

EMPRESAS SOCOVESA

PRESS RELEASE: MAR-2009

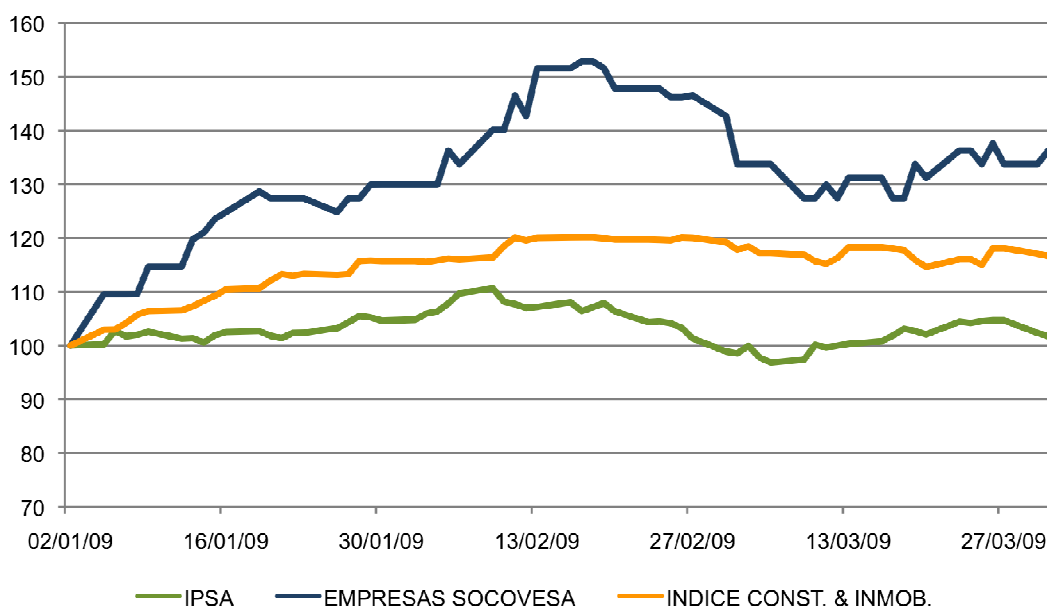


HIGHLIGHTS

During the first quarter of 2009:

- Empresas Socovesa income reached ThUF 1,489:
 - Sales from Real Estate reached ThUF 1,130.
 - Sales from the Engineering and Construction business reached ThUF 343.
- Backlogs from the real estate business remained in line with the projections, reaching ThUF 1,227.
- Pilares launched two new projects in Santiago, exceeding its business closings projections by 19% in the first quarter.
- Socovesa at this date was awarded 1,766 subsidies from the DS04 program, all throughout the country.
- Socovesa Engineering and Construction (Socoicsa) was awarded the Hospital for the town of Cañete, for a total of ThUF 750.

STOCK PERFORMANCE: JAN-MAR 2009 (Base 100 = JAN. 2/09)



Note: The construction and real estate index was calculated using the same considerations of the index published by the Santiago Stock Exchange.

	MAR-09	MAR-08
Number of Shares	1,223,935,691	1,223,935,691
Share Price at March 31	\$ 107.0	\$ 175.0
Empresas Socovesa Market Value	M\$ 130,961,119	M\$ 214,188,746

FINANCIAL AND OPERATIONAL INDICATORS

	MAR-09	MAR-08	% 09/08
Real Estate Business			
Backlogs (UF Thousands)	1,227.1	1,906.8	(35.6%)
Backlogs (Units)	617	846	(27.1%)
Sales (UF Thousands) ¹	1,107.0	1,367.8	(19.0%)
Sales (Units)	480	674	(28.8%)
Socoicsa			
Sales (UF Thousands) ²	343.2	202.4	69.6%
Gross Margin (%)	4.9%	11.1%	
GAV (UF Thousands)	15.8	14.4	9.4%
Operational Results (UF Thousands)	1.0	8.0	(87.2%)
Profit (UF Thousands)	(1.2)	3.4	(135.2%)
Empresas Socovesa			
Sales (UF Thousands)	1,488.5	1,614.4	(7.8%)
Gross Margin (%)	14.2%	20.0%	
EBITDA (UF Thousands)	38.4	152.8	(74.9%)
EBITDA Margin (%)	2.6%	9.5%	
Profits (UF Thousands)	(348.9)	6.2	(5,742.6%)

ACQUISITION OF ALMAGRO

From the Financial Statements submitted by Empresas Socovesa during this period, it is possible to compare this year's figures with those of last year. This is because the effects of the purchase of Almagro were reflected as of September 1, 2007; therefore a great deal of the variations suffered by the accounts in previous Financial Statements resulted from the consolidation of the operations of Almagro.

In relation with the accounting effects of the purchase of Almagro, it is worth mentioning that the write-off of the investments' lesser value, or goodwill, will be written off in 40 years, as stated in technical bulletin Nbr.72 from the SVS.

Apart from the lesser value write-off, it is necessary to add the write-off of assets and liabilities at a fair value. The brand Almagro is being written off at 40 years, the fixed assets and the software at 10 years and the stock, as it is sold.

¹ Considers sales of new homes only

² Includes income from sales to related companies during 2008

CONSOLIDATED INCOME STATEMENT

<i>In UF Thousands</i>	MAR-09	% Sales	MAR-08	% Sales	% 09/08
Operating Income	1.488,5	100,0%	1.614,4	100,0%	(7,8%)
Real Estate	1.130,3	75,9%	1.388,0	86,0%	(18,6%)
Engineering and Construction	343,2	23,1%	185,0	11,5%	85,5%
Other Income	15,0	1,0%	41,4	2,6%	(63,8%)
Operating Costs	(1.276,4)	85,8%	(1.290,9)	80,0%	(1,1%)
Real Estate	(944,6)	63,5%	(1.096,5)	67,9%	(13,9%)
Engineering and Construction	(325,2)	21,8%	(165,6)	10,3%	96,3%
Other Disbursements	(6,6)	0,4%	(28,8)	1,8%	(77,0%)
Operating Margin	212,1	14,2%	323,5	20,0%	(34,4%)
Administrative and Sales Expenses	(195,3)	13,1%	(188,9)	11,7%	3,4%
Operational Results	16,8	1,1%	134,6	8,3%	(87,5%)
Depreciation	22,3		23,6		
Profit from Investments in Related Companies	0,4		-		
Loss from Investments in Related Companies	(1,1)		(5,4)		
Consolidated EBITDA	38,4	2,6%	152,8	9,5%	(74,9%)
Non Operational Result	(442,7)	(29,7%)	(128,9)	(8,0%)	(243,5%)
Net Profit	(348,9)	(23,4%)	6,2	0,4%	(5.742,6%)

INCOME

The Company's Operational Sales at March 2009 reached a total of M\$ 31,197,716 (ThUF1,489), showing a 7.8% decrease with respect to 2008. The real estate subsidiaries contributed 75.9%, Socoicsa contributed 23.1%, and the balance came from other sales (consultancies among others).

The decrease in real estate sales was due to a drop in the invoicing levels by the subsidiaries which operate in said business, mainly, Socovesa Santiago, which suffered a 41.3% drop. On the other hand, it is worth mentioning the raise of Socoicsa's activities, increasing its sales by 85.5% in comparison with the same period last year.

COSTS

Operational Costs remained relatively constant, diminishing by 1.1%, and reaching M\$26,752,203 (ThUF1,276). This effect was due on one hand to the raise of Socoicsa operation, and on the other by a lesser activity of the real estate business. This was a result of this new composition, in which the Engineering and Construction Business reached a higher proportion. Added to the real estate market pressure, the Gross Margin as a percentage of sales dropped by 34.4%.

ADMINISTRATION AND SALES EXPENSES

The administration and sales expenses reached M\$19,007,515 (ThUF195), remaining relatively stable compared with last year.

NON OPERATIONAL RESULT

The main cause for the drop of the Non Operational Result, from a loss of M\$2,701,169 (ThUF129) to M\$9,277,932 (ThUF443), is due to the negative monetary correction generated by the drop on the inflation rate during December 2008 and January/February 2009. This loss reached M\$3,954,862 (ThUF189), a figure that should be reverted during the next months since the inflation rate for the rest of 2009 is expected to be a positive one.

NET PROFIT

All these results affected the Company's net profits negatively, generating a loss of M\$7,313,268 (ThUF349).

CONSOLIDATED GENERAL BALANCE SHEET

<i>In UF Thousands</i>	MAR-09	MAR-08	% 09/08
Current Assets	13.000,9	13.003,5	(0,0%)
Fixed Assets	1.061,5	1.217,5	(12,8%)
Other Assets	12.052,8	10.366,9	16,3%
Total Assets	26.115,2	24.587,9	6,2%
Current Liabilities	13.263,8	10.520,8	26,1%
Long-Term Liabilities	3.178,3	4.069,7	(21,9%)
Minority Interest	236,8	298,2	(20,6%)
Equity	9.436,3	9.699,2	(2,7%)
Total Liabilities	26.115,2	24.587,9	6,2%

The figures in Socovesa's Consolidated Balance Sheet for the first quarter of 2009, in comparison with those of the same period in 2008, show no important changes at a total level, nevertheless, there were important changes in Other Assets, Current Liabilities and in those of Long Term.

The effect in Other Assets is due mainly to the Others account, since lots that will be used in the long term, works in progress linked to reclassification of works activated by Socoicsa and finished homes expected to be sold in one year were registered.

Regarding the Current Liabilities account, it suffered a raise due mainly to an increase in short term liabilities with banks and financial institutions as a result of the slowdown in the recovery of real estate projects.

DEBT AND FINANCING STRUCTURE

Empresas Socovesa has been financed historically through revolving credit lines with various banks and financial institutions. These lines are not tied to any particular project, but to the Company's general operation,

thus allowing a greater degree of operational flexibility when using them and optimizing the financing conditions.

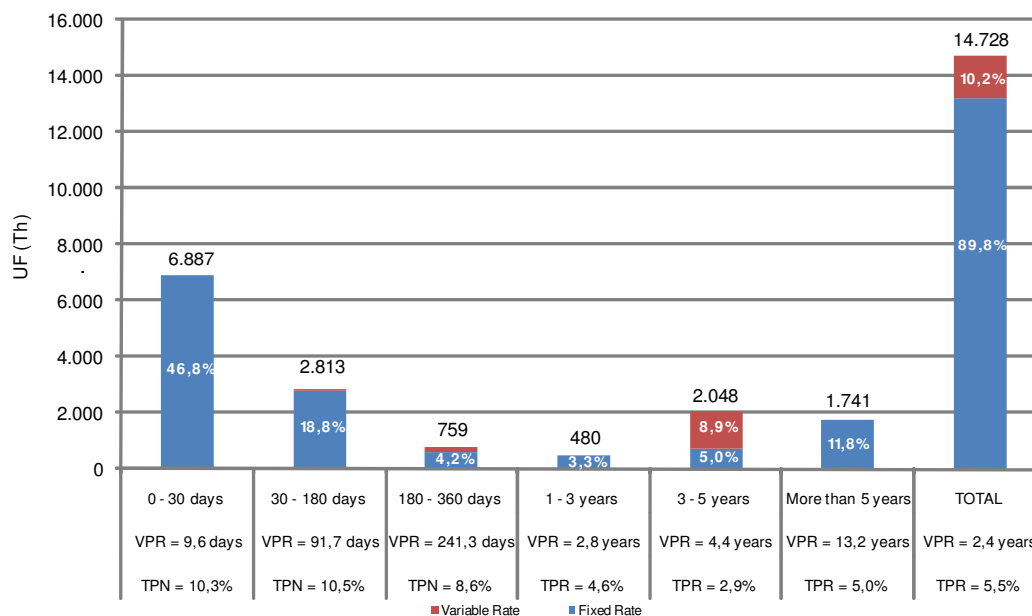
The Company's accounting criteria regarding financial costs is that these are deducted as expenses in the Income Statement when incurred, without being activated in the projects.

The indebtedness structure of the Company, where Chilean peso-denominated short term credit prevails, is mostly responsible for the Monetary Correction Loss of the period. At this date, 74% of the financial debt is denominated in pesos. Set up against the readjustment of a large part of the assets and the balance of the liabilities, it generates a negative result in the Financial Statement during negative inflationary times.

Specifically, during the first quarter 2009 this result reached M\$3,954,862 (ThUF189). Considering market inflation rate projections for the rest of 2009, we hope to revert the effect in the results is, taking this account to levels bordering zero.

At March 31, 2009 Empresas Socovesa had approved credit lines for UF20.8 million and drafts for UF14.4 million, which amounts include an *Off Balance portion* generated by two option contracts and two purchase commitments held with an insurance company for lots located in the townships of Renca and San Bernardo. Such options are activated in the Intangibles Account, and amount to UF 1.7 million. This way, the Company's total financial debt, weighted with its participation with the different subsidiaries, reaches UF14.4 million, with an effective average rate of 3.67% and an average remaining life of 2.2 years.

DEBT BREAKDOWN OF EMPRESAS SOCOVESA - MARCH 2009*



VPR: Residual average value

TPN: Face average rate

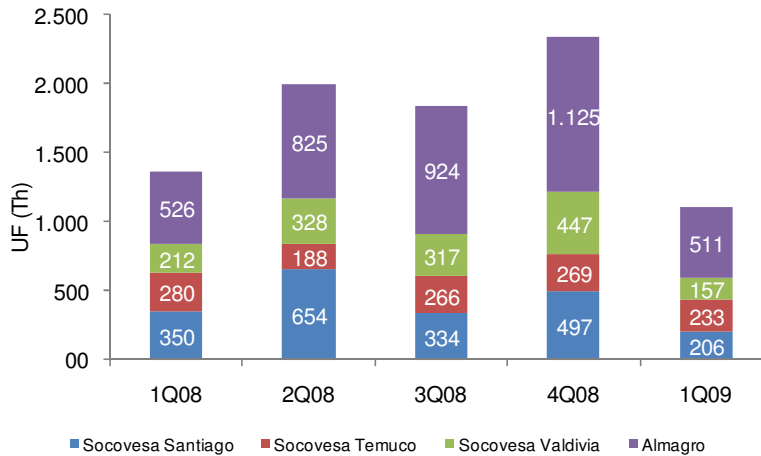
TPR: Effective average rate

* Non weighted debt due to participation in subsidiaries

Financial expenses for the rest of 2009 are expected to decrease, mainly due to two factors. In the first place, expenses construction of new homes was reduced in an important way, therefore this year's sales will be mainly from homes in stock. Furthermore, the dramatic drops in TPM are reflected in lower financing rates with the banks.

REAL ESTATE BUSINESS

QUARTERLY SALES OF HOUSING UNITS

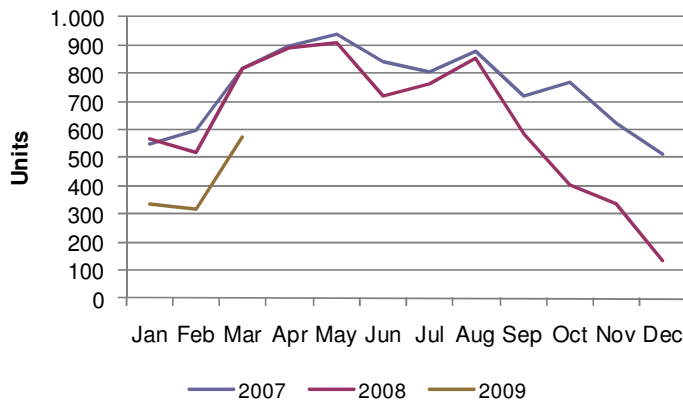


Sales for new homes decreased by 19.1% during the first quarter of this year in relation with the same period last year.

Socovesa Santiago was the most affected during this quarter, with a 41.3% sales drop in relation with the same period last year. Conversely, Almagro decreased its income by only 2.8% with respect to the first quarter of 2008.

The above shows the impact of the crisis on the medium and medium low segments, due to the problems in obtaining mortgage loans and the backlog in the granting of subsidies by the Government's Solidarity Fund II program, versus the higher segments where Almagro concentrates its sales.

MONTHLY HOME SALES



During the first quarter of 2009, Socovesa suffered a drop in its sales. Nevertheless, this reduction remained in line with Company projections for this period and with the market behavior, according to CCHC statistics with respect to the same period last year.

Comparing the first quarter drop with the 53.7% reduction in last year's last quarter, with respect to 2007, there is a noticeable improvement in sales.

This increase is due mainly to the better economic expectations and to a greater flexibility by the banks' loan policies when granting mortgage loans.

Finally, during the first quarter there were no significant land purchases. At March the total amount reached ThUF 9,332.3, which in relation to the December 2008 closing implies a raise of 2.4%, due to the purchase of two lots by Almagro and one by Socovesa Temuco.

ENGINEERING AND CONSTRUCTION BUSINESS

After a year 2008 with an important growth in the number of completed projects and the amount of the contracts, during this year Socoicsa is making an effort to make profitable the projects currently under construction, which will make it possible to invoice around ThUF1,100.

Among these works it is worth mentioning the construction of the new hospital for the town of Cañete, awarded in February 2009, which contract amounts to ThUF750 and has a development term of two years. Together with this one, hospitals in the cities of Santa Cruz, Lota and Coronel are under construction and expected to be completed during the first quarter of 2010.

We would like to point out that Los Domínicos Mall has been completed. We are proud of having accomplished, together with the principal, the challenge of continuing with the construction of this mall.

PROJECTIONS FOR 2009

By the end of 2008 we expected a scenario for 2009 with sales of ThUF 8,500 between the real estate subsidiaries and the engineering and construction subsidiary, with expected profits around ThUF350.

This scenario assumed a slow first quarter, with sales similar to those of the second half of 2008 and with improving sales levels during the second semester of 2009; similar to what happened during the first semester 2008.

The first four months of the year have gone by and real estate business sales are 6.7% over the projections, reaching business closings of ThUF1,920. This figure is composed by January and February under the projections and by March and April that compensated for these reductions.

If the market behavior maintains the tendency shown during the last two months, Socovesa should reach its proposed sales target by the end of 2008.

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