



March 9st 2010

Dear customer,

As you are undoubtedly aware of, Chile was hit by an earthquake on Saturday, February 27th with the epicenter close to Concepcion.

Apart from the disastrous consequences for the population in that area and the chaotic state of the infrastructure (roads, bridges and ports) Paneles Arauco suffered substantial damage specially in Horcones Plywood (Arauco) mill.

Although it is too early to tell what the exact damage is, it is certain that production and shipments will unfortunately stop until further notice. Our people are making all possible efforts to resume production, however we are unable to provide you with a specific date at the moment, of when this will take place. We hope you also understand that our company has a big commitment to our country, so as soon as our mills start producing again, the volume will initially be used in the domestic market for rebuilding what was lost or damaged.

As a result of this and with great regret Paneles Arauco has decided to **cancel all outstanding orders not shipped before the 27th of February** (a detailed list will be provided soonest possible) and we will not issue any new orders until our mills are able to supply again. Be sure that we will work hard to achieve this in the short term.

We are fully aware of the consequences of this decision which might put you in a difficult position but we also count on your understanding for this **force majeure** event which is completely beyond our wish and control.

Sincerely yours,

A handwritten signature in blue ink, appearing to read "Arturo Jaramillo", written over a faint, light-colored signature line.

Arturo Jaramillo
Sales & Marketing Director
Paneles Arauco S.A.