ago level. Overall, markets did not experience the usual relapse through the summer months and Chinese demand reported a 5.6% growth: hardwood +9.8% and softwood -1%. This difference can be partially explained by the large price gap between the two grades which has favored switching to hardwood where possible. Europe is also on an upward trend with an increase in pulp demand of about 4.2%.

Unplanned supply-side downtime has continued to limit availability despite the underlying capacity growth. The latest of these disruptions involved a gas pipeline explosion in British Columbia and hurricane damage in the US South.

While pulp prices have held relatively firm in China, resale prices have continued to slip in local currency terms. Dynamics of the hardwood market remained largely unchanged, but the softwood market suffered a price decrease of about -USD30 in August only to recover again in September with an increase of +USD20. The Chinese import restrictions on RCP have had a minimal impact on bleached market pulp so far primarily because prices of virgin fiber are too high to allow much substitution. Additionally, a 5% tariff on chemical pulp was introduced by China in September but we haven't seen any consequences yet.

Graphic paper production has remained fairly flat in Brazil, but continued to contract in Europe, North America, Japan, and South Korea. Additionally, Asian P&W demand decreased 1.5% YoY as China is suffering a cyclical slow-down after its exceptionally strong performance of last year primarily owing to the high pulp cost.

In addition to Arauco's MAPA project, RISI forecasts an expansion of market pulp capacity in the short run due to Brazilian producers Eldorado and Lwarcel. Eldorado has a forestry base ready for a new line at its Três Lagoas facility, originally set to break ground in 2019, but the deal for the company's sale to Paper Excellence (PE) signed in September 2017 has not closed yet.

Source: PPPC, World Chemical Market Pulp Global 100 Report – September, 2018

PULP BUSINESS

During 3Q18, Pulp & Forestry sales totaled USD886 million, slightly down by 1% QoQ and up 43% YoY.

Pulp Sales & EBITDA

USD Million	3Q17	2Q18	3Q18	QoQ	YoY	9M17	9M18	YoY
Pulp Sales	618	899	886	-1%	43%	1,766	2,571	46%
- Pulp Sales	*485*	*749*	*751*	0%	55%	1,383	2,162	*56%*
- Forestry Sales	*134*	*150*	*135*	-10%	1%	383	408	*6%*
EBITDA	237	444	470	6%	98%	588	1,247	112%
EBITDA Mg.	38.3%	49.4%	53.0%	364 bps	1472 bps	33.3%	48.5%	1523 bps

FORESTRY

Third Party Sales Volumes

	3Q17	2Q18	3Q18	QoQ	YoY	9M17	9M18	YoY
- Pulpwood	28	16	21	30%	-26%	73	59	-19%
- Sawing Logs	375	457	363	-21%	-3%	1,207	1,173	-3%
- Sawn Wood	133	202	178	-12%	34%	492	562	14%
- Remanufactured Wood	38	44	43	-1%	15%	128	127	-2%
- Plywood	80	123	112	-9%	39%	279	334	19%
- Others	119	148	114	-23%	-4%	444	376	-15%
Total (th. m^3)	772	989	831	-16%	8%	2,625	2,630	0%

Forestry sales **volumes** to third parties decreased 16% QoQ mainly explained by lower sales of sawn wood (-12%) locally in Chile as well as their exports to China and sawing logs (-21%). Plywood sales volumes also contributed, down 9% due to declining export volumes to LatAm and local sales in Chile. This downward trend was partially offset by an increase of 30% in sales of pulpwood QoQ in Chile and Argentina.

YoY, **forestry volumes** sold to third parties saw an increase of 8%, mostly explained by a solid rise of sawn wood volumes (+34%) which benefited from higher sales in Chile and exports to Asia and Latin America. Plywood sales (+39%) also contributed to this increase with positive performance both in the local Chilean market as well as internationally with increases across the board. Sawing logs sales in Chile saw a hike YoY of 28%, which however was offset by a decrease in Argentina and Brazil, resulting in an overall downside of 3%. On the other hand, pulpwood suffered a decline of 26% as a result of lower sales in Argentina.

Forestry average **sale prices** went up by 7% QoQ, related to higher pulpwood prices mitigated by lower sawing logs prices, and decreased 6% YoY, mainly due to lower prices in pulpwood, sawing logs and remanufactured wood partly offset by higher plywood prices.

PULP

Pulp Production

	3Q17	2Q18	3Q18	QoQ	YoY	9M17	9M18	YoY
BSKP[1]	201	204	207	2%	3%	586	597	2%
BEKP	515	847	858	1%	67%	1,889	2,489	32%
Total Pulp (th. Tons)	**716**	**1,051**	**1,066**	**1%**	**49%**	**2,474**	**3,086**	**25%**
Papers[2]	33	28	29	2%	-12%	92	88	-4%

(1) Includes UKP

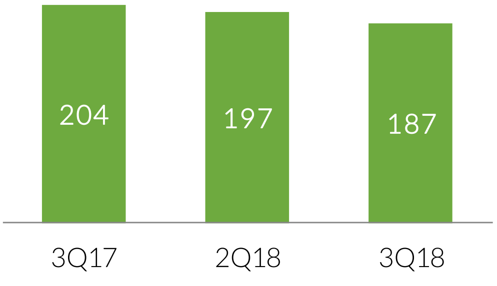
(2) Includes Sackraft produced in the Laja mill and P&W paper produced in the Guaiba mill

CMPC's pulp mills continued operating at capacity during 3Q18, as there was no **maintenance downtime**. The Company has scheduled maintenance downtime for 4Q18 at Laja (16 days) and Guaíba I (15 days).

Pulp **production** totaled 1,066,000 tons in 3Q18, increasing 1% QoQ and 49% YoY. Hardwood production totaled 858,000 tons in 3Q18, increasing 1% QoQ and 67% YoY. The QoQ increase is due to operational excellence programs to increase productivity. YoY increase is due to the fact that the Guaíba mill resumed its normal operations. Softwood production totaled 207,000 tons increasing 2% QoQ and 3% YoY, driven by higher productivity through operational optimization programs at both mills.

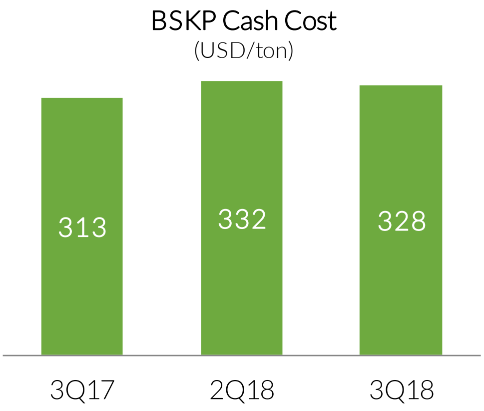
BEKP cash cost[3] reached USD187/ton during 3Q18. QoQ costs were 5% lower due to a decrease in pulpwood costs in Santa Fe and currency depreciation in Brazil. This was partly offset by higher chemical costs at Santa Fe I. YoY costs decreased 8% primarily due to currency depreciation in Brazil aided by restored normal operations in Guaíba II, partially offset by higher pulpwood costs in Chile as well as a rise in energy costs at Santa Fe II.

BEKP Cash Cost
(USD/ton)



BSKP cash cost[3] reached USD328/ton during 3Q18, decreasing 1% QoQ and increasing 5% YoY. The QoQ decrease was mainly due to lower pulpwood (shorter distance) and chemical costs at Pacifico, which was offset by higher energy costs at Laja. YoY, the increase was due to higher oil prices and pulpwood costs at both the Laja and Pacifico mills, mitigated by lower chemical costs at Laja.

[3] Cash cost = wood plus chemicals plus energy plus materials plus labor costs.

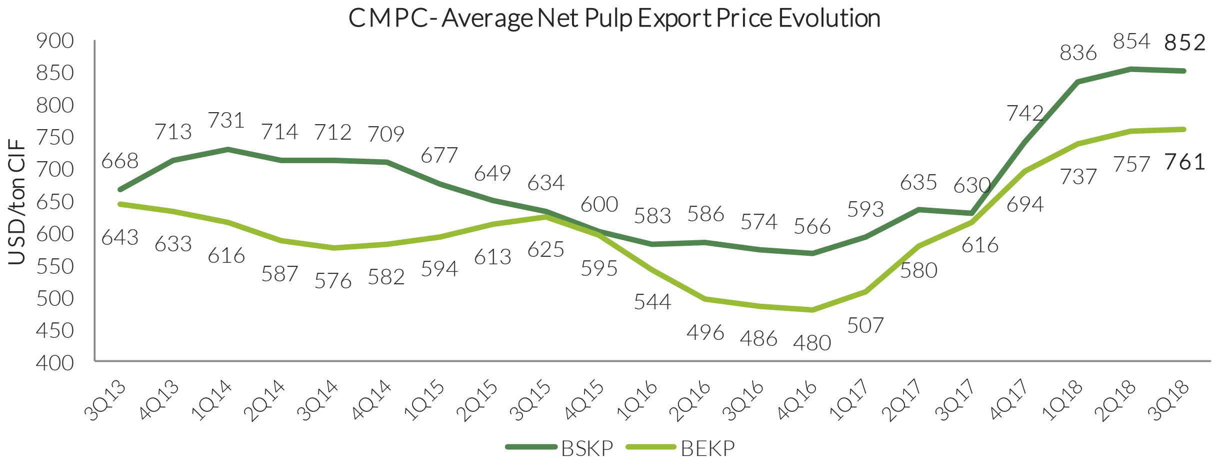


Market pulp sales **volumes** remained flat QoQ with a 3% decrease in softwood sales balanced by 1% increase in hardwood. The QoQ decrease in softwood sales volumes was mainly due to lower exports to Asia and Europe, while hardwood increased sales in the local Brazilian market. YoY market pulp sales volumes increased 23%, with hardwood increasing 36% as a result of the higher production at the Guaíba mill which led to higher sales in most markets, partially offset by a downside in softwood due to lower exports to Europe and Asia.

Third Party Sales Volumes

	3Q17	2Q18	3Q18	QoQ	YoY	9M17	9M18	YoY
BSKP	191	170	164	-3%	-14%	504	498	-1%
BEKP	562	757	761	1%	36%	1,788	2,193	23%
Total Market Pulp (Th. Tons)	**753**	**927**	**925**	**0%**	**23%**	**2,292**	**2,690**	**17%**
P&W Guaiba (Th. Tons)	14	10	10	5%	-27%	39	32	-17%

Pulp average **sales prices** (including a small tonnage of P&W papers and energy sold to the Chilean grid) remained flat QoQ and increased 28% YoY. The average effective net export price for softwood was CIF 852 USD/ton; CIF 761 USD/ton for hardwood. During 3Q18, the price spread between the two fibers was CIF 91 USD/ton, compared with CIF 97 USD/ton in 2Q18.



EBITDA increased 6% QoQ and 98% YoY, with **EBITDA margin** reaching 53.0%, higher compared to the 49.4% in 2Q18 and to the 38.3% in 3Q17.

The QoQ EBITDA increase resulted from, on the positive side, lower SG&A expenses owing to local currency depreciation and lower cash cost both for hardwood and softwood, while sales volumes and pulp prices remained relatively unchanged. This was partly offset by lower sales volumes of solid wood products. The YoY increase resulted mainly from normalized production levels at the Guaíba mill aided by a price increase in softwood (+40%) and hardwood (+29%), mitigated by higher administrative expenses.

TISSUE BUSINESS

In 3Q18, Tissue sales increased 3% QoQ, but decreased 3% YoY to USD500 million. Sales during the quarter without the Argentinean hyperinflation effect would have been USD479 million.

Tissue Sales & EBITDA

USD Million	3Q17	2Q18	3Q18	QoQ	YoY	9M17	9M18	YoY
Sales	513	486	500	3%	-3%	1,443	1,464	1%
EBITDA	67	49	29	-40%	-57%	177	128	-28%
EBITDA Mg.	13.1%	10.0%	5.8%	-418 bps	-724 bps	12.3%	8.8%	-351 bps

Third Party Sales Volumes

	3Q17	2Q18	3Q18	QoQ	YoY	9M17	9M18	YoY
- Chile	39	40	40	1%	4%	112	117	5%
- Brazil	34	33	35	5%	1%	100	99	-1%
- Mexico	35	31	35	10%	0%	101	100	0%
- Argentina	28	26	24	-7%	-13%	78	74	-6%
- Peru	23	23	25	8%	7%	67	72	7%
- Uruguay	6	5	5	0%	-9%	16	15	-8%
- Colombia	7	7	7	4%	3%	19	20	3%
- Ecuador	4	4	4	-2%	-6%	12	12	4%
Total Tissue Paper **(Th. Tons)**	176	169	175	3%	0%	505	509	1%
- Diapers	813	797	836	5%	3%	2,287	2,404	5%
- Feminine Care	341	313	315	1%	-8%	988	953	-4%
- Others	222	231	262	13%	18%	705	699	-1%
Total Sanitary **(M. Units)**	1,376	1,342	1,414	5%	3%	3,979	4,056	2%

Tissue Paper sales **volumes** increased 3% from 2Q18 and were stable compared to 3Q17. QoQ, sales volumes benefitted from higher volumes in Mexico, Peru, Argentina and Chile. YoY sales volumes increases in Chile and Peru were offset by decreases in Argentina.

Sanitary Products sales **volumes** increased 5% from 2Q18 and 3% from 3Q17. Driving the QoQ increase were higher baby diaper volumes in all countries, except for Mexico and Ecuador, and higher wet wipe volumes in all countries except of Brazil. Higher diaper volumes in Brazil, Peru and Colombia as well as higher wet wipe volumes in Peru, Chile and Colombia, partly offset by lower feminine care volumes all countries except Chile and Peru, explain the YoY results.

Average **sales prices** (measured in US Dollars) decreased sequentially by 1% for tissue paper and by 2% for sanitary products. Annually, prices decreased by 2% for tissue paper and 4% for sanitary products. Both the QoQ and YoY changes relate to higher prices in local currencies in most markets and the negative effect in prices measured in USD due to the depreciation of local currencies during the quarter.

EBITDA in 3Q18 decreased 40% QoQ and 57% YoY. **EBITDA margin** was 5.8% in 3Q18, down from the 10.0% in 2Q18 and 13.1% in 3Q17. EBITDA during the quarter without the Argentinean hyperinflation effect would have been USD35 million and the EBITDA margin 7.3%.

The sequential decrease in EBITDA is mainly due to the negative effect of hyperinflation in our Argentinean business, which accounted for a loss of USD5.8 million. Also, there was a negative effect due to the depreciation of local currencies, especially the Brazilian real and higher operating costs in Peru, Brazil and Mexico. The YoY decrease is also partly attributed to the negative effect of hyperinflation in Argentina and depreciation of local currencies. Additionally, there was an increase in fiber costs related to higher pulp prices.

PACKAGING BUSINESS

In 3Q18, Packaging sales increased 2% QoQ and 15% YoY to USD237 million.

Packaging Sales & EBITDA

USD Million	3Q17	2Q18	3Q18	QoQ	YoY	9M17	9M18	YoY
Sales	207	233	237	2%	15%	621	701	13%
EBITDA	24	24	23	-2%	-5%	75	71	-6%
EBITDA Mg.	11.8%	10.1%	9.8%	-34 bps	-203 bps	12.1%	10.1%	-200 bps

Third Party Sales Volumes

	3Q17	2Q18	3Q18	QoQ	YoY	9M17	9M18	YoY
- Boxboard	94	90	109	21%	17%	256	278	8%
- Paper Bags	24	23	23	1%	-5%	68	67	0%
- Other Papers	20	22	24	9%	19%	60	69	15%
- Corrugated Paper	29	29	27	-5%	-6%	78	82	5%
- Corrugated Boxes	28	37	32	-15%	11%	118	120	2%
- Molded Pulp Trays	4	8	5	-39%	3%	18	18	2%
Total **(Th. Tons)**	200	208	220	5%	10%	597	635	6%

Sales **volumes** to third parties increased 5% QoQ, driven by 21% higher volumes of boxboard with a record production in the Maule mill during the quarter and increased exports to all markets except for the United States, and 1% higher volumes of paper bags mainly driven by increased sales in Peru as well as exports from Chile. Offsetting the increases were lower volumes of corrugated boxes (-15%) and molded pulp trays (-39%) with lower seasonal sales in Chile for the fruit industry, and corrugated paper (-5%) in Chile and exports to LatAm as well as some decline in paper bag sales in Argentina (-2%) and Mexico (-9%).

The YoY sales **volumes** sold to third parties increased 10%, with increases in boxboard (+17%) across the board, corrugated boxes (+11%) mainly due to a 37% increase in sales for the fruit and industry in Chile, and molded pulp trays (+3%), while sales of paper bags and corrugated paper experienced a slight downward trend of -5% and -6% YoY respectively. Lower paper bag sales volumes YoY are explained by a decline in local sales in Chile, Argentina and Mexico, as well as exports from Peru.

Average **sale prices** were down 4% QoQ due to lower prices in all products except for boxboard which remained stable. YoY prices were up 4% seeing an increase in all product prices compared to 3Q17.

EBITDA in 3Q18 decreased 2% on 2Q18 and 5% on 3Q17. **EBITDA margin** was 9.8% in 3Q18, down from 10.1% in 2Q18 and 11.8% in 3Q17.

The sequential QoQ decrease in EBITDA is mainly related to lower EBITDA contribution of fruit boxes and molded pulp trays sales as a result of the end of the apple and grape season in Chile. On the upside we had higher EBITDA generation from the boxboard segment, which benefitted from the record high production of the Maule mill. The annual decrease is a result of higher operating costs related to higher fiber costs and higher SG&A partly offset by lower costs of energy and other raw materials, higher boxboard volumes and higher prices in all products.

RELEVANT EVENTS

Hyperinflation in Argentina – In accordance with the IAS 29 "Financial information in hyperinflationary economies", starting July 1, 2018, the Argentinean economy is considered hyperinflationary. Therefore, the financial statements of the Argentinean subsidiaries of CMPC were prepared applying the corresponding requirements. Because of this effect, we registered a gain of USD21 million in sales, and a loss of USD27 million in Cost of Sales, resulting in a USD5.8 million loss in EBITDA. In addition, we registered a USD5.2 million gain in Indexation Units Results and a loss in Net Income of USD4.3 million.

Bond Issuance in local Chilean market – On July 12, 2018, Inversiones CMPC S.A. issued bonds in the Chilean local market for an amount of 8,000,000 *Unidades de Fomento*, in the Series referred to below, with respect to which Empresas CMPC S.A., in its capacity as parent company of the issuer, has become a guarantor and co-debtor. The bonds issued are as follows: Series 'H' bonds for an amount of 3,000,000 *Unidades de Fomento*, with a term of 7 years, and with a placement rate of 1.77%; Series 'M' bonds for an amount of 5,000,000 *Unidades de Fomento*, with a term of 10 years and with a placement rate of 2.55%.

Partial Redemption of 144A bond – On August 17, 2018 CMPC closed the redemption for USD315 million of the USD500 million 144A bond due November 2019. The final redemption price was 103.774.

Provisional Dividend Distribution – On September 6, 2018, CMPC informed through a Material Fact a provisional dividend No. 268 of CLP 14 (approx. USD 0.02 as per the official exchange rate on that date) per share with charge to the distributable liquid net income of 2018. The dividend was paid on September 27, 2018.

DJSI/FTSE4Good – For another consecutive year CMPC has been included in the Dow Jones Sustainability Chile and MILA Pacific Alliance Indices 2018 as well as the FTSE4Good 2018 Index recognizing the company's commitment to corporate social responsibility and sustainable development. DJSI distinguished CMPC as a leader in its industry in sustainable forest management and corporate citizenship and philanthropy as well as social impact on local communities. CMPC has been part of the DJSI Chile and FTSE4Good indexes since 2015 and of the DJSI Mila since its inception in 2017.

Maule Boxboard Mill Production Record – During 3Q18, the Maule Mill reached a new record production of 105,700 tons. This is as a result of the expansion Project implemented at this mill increasing its annual capacity to 450,000 tons.

SUBSEQUENT EVENTS

Inauguration of Santa Olga School made with CMPC wood – On October 3, 2018 CMPC participated in the inauguration of a modern school building for the Personitas Kindergarten and the Enrique Mac Iver High School in the Municipality of Constitución which had lost their buildings in the forest fires of summer 2017. CMPC donated 1,500m3 wooden material for the construction of this new school facility which will house 1,100 students.

Green Bond Issuance by Protisa Peru – On October 22, 2018 CMPC, through its Peruvian subsidiary, Protisa, issued a green bond on the Lima Stock Exchange for the amount of PEN 100 million (approximately USD30 million. This is the second green bond of the company within a little over a year. This is the first bond issued by a non-Chilean subsidiary of CMPC and also the first green bond on the Peruvian market. Funds from the bond are going to be used to refinance sustainability projects at the Cañete and Santa Anita mills in Peru.

About CMPC

Empresas CMPC produces forestry, pulp, paper, tissue and packaging products throughout Latin America. The Company aims to deliver world-class products, from forestry to finished products, to its global customer base. Its high quality timber and production facilities are strategically located in countries including Chile, Brazil, Argentina, Mexico, Peru, Colombia, Uruguay and Ecuador, hiring more than 17 thousand direct employees, making CMPC a truly regional company with a competitive cost structure. The Company sells more than 25 different product lines in more than 45 countries, always seeking long-term relationships.

Forward-Looking Statements

This earnings release may contain forward-looking statements. Such statements are subject to risks and uncertainties that could cause Empresas CMPC's actual results to differ materially from those set forth in the forward-looking statements. These risks include: market, financial and operational risks. All of them are described in CMPC's Financial Statements, Note 3 ("Risk Management").

In compliance with the applicable rules, Empresas CMPC S.A. publishes this document on its web site (www.cmpc.cl) and sends to the *Comisión para el Mercado Financiero* the Financial Statements of the Company and its corresponding notes, which are available for consultation and review on its website (www.cmfchile.cl).

FINANCIAL TABLES FOLLOW

BALANCE SHEET

USD Thousands	3Q17	2Q18	3Q18	QoQ	YoY
Current Assets	3,837,427	3,417,114	3,659,311	7%	-5%
Cash and Cash Equivalents	1,363,594	639,472	919,341	44%	-33%
Operative Receivables	711,176	988,124	942,299	-5%	32%
Inventories	1,189,331	1,200,703	1,208,929	1%	2%
Biological Assets	355,803	327,176	323,097	-1%	-9%
Tax Assets	74,063	222,954	145,031	-35%	96%
Other Current Assets	143,460	38,685	120,614	212%	-16%
Non Current Assets	11,583,136	11,352,887	11,315,883	0%	-2%
Intangible Assets, Different from Goodwill	14,601	20,342	20,104	-1%	38%
Goodwill	113,211	105,086	103,355	-2%	-9%
Property, Plants and Equipment, Net	7,913,202	7,759,399	7,745,265	0%	-2%
Biological Assets	3,187,023	3,143,728	3,111,919	-1%	-2%
Deferred Tax Assets	58,713	82,720	83,474	1%	42%
Other Non Current Assets	296,386	241,612	251,766	4%	-15%
TOTAL ASSETS	15,420,563	14,770,001	14,975,194	1%	-3%
Current Liabilities	1,819,301	1,276,280	1,354,162	6%	-26%
Other Financial Liabilities	849,769	335,137	322,739	-4%	-62%
Operative Liabilities	701,207	694,624	714,971	3%	2%
Other Current Liabilities	268,325	246,519	316,452	28%	18%
Non Current Liabilities	5,457,488	5,279,396	5,297,204	0%	-3%
Other Financial Liabilities	3,824,327	3,600,047	3,617,814	0%	-5%
Deferred Tax Liabilities	1,518,473	1,576,376	1,577,497	0%	4%
Other Non Current Liabilities	114,688	102,973	101,893	-1%	-11%
Non Controlling Participations	1,346	2,186	2,251	3%	67%
Equity Attributable to the Owners of the Controller	8,142,428	8,212,140	8,321,577	1%	2%
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	15,420,563	14,770,001	14,975,194	1%	-3%

Balance Sheet numbers are based on CMPC's quarterly financial data, which is presented to the "Comisión para el Mercado Financiero" (CMF) .

INCOME STATEMENT

USD Thousands	3Q17	2Q18	3Q18	QoQ	YoY	9M17	9M18	YoY
Sales	1,338,322	1,618,259	1,623,058	0%	21%	3,831,082	4,736,177	24%
Operating Costs(1)	(834,349)	(914,991)	(922,759)	1%	11%	(2,481,406)	(2,753,291)	11%
Operating Margin	503,973	703,268	700,299	0%	39%	1,349,676	1,982,886	47%
Other Operating Expenses(2)	(179,982)	(196,461)	(192,579)	-2%	7%	(525,163)	(569,447)	8%
EBITDA(3)	323,991	506,807	507,720	0%	57%	824,513	1,413,439	71%
EBITDA Margin (%)	24.2%	31.3%	31%	-4 bps	707 bps	21.5%	29.8%	832 bps
Depreciation, Amortizations and Stumpage	(146,470)	(158,716)	(147,488)	-7%	1%	(428,828)	(448,982)	5%
Increase in Biological Assets due to Forests Growth and Price Effects	29,462	26,842	28,573	6%	-3%	116,679	85,593	-27%
Decrease in Biological Assets due to Harvest	(47,854)	(42,249)	(52,579)	24%	10%	(149,603)	(142,859)	-5%
Operating Income	159,129	332,684	336,226	1%	111%	362,761	907,191	150%
Financial Expenses	(56,993)	(52,812)	(62,870)	19%	10%	(167,469)	(167,479)	0%
Financial Income	9,556	3,169	5,427	71%	-43%	15,190	12,028	-21%
Share Results in Associated Companies	(1)	3	17	-467%	N/A	6	23	283%
Foreign Exchange Difference	(729)	(9,489)	(9,442)	0%	>1000%	(453)	(21,099)	>1000%
Indexation Unit Results	60	(772)	4,663	N/A	>1000%	(919)	3,236	N/A
Other Gains (Losses)	(37,576)	(8,074)	(10,455)	29%	-72%	(107,011)	(21,750)	-80%
Income Taxes	15,223	(169,857)	(112,562)	-34%	N/A	5,648	(322,029)	>1000%
Net Income (Loss)	88,669	94,852	151,004	59%	70%	96,457	390,121	304%
Net Income (Loss), attributable to owners of the parent	88,650	95,081	150,929	59%	70%	98232	390233	297%
Net Income (Loss), attributable to non-controlling interest	19	(229)	75	N/A	295%	(1,775)	(112)	-94%

(1) Operating Costs are calculated as: Costs of Sales minus Stumpage minus Decrease in Biological Assets due to Havest minus Depreciation

(2) Other Operating Expenses are calculated as: Distribution Costs plus Administration Expenses plus Other Functional Expenses

(3) EBITDA is calculated as: Sales minus Operating Costs minus Other Operating Expenses

CASH FLOW STATEMENT

USD Thousands	3Q17	2Q18	3Q18	QoQ	YoY	9M17	9M18	YoY
Cash Flow from Operating Activities	316,850	111,262	478,256	330%	51%	841,778	781,096	-7%
Cash collection from operating activities								
Proceeds from sales of goods and services delivered	1,457,358	1,635,044	1,797,973	10%	23%	4,344,809	4,895,686	13%
Proceeds of premiums and services, annuities and other obligations on policies subscribed	1,705	4,434	3,531	-20%	107%	3,138	24,834	691%
Other proceeds from operating activities	125,668	60,608	28,570	-53%	-77%	240,660	173,575	-28%
Payments for operating activities								
Payments to suppliers for goods and services	(1,059,123)	(1,185,485)	(1,127,039)	-5%	6%	(3,157,021)	(3,471,160)	10%
Payments to and on behalf of employees	(118,979)	(111,622)	(106,215)	-5%	-11%	(345,305)	(345,965)	0%
Payments for premiums, benefits, annuities, and other obligations derived from suscribed policies	(1,760)	(1,122)	(3,671)	227%	109%	(6,260)	(8,374)	34%
Other payments from operating activities	(70,090)	(216,099)	(61,703)	-71%	-12%	(183,203)	(338,011)	85%
Net cash flows from (used in) operating activities	334,778	185,758	531,447	186%	59%	896,817	930,585	4%
Income taxes paid (reimbursed)	(17,928)	(74,496)	(53,191)	-29%	197%	(55,039)	(149,490)	172%
Cash Flow from Investment Activities	(119,769)	(95,083)	(92,708)	-2%	-23%	(572,597)	(286,544)	-50%
Amounts obtained from the sale of property, plant and equipment	1,106	-	9	N/A	-99%	1,159	9	-99%
Purchases of property, plant and equipment	(99,754)	(77,719)	(73,746)	-5%	-26%	(271,263)	(234,947)	-13%
Purchases of intangible assets	(1,222)	-	(2,562)	N/A	0%	(1,222)	(2,562)	110%
Purchases of other long-term assets	(24,925)	(21,606)	(22,600)	5%	-9%	(60,380)	(63,317)	5%
Interest received	4,984	4,242	6,191	46%	24%	11,608	14,273	23%
Other cash inflows (outflows)	42	-	-	N/A	N/A	1,322	-	N/A
Cash Flow from Financing Activities	(101,915)	(200,332)	(116,099)	-42%	14%	241,150	(400,627)	N/A
Proceeds raised through short-term loans	459,796	32,984	30,921	-6%	-93%	679,123	150,797	-78%
Proceeds raised through long-term loans	(209,280)	-	377,738	N/A	N/A	490,725	377,738	-23%
Proceeds raised through loans	250,516	32,984	408,659	>1000%	63%	1,169,848	528,536	-55%
Loans reimbursements	(308,745)	(102,385)	(415,680)	306%	35%	(772,531)	(661,048)	-14%
Payments of financing lease liabilities	(3,537)	(468)	(13,333)	>1000%	277%	(9,957)	(15,559)	56%
Dividends paid	(22)	(66,429)	(52,451)	-21%	>1000%	(4,744)	(118,924)	>1000%
Interest paid	(39,171)	(64,034)	(43,294)	-32%	11%	(139,118)	(133,632)	-4%
Other cash inflows (outflows)	(957)	-	-	N/A	N/A	(2,349)	-	N/A
Net increase (decrease) in cash and cash equivalents before effect of exchanges rate change	95,166	(184,153)	269,449	N/A	183%	764,152	93,924	-88%
Effects of variation in the exchange rate on cash and cash equivalents	8,702	(19,492)	10,420	N/A	-20%	3,599	(7,338)	N/A
Net increase (decrease) in cash and cash equivalents	103,868	(203,645)	279,869	N/A	169%	767,751	86,587	-89%
Cash and cash equivalents at beginning of period	1,259,726	843,117	639,472	-24%	-49%	2,532,519	2,315,344	-9%
Total Cash at the end of the period	1,363,594	639,472	919,341	44%	-33%	3,300,270	2,401,931	-27%

INCOME STATEMENT DATA BY BUSINESS UNIT

September, 2018

In th. USD	Business Areas (Operating Segments)					Adjustments & Eliminations	Total CMPC
	Pulp	Packaging	Tissue	Total	Other (3)		
Operating income from external customers	2,570,551	701,195	1,464,431	4,736,177	-	-	4,736,177
Operating income between operating segments of the same entity	260,047	20,561	1,090	281,698	21,303	(303,001)	-
Income from External and Related Customers	**2,830,598**	**721,756**	**1,465,521**	**5,017,875**	**21,303**	**(303,001)**	**4,736,177**
Cost of Sales	(1,912,836)	(628,328)	(1,078,682)	(3,619,846)	(0)	274,713	(3,345,133)
Distribution Costs	(52,230)	(19,319)	(130,909)	(202,458)	-	4,293	(198,165)
Administrative Costs	(82,587)	(34,325)	(67,123)	(184,035)	(50,115)	20,100	(214,050)
Raw Materials an Supplies Used	(1,280,537)	(551,771)	(1,014,637)	(2,846,945)	-	260,693	(2,586,252)
Employee Benefit Expenses	(161,104)	(72,637)	(188,771)	(422,512)	(21,931)	-	(444,443)
Depreciation & Amortization Expense	(245,852)	(39,518)	(61,920)	(347,290)	(4,570)	5,734	(346,126)
Interest Income	1,957	2,311	1,353	5,621	77,296	(70,889)	12,028
Interest Expense	(77,065)	(3,965)	(28,784)	(109,814)	(128,554)	70,889	(167,479)
Other Significant Income (Expense) Items	(10,845)	2,080	(4,524)	(13,289)	(4,552)	(3,909)	(21,750)
Total Other Significant Income (Expense) Itms	**(85,953)**	426	(31,955)	(117,482)	(55,810)	(3,909)	**(177,201)**
Share in Income of Associates	23	-	-	23	-	-	23
Income Tax (Charge) Credit	(314,904)	(10,646)	(26,900)	(352,450)	30,421	-	(322,029)
EBITDA Determined by Segment (1)	**1,246,830**	**70,727**	**128,334**	**1,445,891**	**(24,242)**	**(8,210)**	**1,413,439**
Operating Profit (Loss) (2)	**840,856**	**31,209**	**66,414**	**938,479**	**(28,812)**	**(2,476)**	**907,191**
Profit (Loss) Before Taxes	**757,572**	**26,553**	**(34,504)**	**749,621**	**359,812**	**(397,283)**	**712,150**
Profit (Loss)	**442,668**	**15,907**	**(61,404)**	**397,171**	**390,233**	**(397,283)**	**390,121**

September, 2017

In th. USD	Business Areas (Operating Segments)					Adjustments & Eliminations	Total CMPC
	Pulp	Packaging	Tissue	Total	Other (3)		
Operating income from external customers	1,766,197	621,419	1,443,466	3,831,082	-	-	3,831,082
Operating income between operating segments of the same entity	205,594	21,221	454	227,269	26,550	(253,819)	-
Income from External and Related Customers	**1,971,791**	**642,640**	**1,443,920**	**4,058,351**	**26,550**	**(253,819)**	**3,831,082**
Cost of Sales	(1,736,131)	(549,916)	(996,422)	(3,282,469)	-	222,632	(3,059,837)
Distribution Costs	(40,803)	(16,871)	(130,162)	(187,836)	-	4,862	(182,974)
Administrative Costs	(67,294)	(29,831)	(64,175)	(161,300)	(42,180)	28,454	(175,026)
Raw Materials an Supplies Used	(1,128,550)	(478,150)	(938,231)	(2,544,931)	-	211,909	(2,333,022)
Employee Benefit Expenses	(138,163)	(64,603)	(193,653)	(396,418)	(15,323)	-	(411,741)
Depreciation & Amortization Expense	(251,090)	(38,563)	(55,823)	(345,476)	(3,887)	5,682	(343,681)
Interest Income	1,683	3,376	8,286	13,345	145,152	(143,307)	15,190
Interest Expense	(133,344)	(6,515)	(42,178)	(182,037)	(128,739)	143,307	(167,469)
Other Significant Income (Expense) Items	(79,942)	625	(32,878)	(112,195)	9,359	(4,175)	(107,011)
Total Other Significant Income (Expense) Itms	(211,603)	(2,514)	(66,770)	(280,887)	25,772	**(4,175)**	**(259,290)**
Share in Income of Associates	6	-	-	6	-	-	6
Income Tax (Charge) Credit	13,376	(8,602)	(9,435)	(4,661)	(987)	-	(5,648)
EBITDA Determined by Segment (1)	**587,722**	**75,097**	**177,204**	**840,023**	**(12,444)**	**(3,066)**	**824,513**
Operating Profit (Loss) (2)	**218,561**	**36,534**	**121,381**	**376,476**	**(16,331)**	**2,616**	**362,761**
Profit (Loss) Before Taxes	**9,406**	**39,854**	**103,477**	**152,737**	**99,305**	**(149,937)**	**102,105**
Profit (Loss)	**22,782**	**31,252**	**94,042**	**148,076**	**98,318**	**(149,937)**	**96,457**

(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 (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.