PRESS RELEASE
DECEMBER 2009

EMPRESAS
SOCOVESA

HIGHLIGHTS

- The improvement in operating revenues for the fourth quarter of 2009 helped reverse losses that the Company had accumulated the previous year.
- During 2009, 45 new projects were launched with a total 4,377 units. Of these, 2,359 households were covered by DS-04 and 870 were deeded in the year.

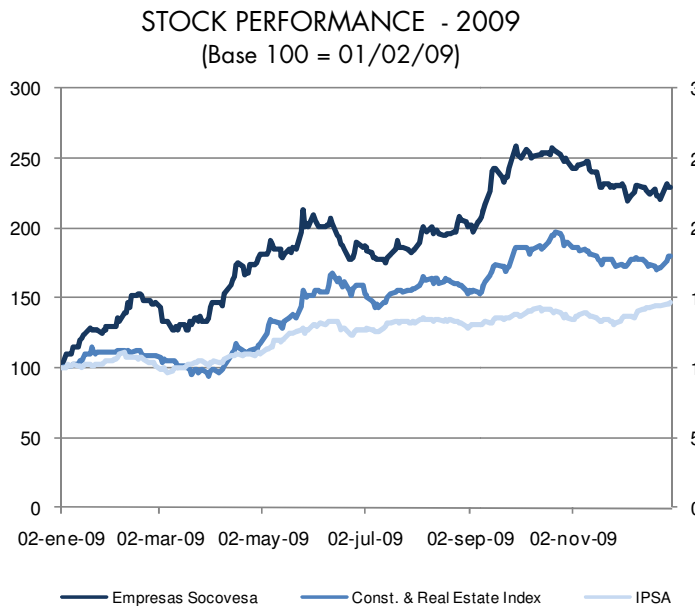
Consolidated Income Statement Detail ($ MM)	2009	4T-09	4T-09 /2009
Income	204,931	84,691	41.3%
Gross Margin	35,541	14,569	41.0%
% Revenue	17.3%	17.2%	99.2%
Operational Result	**17,180**	**9,503**	**55.3%**
% Income	8.4%	11.2%	133.8%
EBITDA[1]	18,889	10,053	53,2%
% Income	9.2%	11.9%	128,8%
Non-Operational Result	(16,464)	(729)	4.4%
Net Profit	**1,541**	**7,739**	**502.2%**

- Socovesa Santiago acquired 50% of the remaining Los Bravos real estate, thus taking control of the project and consolidated its position in home sales for the higher segment.
- A capital increase was done in Socoicsa in order to establish the subsidiaries Socoicsa Construction and Socoicsa Assembly

STOCK MARKET INDICATORS

During 2009 the share of Empresas Socovesa had and important recovery after the drop suffered during 2008, as a result of the financial crisis, becoming one of the most profitable shares in the local market.

	Dec-09	Dec-08
Nbr. of Shares (MM)	1,223.9	1,223.9
Share price at closure ($)	179,99	85,00
Carrying Value (MM$)	203,838	205,279
Stock Market Equity (MM$)	220,290	104,032
Stock Exchange / Records	1,08x	0,51x
Price / Profits	142,96x	13,27x



Source: Santiago Stock Exchange

[1] EBITDA: Trade Results + Depreciation + Profits (Losses) Investments in Related Companies

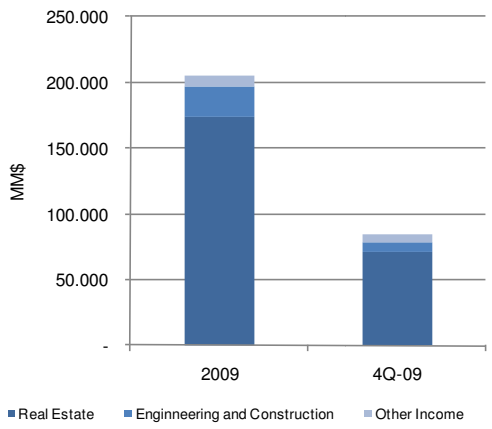
CONSOLIDATED RESULT STATUS

Millions of Ch. Pesos	Dec-09	% Sales	Dec-08	% Sales	Δ 09/08
Income	204,931	100.0%	208,481	100.0%	(1.7%)
Real Estate	173,333	84.6%	158,505	76.0%	9.4%
Engineering and Construction	23,086	11.3%	42,463	20.4%	(45.6%)
Other Income	8,512	4.2%	7,513	3.6%	13.3%
Costs	(169,390)	(82.7%)	(170,385)	(81.7%)	(0.6%)
Real Estate	(138,863)	(80.1%)	(127,189)	(80.2%)	9.2%
Engineering and Construction	(23,168)	(100.4%)	(37,714)	(88.8%)	(38.6%)
Other Income	(7,359)	(86.4%)	(5,482)	(73.0%)	34.2%
Gross Margin	35,541	17.3%	38,096	18.3%	(6.7%)
Adm. and Sales Expenses	(18,361)	(9.0%)	(18,639)	(8.9%)	(1.5%)
Operational Result	17,180	8.4%	19,457	9.3%	(11.7%)
EBITDA	**18,889**	**9.2%**	**21,213**	**10.2%**	**(11.0%)**
Non- Operational Result	(16,464)	(8.0%)	(10,309)	(4.9%)	(59.7%)
Net Profit	**1,541**	**0.8%**	**7,841**	**3.8%**	(80.3%)

OPERATIONAL REVENUE

The Company operational revenue totaled MM $204,931 as of December 2009, which corresponds to a slight decrease of 1.7% over 2008.

On the one hand, real estate sales rose by 9.4% compared to same period in 2008, especially by a rise experienced in the fourth quarter sales. These recoveries experienced casualties during the previous quarters, an effect that was mainly driven by municipal receptions issued in December and the effects of promotions that raised sales volume on housing stock.



In turn, the main reason for the fall of consolidated revenues is due to a 45.6% decrease on income from the engineering and construction area.

As the public is aware, in 2009 the private sector paralyzed or suspended retail, health and education works. For this reason, the companies focused on the works of the public sector, increasing competition in this segment, which represents an important part of Socovesa engineering and construction companies, particularly in the hospital sector. In addition, in 2008 Socoicsa executed relevant contracts that were difficult to replace, such as the stadium of Temuco. These combined facts explain the decline in revenues.

OPERATIONAL COSTS

Operating costs fell by 0.6% in relation to the previous year, reaching MM$ 169,390. This effect was largely due to the low income in the area of engineering and construction.

The gross margin fell by 6.7%, which is mainly due to the decrease in Socoicsa by two specific effects that occurred during fiscal year 2009. The first was the management restructuring carried out since the second quarter of 2009, which changed the structure of expenditure management, and work to produce an adjustment in 2009. Second, completed trials and outstanding claims with constituents, whose result negatively impacted the margins only once.

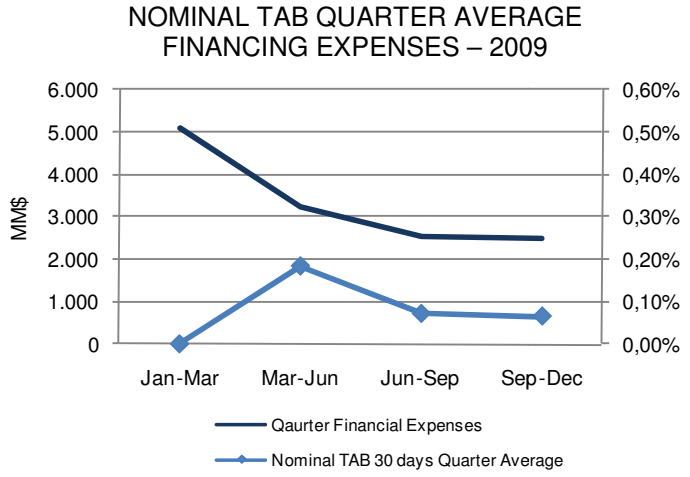
Finally, regarding company real estate margins, it is important to note that Socovesa real estate subsidiaries did not participate in large discount campaigns made during 2009. However, Socovesa made timely and targeted price actions as a way to stimulate demand in those projects that have been affected by the crisis and were for immediate delivery. These actions led to maintain relatively constant margins in the real estate business.

NON - OPERATIONAL RESULT

Monetary correction was the main cause for non-operational fall output, this account explains the MM $13,421 results decrease from 2009 to 2008. The fall was due because a greater proportion of the assets are indexed compared with liabilities, so the deflation of 2.3% in 2009 generated a negative monetary tightening in contrast to what happened in 2008, when there was 8.9% inflation.

In relation to the Financial Expenditure, it decreased by 27%, mostly for lower funding rates obtained during 2009.

The significant fall in the first half of this year experienced by the nominal TAB, main reference rate for the financing of Empresas Socovesa, allowed the reduction of interest expense by MM $ 4,909 in comparison to 2008.

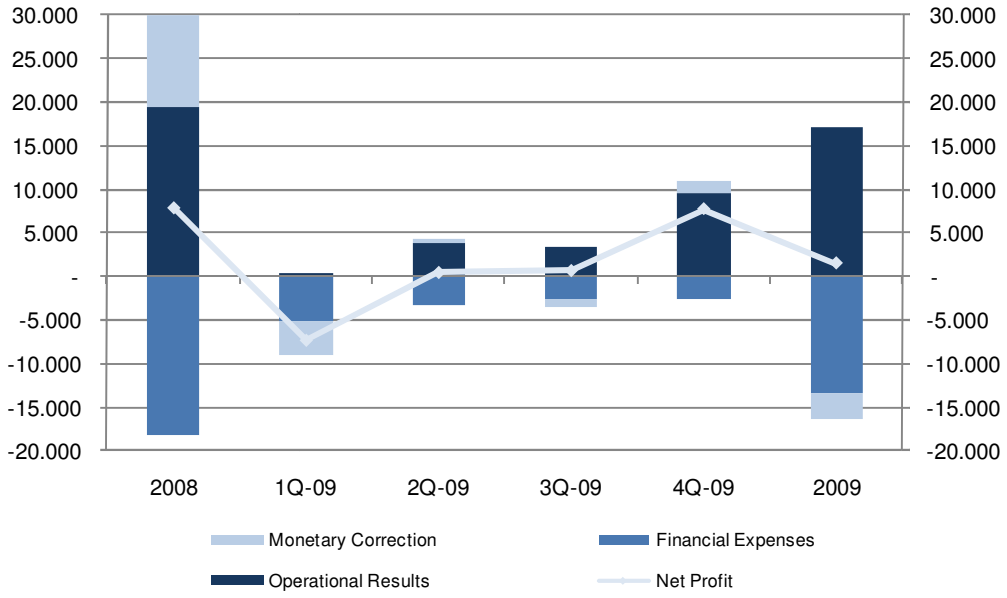


Source: ABIF

NET INCOME

The negative effect of the monetary correction and off-peak construction and engineering, negatively impacted the result of the company, reaching a gain of MM$ 1,541.

Even though operational results of the 2008 and 2009 periods are similar, the effect of the monetary correction in the Net Profit played an important role in both periods.



It is important to highlight how the loss of MM$7,313 was reverted during the year, meaning that between the second and fourth quarters a profit of MM$8,854 was generated.

CONSOLIDATED BALANCE SHEET

Millions Ch. Pesos	Dec-09	Dec-08	Δ 09/08
Current Assets	298,370	274,209	8,8%
Fixes Assets	21,121	22,625	(6.6%)
Other Assets	241,190	252,553	(4.5%)
Total	**560,681**	**549,387**	**2.1%**
Current Liabilities	289,699	262,707	10.3%
Long term Liabilities	63,480	76,033	(16.5%)
Minority Interest	3,670	5,368	(31.6%)
Capital	203,832	205,279	(0.7%)
Total	**560,681**	**549,387**	**2.1%**

Comparing Socovesa´s Balance Sheet headings at December 2009 with the same period in 2008, there were no significant changes on the total level. However, the composition had some modifications.

The increase in the Current assets is mainly due to the increase of MM$ 32,870 in the heading Debtors by Sales. This effect explains why much of the last quarter deeds for sale were in December, so they were not able to be retrieved.

Regarding the Current liabilities increase of MM$ 22,257 it is explained by the Obligations with Banks and Financial Institutions, due the need to initiate new projects with grants offered by the Government, and a fall in recovery speed of real estate projects, a delay in the delivery of resources by Solidary Fund II, mainly in real estate projects in the southern branches.

FINANCIAL STRUCTURE

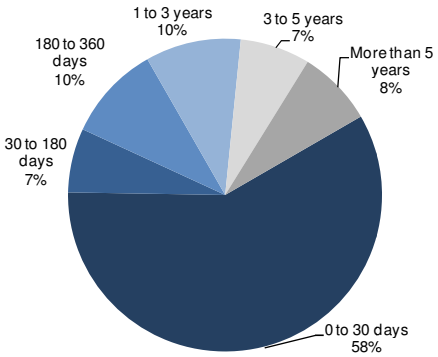
Similarly to the rest of the year, at the end of 2009, Empresas Socovesa maintained a consolidated debt balance including the Off-balance portion of MUF 14,921. Pondering the participation in the various subsidiaries, it reaches the MUF 14,321.

Financing is done almost entirely by bank credit lines, which total approximately MUF 20,000. These debts are mainly found in the short term, with 75% of the credits due within a year. In addition, the company has a line of effects of trade by MUF 1,000 of which placements have not yet been carried out.

The Off-balance sheet debt is generated by two promises of sale and two purchase options maintained with an insurance company in the grounds located in the districts of Renca and San Bernardo. These options are being activated in Intangible Account and the debt at December 31, 2009, reaches a total of MUF 1,594.

DECOMPOSITION OF THE CONSOLIDATED DEBT

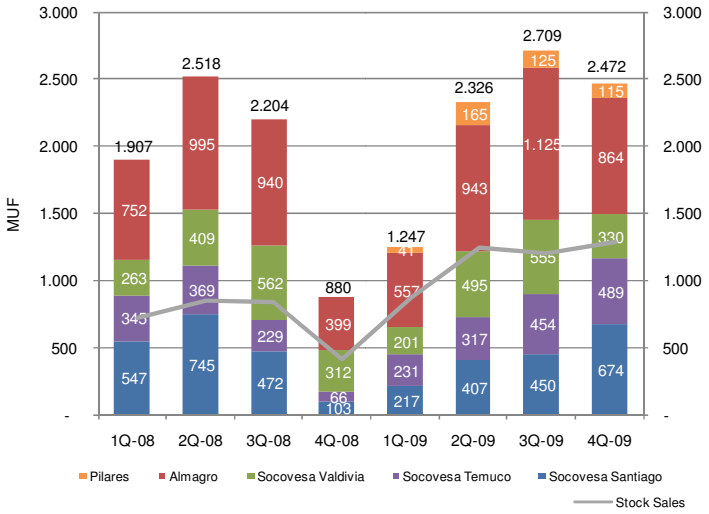
The Net Financial Leverage ratio set at 2, 0 x as covenant on the line of effects of trade, reached 1, 3 x.



REAL ESTATE BUSINESS

Closings

During 2009, real estate closings reached MUF 8,754 meaning a 16.6% increase compared to 2008. This increase was essentially due to improvements in the subsidiaries Socovesa Temuco and Almagro, as well the addition of Pilares in 2009.



The increase in levels of business closings of the period was caused mainly by the increase in sales of homes with DS-04 grants. This subsidy was part of the package of measures launched by the Government at the beginning of 2009, which attempted to improve unemployment levels. For the Santiago, Temuco and Valdivia subsidiaries and Pilares, this momentum served largely to deal with the contraction in demand from the medium and medium low segments due to the financial crisis that had been experienced since late 2008.

Note: Stock sales correspond to home sales with immediate delivery.

Socovesa Santiago was one of the subsidiaries which most suffered from the reduction in medium sector demand, since much of the houses for sale were concentrated in this socioeconomic segment. Greater drops compared to 2008, were in the districts of Maipú, Huechuraba, Las Condes and Rancagua.

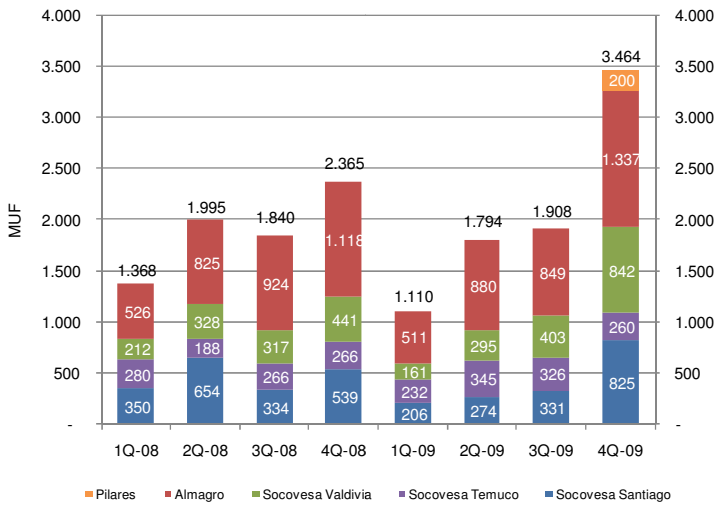
Socovesa Temuco, on the other hand, had a significant recovery after the fall of 2008, where sales declined by 26% in 2007. During 2009, business closings in the Temuco subsidiary rose by 47%, driven by new projects in the cities of Chillán, Temuco and Concepción.

Apart from the contraction in the demand for housing by the crisis and its impact on the expectations and mortgage approval policies, Socovesa Valdivia suffered the consequences of the salmon industry crisis. The ISA virus strongly influenced the demand for housing in the region, especially in the city of Castro. However, thanks to the development of new projects with DS-04 grants, Socovesa Valdivia managed to improve levels of closings compared to same period in 2008.

In 2009, the Almagro subsidiary, aimed mostly at the middle to high segment, was less hit by the effects of the crisis, achieving a consolidation in the real estate sector that allowed it to close a record sales year. This fact reinforces the importance of joining the group.

Finally, Pilares, the real estate group subsidiary aimed at developing projects with subsidies in the Metropolitan Area, began selling its first project at the end of December 2008 and already during 2009 managed to position itself as a relevant business unit through the development of targeted projects, using the impulse delivered by the Government through the various housing subsidy projects.

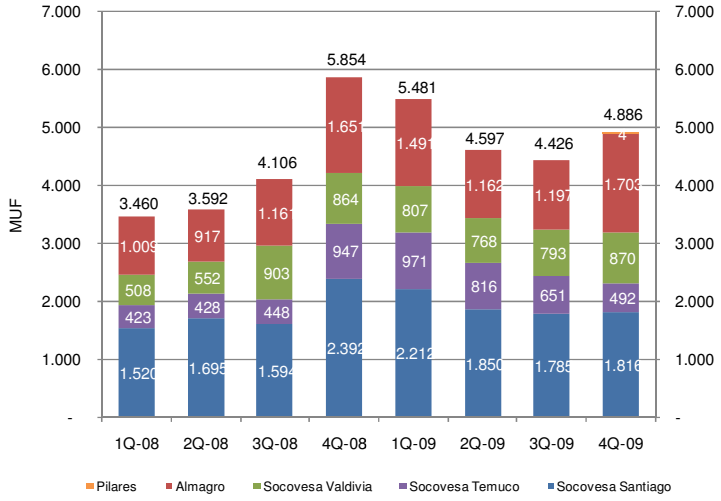
INVOICING



Invoicing from the real estate business from Empresas Socovesa reached MUF 8,276, a figure which compared with the invoicing to December 2008, involves an increase of 9.4%.

As in the case of business closings, Socovesa Santiago was the most affected by the crisis, with a drop of 13% in the level of title deeds. However, considering that Pilares went on to take a share of the market that Santiago catered to, the drop in invoicing is only 2%, which explains the fact that social housing market supported an important part of consolidated income in 2009.

STOCK



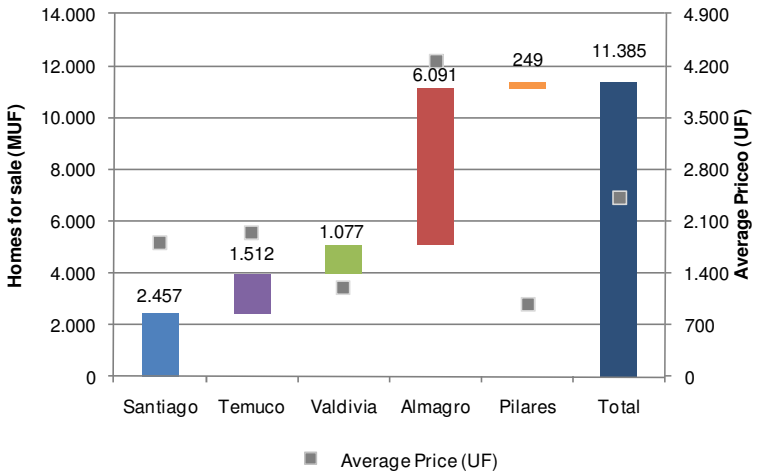
In 2009, the company reduced stock levels by 16.5% over the previous year. Until the third quarter it decreased by 25% for an average of MUF160 per month. However, the last months of the year concentrated most of the municipal receptions, which explained the increase in the stock appreciated in the fourth quarter.

Given the expected rate of sales and delivery of new projects under construction, it is expected that homes with reception will continue to decline in 2010.

HOMES FOR SALE

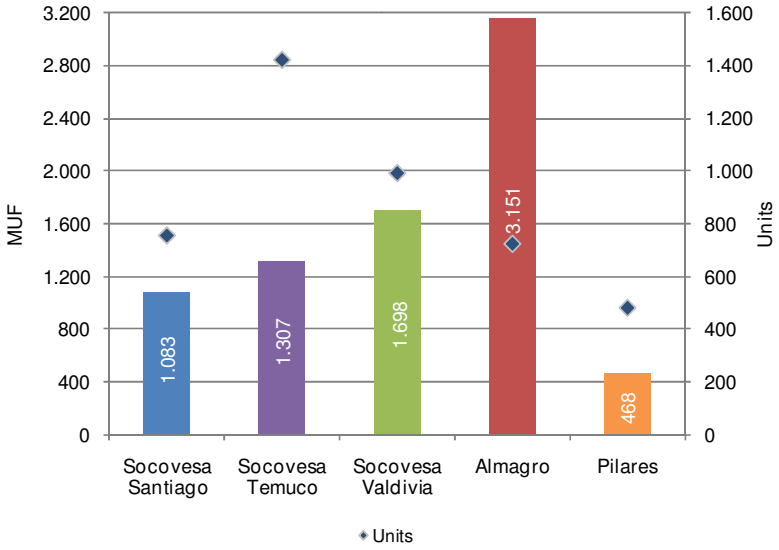
At the close of the year, there is a total of MUF 11,385 for sale, including "vanilla shell" projects. These add up to 4,714 units with an average price of UF 2,415.

Almagro has a greater participation of the total for sale, in comparison to effective sales in a year. This is because the construction, and therefore sales of apartments, require more time than houses.



Note: Includes "vanilla shell" projects for sale.

LAUNCHINGS 2009



In 2009, 45 new projects or new stages of those projects already on sale were released, with a total of MUF 7,708 and 4,377 units. Of these, 2,359 units had DS-04 subsidy with 57% of those marketed by Socovesa Valdivia. At the end of the year, 870 homes with DS-04 subsidy had been invoiced.

Projects initiated in 2009, for MUF 4,414 are expected to be received by municipalities during 2010.

ENGINEERING AND CONSTRUCTION BUSINESS

Socoicsa underwent major changes in 2009. Thinking about its development and future growth, a strategic medium and long term planning was heavily worked out, which resulted in the decision to concentrate this subsidiary operation in market niches and leave now, construction of real estate character for third-party business. Alongside this, it expanded its scope, starting active participation in the study and implementation of Industrial Assembly for energy, mining and industrial sectors, maritime and port works and EPC projects or projects that include stages of design, engineering and construction works.

DELIVERED WORKS

With regards to the operation during this period, it is worth highlighting that Socoicsa executed and delivered eight projects, equivalent to the construction of 125,000 sq. mt., for a total amount of MUF 1,500.

Work	Principal	Finishing date
Angel Cruchaga Building	Américo Vespucio Inm. S.A.	Mar-09
Concepto y Estilo Building	Imagina	Mar-09
Los Domínicos Mall	Inm. Paseo Los Domínicos	Mar-09
Rancagua Collector Interceptor	MOP – DOH	Apr-09
Mirador La Esperanza	Serviu – FNDR	Apr-09
Jardines Patagónicos, Stage 1	Socovesa Valdivia	Sep-09
Río Las Minas Riverside	MOP – DOH	Sep-09
D'Agostini Creek	MOP – DOH	Jan-10

WORKS IN EXECUTION

Socoicsa also won eight assembly and construction projects in 2009, which allowed it to build a backlog of MUF 1,500 by the year 2010. These contracts add a total of 61,000 sq. mt.

Work	Principal	Finishing date
Santa Cruz Hospital	Servicio de Salud O`Higgins	Mar-10
Lota and Coronel Hospitals	Servicio de Salud Concepción	Mar-10
Improvement, Centro Histórico Natales	Gobierno Regional XII	Apr-10
Costanera Estrecho	Serviu XII	Aug-10
Participative Pavements	Serviu XII	Sep-10
Cesfam San Felipe	Servicio de Salud Aconcagua	Sep-10
Copiapó Stadium	Instituto Nacional del Deporte	Sep-10
Cañete Hospital	Servicio de Salud Arauco	Oct-10
Enjoy Casino, Castro	Inm. Proyecto Integral Castro S.A.	Dec-10
Central Termoeléctrica Lautaro*	Comasa S.A.	Mar-11

*: Two stages Contract, engineering and construction by Delegate Administration.

RELEVANT FACTS AND PROJECTIONS

REAL ESTATE BUSINESS

- In November 2009, Socovesa Santiago acquired the remaining 50% of the Los Bravos project shares. This purchase allowed the regional office to retake a commercial control position in the higher segment in the district of Lo Barnechea, through a project that has proved successful and has 120 new housings budgeted for construction within a period of two years.

- During the year, purchases of land in Chile were of a total of MUF554, these were mostly for Almagro operations.

- We hope sales levels to increase by 2010, hand in hand with the country's growth. Therefore, 3,946 units are expected to be sold during 2010, reaching a total of MUF8,381

- It is expected that real estate revenues reach the UF 9.5 million in 2010.

ENGINEERING AND CONSTRUCTION BUSINESS

- A capital increase was formalized for Socoicsa on January 20, 2010, with the purpose of constituting the subsidiaries Socoicsa Construction and Socoicsa Assembly.
- As of this writing, works in the areas of construction and assembly with contracts for UF 3,2 million are being explored. Currently, the focus is on proposals in the area of health, retail, education, hotels and casinos, electrical generation and transmission, and maritime. In turn, there are works in the adjudication process for a total of MUF 550.
- By 2010 Socoicsa is expected to generate an income by UF 2,5 million.

EARTHQUAKE EFFECTS

- The earthquake that hit Chile on February 27 had no major effects on the operation of the company; only two projects carried out in the South had to suspend construction due to lack of supplies. It is important to add that each work in progress is insured, and notifications to the Insurance Companies were already made. Furthermore, Socovesa´s goods did not suffer important damages.
- In addition, the company has publicly committed itself to support their employees and clients potentially affected by the earthquake through the human resources and post-sale departments, respectively. Some specific situations have been detected to date and are in the process of being solved, and in the opinion of this management, it should not produce a relevant impact on Company results.

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