

EMPRESAS 
SOCOVESA

PRESS RELEASE 2Q 11

Santiago, August 30th 2011

1. 2Q 11 RESULTS

HIGHLIGHTS

- The main drivers of the real estate business are still showing a positive evolution:
 - > Important improvement of the real estate business margins
 - > 8% of increase in the pre sales figures YoY
 - > During the 1st semester, Empresas Socovesa launched projects with a potential sale of Th USD 339.000
 - > YoY, we decreased 22% our finished houses inventory – Up to June, 30th the Company had Th USD 129.000 in stock (FECU)
- Socovesa Desarrollos Comerciales, our commercial real estate business subsidiary, is negotiating the rent and sale of the Ombu project, our first office building, showing the good quality of the project and the dynamism of the market.
- Bank land
 - > During the 1st semester of 2011, we bought 15 sites for Th USD 50.500 and sold 4 sites for Th USD 17.600
- Our E&C area showed an under performance during this period. The Company is improving the exposition of Socoicsa to the industrial assembly segment which has better margins.

EVEN THOUGH THERE IS STILL A LONG WAY TO GO, COMPARING THE 2Q WITH THE FIRST ONE, THE COMPANY SHOWED AN IMPROVEMENT IN ITS MAIN DRIVERS

Consolidated Statement of Comprehensive Income (Th Ch \$)	2Q 11	2Q 10	Δ 11/10
Revenues	116,736,375	101,726,944	14.8%
Real Estate Business	85,300,119	90,917,163	
E&C Business	31,436,256	10,809,781	
Cost of sales	(97,076,506)	(81,007,587)	19.8%
Gross Margin	19,659,869	20,719,357	-5.1%
<i>Gross Margin (%)</i>	<i>16.8%</i>	<i>20.4%</i>	
Administrative expenses	(13,935,176)	(13,117,850)	6.2%
EBITDA	6,746,302	8,870,328	-23.9%
<i>EBIDTA Margin (%)</i>	<i>5.8%</i>	<i>8.7%</i>	
Income (loss) attributable to owners of the Company	(67,967)	3,065,841	-102.2%
<i>Net Margin (%)</i>	<i>-0.1%</i>	<i>3.0%</i>	

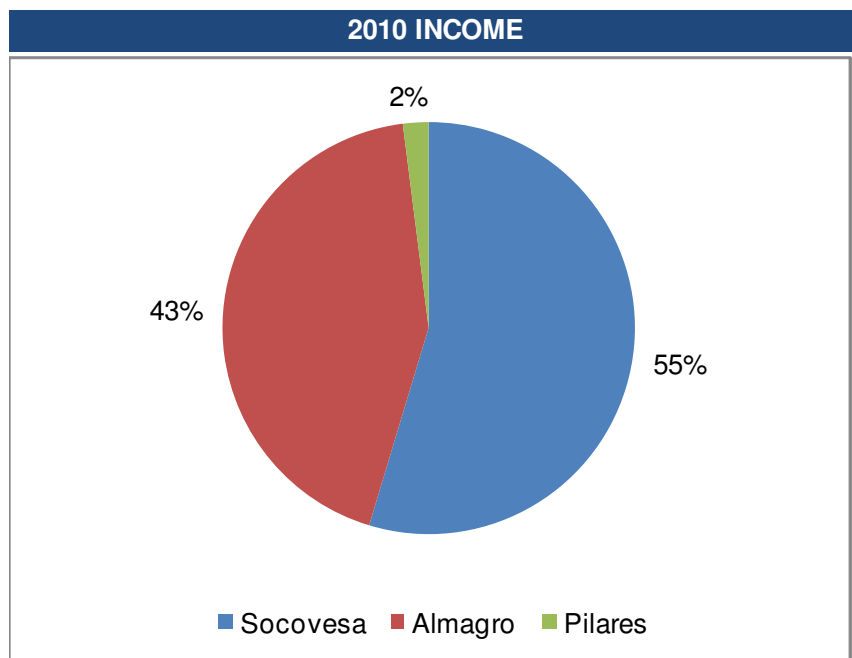
Up to June 2010, Socoicsa represented an 11% of the company income; now it represents a 27%. As this business area has a negative margin, there is an impact in the figures of Empresas Socovesa.

2. REAL ESTATE BUSINESS

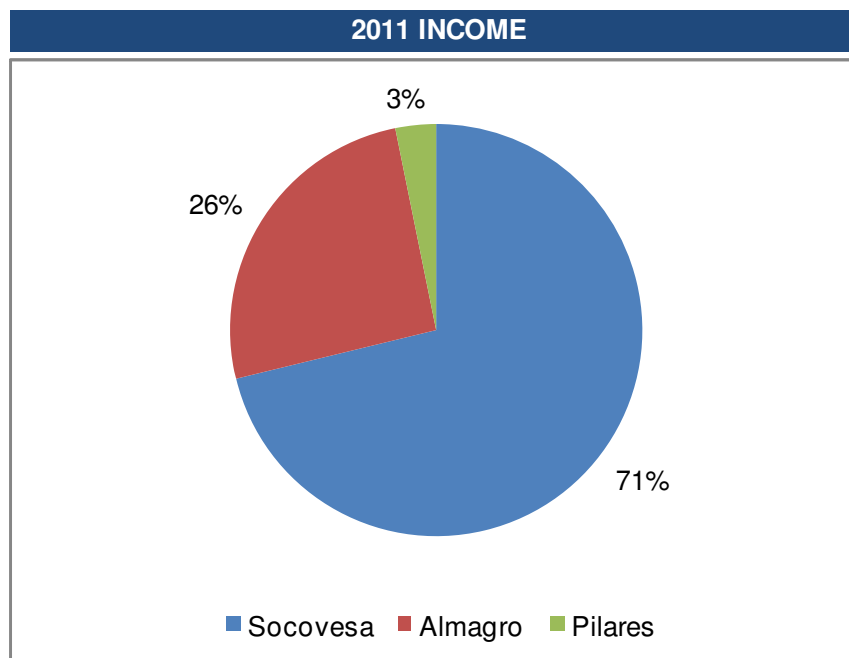
THE REAL ESTATE BUSINESS MARGIN IMPROVED, SHOWING THE HIGHER INCOME RECONGNITION OF ALAMGRO AND THE BETTER MARGINS OF SOCOVESA SANTIAGO

Real Estate Business (Th Ch \$)	jun-11	jun-10	Δ 11/10
Revenues	85,300,119	90,917,163	-6.2%
Cost of sales	(65,370,993)	(70,386,174)	-7.1%
Gross Margin	19,929,126	20,530,989	-2.9%
<i>Gross Margin (%)</i>	<i>23.4%</i>	<i>22.6%</i>	
Administrative expenses	(12,092,609)	(11,559,623)	4.6%
EBITDA	8,772,065	10,178,062	-13.8%
<i>EBIDTA Margin (%)</i>	<i>10.3%</i>	<i>11.2%</i>	

COMPARING YEAR 2011 TO 2010, SOCOVESA, ALMAGRO AND PILARES IMPROVED THEIR GROSS MARGIN

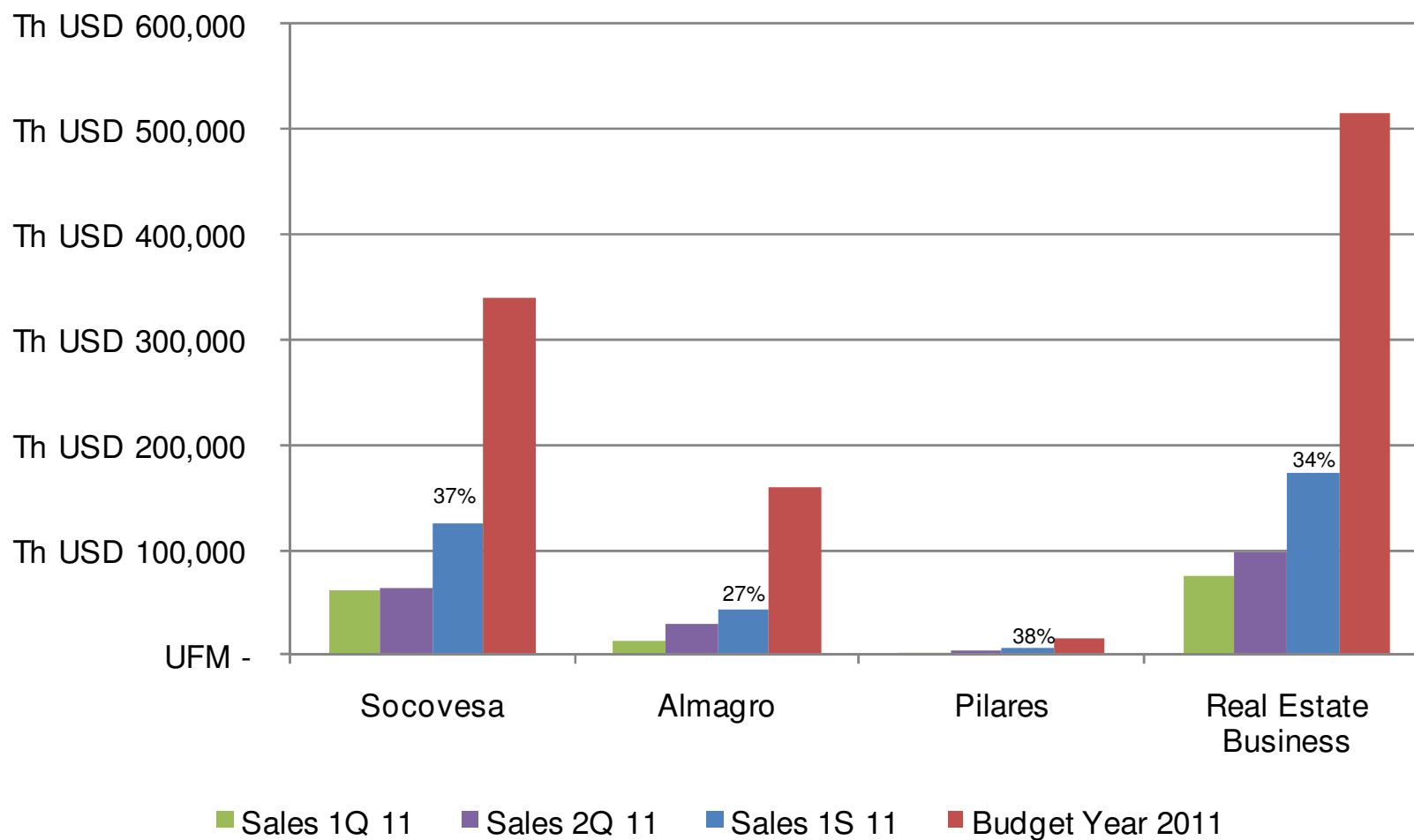


	Socovesa	Almagro	Pilares	R. Estate Business
Gross Margin	18.8%	27.8%	13.9%	22.6%



	Socovesa	Almagro	Pilares	R. Estate Business
Gross Margin	21.3%	30.1%	17.8%	23.4%

UP TO JUNE 2011, OUR SALES ARE STILL LOW COMPARED TO SOCOVESA'S ANNUAL BUDGET



NEVERTHELESS, THE REAL ESTATE BUSINESS HAS UNITS SOLD NOT YET INVOICED FOR Th USD 223.000 WHICH REPRESENTS THE 78% OF THE ANNUAL BUDGET

	Real Sales up to June 2011	Units Sold not yet Invoiced 2011	Certain Sales 2011	Budget 2011	% of Advance
Socovesa	Th USD 127,031	Th USD 118,947	Th USD 245,977	Th USD 335,958	73.2%
Almagro	Th USD 43,219	Th USD 102,868	Th USD 146,087	Th USD 162,485	89.9%
Pilares	Th USD 6,161	Th USD 1,272	Th USD 7,433	Th USD 15,898	46.8%
TOTAL	Th USD 176,410	Th USD 223,087	Th USD 399,497	Th USD 514,341	77.7%

ALONG THE 2nd SEMESTER OUR SALES SHOULD INCREASE SUPPORTED BY THE MUNICIPAL RECEPTIONS OF SEVERAL PROJECTS AND BY SECURING THE SUBSIDIES

	FIRST CALL AMMOUNT OF SUBSIDIES		PRE-SALES STOCK FOR SUBSIDIES DS 1
	TÍTULO 1	TÍTULO 2	
EMPRESAS SOCOVESA	USD 96,537,150	USD 40,810,629	USD 15,430,233

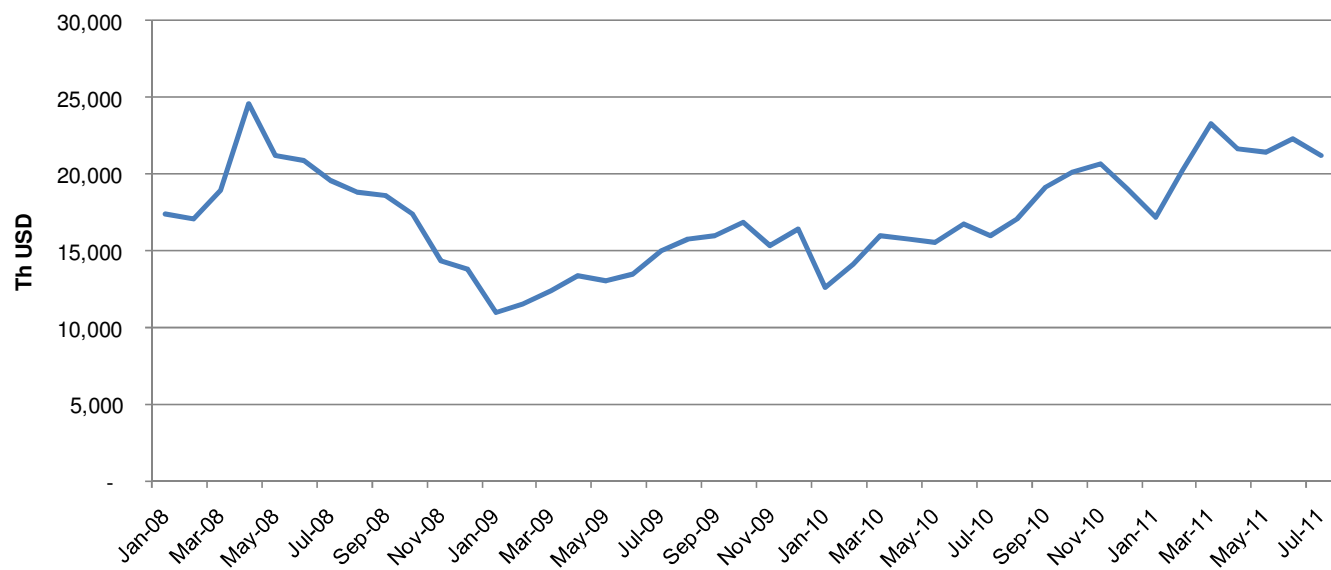
- Around 80% of the houses reservations should lead to pre-sales which should be recognized as sales in full this year.
- For the year 2012, the Government has stated that it will try to get up to a 60% increase in the subsidies budget (YoY).

OUR INVESTMENT IN CONSTRUCTION IN PROCESS REFLECTS A DYNAMIC COMMERCIAL ACTIVITY

New Projects Launch

	Real Data up to June	2nd Semester Budget	Total Year 2011	Original Budget Year 2011
N° Projects	28	36	64	55
Units	2,419	3,556	5,975	4,560
Potencial Sales (Th USD)	339,319	411,056	750,375	576,939

Investment in Construction in Process





OUR BUSINESS DRIVERS ARE SHOWING GOOD PERFORMANCE

	2007	2008	2009	2010	2011
Pre-Sales YTD (June) Δ 11/10	Th USD 217,197	Th USD 206,910	Th USD 167,091	Th USD 224,092	Th USD 242,981 8.4%
Finished Houses Inventory -- Stock (June) Δ 11/10	Th USD 104,929	Th USD 167,939	Th USD 214,931	Th USD 175,187	Th USD 115,627 -34.0%
Supply (June) Δ 11/10	Th USD 526,597	Th USD 716,044	Th USD 515,366	Th USD 516,999	Th USD 642,345 24.2%
Months to deplete stock	15 Months	21 Months	19 Months	14 Months	16 Months

SOCOVESA DESARROLLOS COMERCIALES (SDC)

- The Ombu building, the first project of this new subsidiary, should be finished by November 2011. By the end of this year, we expect this project to be 100% leased so we can sell it to a investment fund.
- Socovesa Desarrollos Comerciales is buying a second lot of land in association with Camargo Inmobiliaria (SDC would have 70% of this society). The project considers around 11.000 m² of free surface for offices (almost 3 times the Ombu project).
- In the coming days, we will buy another site for another office building project which considers about 22.000 m² of free spaces (SDC would have 90% of this society).

LAND BANK

- The selling of land is part of our strategy which is focus on maximizing the value of our land bank in Chile. During this 1st semester, we sold sites for Th USD 17.628, registering a profit before tax of Th USD 4.380

SUBSIDIARY	SITE	USE OF THE SITE
S. Santiago	Lote en S. Bernardo	Educational
	Lote en Renca	Industrial Sites
	Lote en Lampa	Educational
S. Sur	Lote en Valdivia	Real Estate Business

3. ENGINEERING AND CONSTRUCTION BUSINESS

IN THE E&C BUSINESS, OUR GOAL IS TO MANTAIN THE TURNOVER OF THE CIVIL PROJECTS AREA AND GROW IN THE INDUSTRIAL ASSEMBLY BUSINESS



Civil Projects

- This area has not rented accordingly to what we planned:
 - » Due to last year earthquake we had some delays and stagnations which had a negative impact in the general expenditures affecting the margins of the projects
 - » Smaller margins are promoted by low barriers of entry in this area
- We expect a relative improvement in our margins:
 - » Giving priority to projects of bigger turnover
 - » Less established capacity in our competitors



Industrial Assembly

- Up to June 2011, we have contracts in execution in the following areas:
 - » Cellulose; Contracts with Arauco, CMPC for Th USD 7.000
 - » Energy; Contracts with Comasa for Th USD 18.700
 - » Mining; Contracts with SQM for Th USD 18.700
- For the next semester, we presented offers and we are studying projects in the following areas:
 - » Energy for Th USD 23.300
 - » Mining for Th USD 11.600
 - » Industrial for Th USD 28.000
 - » Cellulose for Th USD 4.600

SOCOICSA 'S FINANCIAL RESULTS

Engineering & Construction (Th Ch \$)	jun-11	jun-10	Δ 11/10
Revenues	31,436,256	10,809,781	190.8%
Cost of sales	(31,705,513)	(10,621,413)	198.5%
Gross Margin	(269,257)	188,368	-242.9%
<i>Gross Margin (%)</i>	-0.9%	1.7%	
Administrative expenses	(1,842,567)	(1,558,227)	18.2%
EBITDA	(2,025,764)	(1,307,734)	54.9%
<i>EBIDTA Margin (%)</i>	-6.4%	-12.1%	

UP TO JULY 2011, WE HAD 16 PROJECTS UNDER CONSTRUCTION

PROJECT	MANDATOR
CIVIL PROJECTS	
Hospital Cañete	S. Salud Arauco
Estadio de Copiapo	Instituto Nacional del Deporte
Edificio Ombu	Inmobiliaria y Constructora OMBU S.A.
Centro Distribución LIDER	Saitec
Holiday Inn Aeropuerto	Talbots Hotel
Santiago College	Fund. Educacional Santiago College
Mall Concepción	Mall del Concepción S.A.
Hogar Villa Israel	Fundación Israel
Escuelas para Chile	Fundación Teletón
INDUSTRIAL ASSEMBLY	
Central Lautaro	Comasa S.A.
Planta Dual SQM	SQM Salar S.A
Reemplazo Descortezador Planta Arauco	Celulosa Arauco
Planta Carnalita	SQM Salar S.A
OOCC Caldera CMPC Laja	CMPC
Nueva Aldea Clorato Celulosa Arauco	Celulosa Arauco
Galpón La Serena	Inersa S.A.
Total	16 Projects

4. OUTLOOK 2011 - 2012

TODAY, WE ARE SEEING A MACROECONOMIC SCENARIO WITH MORE UNCERTANTIES THAN A COUPLE OF MONTHS AGO, BUT IS STILL A GOOD SCENARIO FOR THE REAL ESTATE AND CONSTRUCTION BUSINESS

	Promedio		
	2010	2011	2012
Precio Cobre	342	419	400
Precio Petroleo	79	93	85
PIB Mundial (%)	5.0	3.9	4.0
PIB EE.UU. (%)	2.9	1.7	2.0
PIB Chile (%)	5.2	6.7	5.0
TPM EE.UU. (%)	0.3	0.2	0.1
TPM Zona Euro (%)	1.0	1.3	1.5
TPM Chile (%)	1.5	4.8	5.3
Inflación Chile (%)	1.4	3.1	2.8
T. bond 10 Y (%)	3.2	2.9	2.9
BCU 10 Y (%)	3.0	2.9	3.1
BCP 10Y (%)	6.3	6.1	6.1

PERSPECTIVES FOR THIS 2ND SEMESTER AND YEAR 2012

- The high-end segments will continue to push the sales, at least for the next 6 months:
 - Better margins.
 - Consolidation of Empresas Socovesa as a relevant player in every segment of the industry.
- The perspectives for the subsidy segment has improved and this should create a positive impact in Socovesa's and Pilares' sales
- Growth and consolidation of our operations in the north of Chile. This year, Antofagasta will have pre-sales for around Th USD 70.100
- Socovesa Desarrollos Comerciales is growing and becoming known as a good office builder in Santiago. The business skills of Empresas Socovesa allows us to build and sell the projects, using a profitable model as it is the leasing of the building followed by it's selling to an investment fund.



Real Estate
Business

PERSPECTIVES FOR THIS 2ND SEMESTER AND YEAR 2012



E&C
Business

- The high prices of *commodities* are boosting the number of projects in the mining and cellulose area
- This, and the current deficit that Chile has in energy, will generate a high necessity of this resource, promoting important investments in this area.
- During this second semester, the Ministry of Public Works will make investments in hospitals, jails and public infrastructure as the “Metro” subway system.

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Santiago, 30 de Agosto de 2011