

EMPRESAS 
SOCOVESA

INVESTOR PRESENTATION

Santiago, March 2010

1. EMPRESAS SOCOVESA

HISTORY

- 1965** Real Estate & Construction Company founded by Eduardo Gras Díaz
First housing development – 16 houses in Temuco
- 1967** New partners join the business → Socovesa is born
- 1979** First project outside Temuco in the city of Valdivia
- 1983** The Company starts activities in Santiago
New projects for higher segment customers
- 1996** Internationalisation of the Company
Socovesa purchased participation in a project in Buenos Aires
- 2003** Enters the Engineering and Construction business to third parties → Socoicsa
- 2007** Takeover of Almagro S.A. (Apartments construction company)
Socovesa is listed on the Chilean Stock Market
- 2008** Inmobiliaria Pilares is born
- 2009** Socoicsa Capital Raise



SOCOVESA: LARGEST CONSTRUCTION COMPANY IN CHILE

LARGEST REAL ESTATE GROUP IN THE COUNTRY

- 43 years of continuous growth and company development.
- Over 55.000 houses built.
- Successful business model and financial strength: Positive results even in poor economic cycles.
- Over 6.000 workers.
- 92 developments in 16 cities – Economies of scale, greater efficiency and flexibility.
- Housing sales US\$ 363 million and total sales US\$ 409 million (2009), with a 12.8% compound growth in the last 5 years.

EXPERIENCED MANAGEMENT WITH GREAT BUSINESS KNOWLEDGE

- 23 years of experience in the industry – Clear vision and execution of the business model.
- Ability to handle multiple projects simultaneously.

SIZE, PRESTIGE AND BRAND RECOGNITION AS COMPETITIVE ADVANTAGES

- Good brand positioning: trustworthy, quality and exceptional post-sale services.

GREAT GROWTH POTENTIAL.

- Land stock is unique, base of future growth of the real estate business.
- Growth potential through new products, segments, and markets.

ORGANIZATIONAL STRUCTURE

EMPRESAS 
SOCOVESA

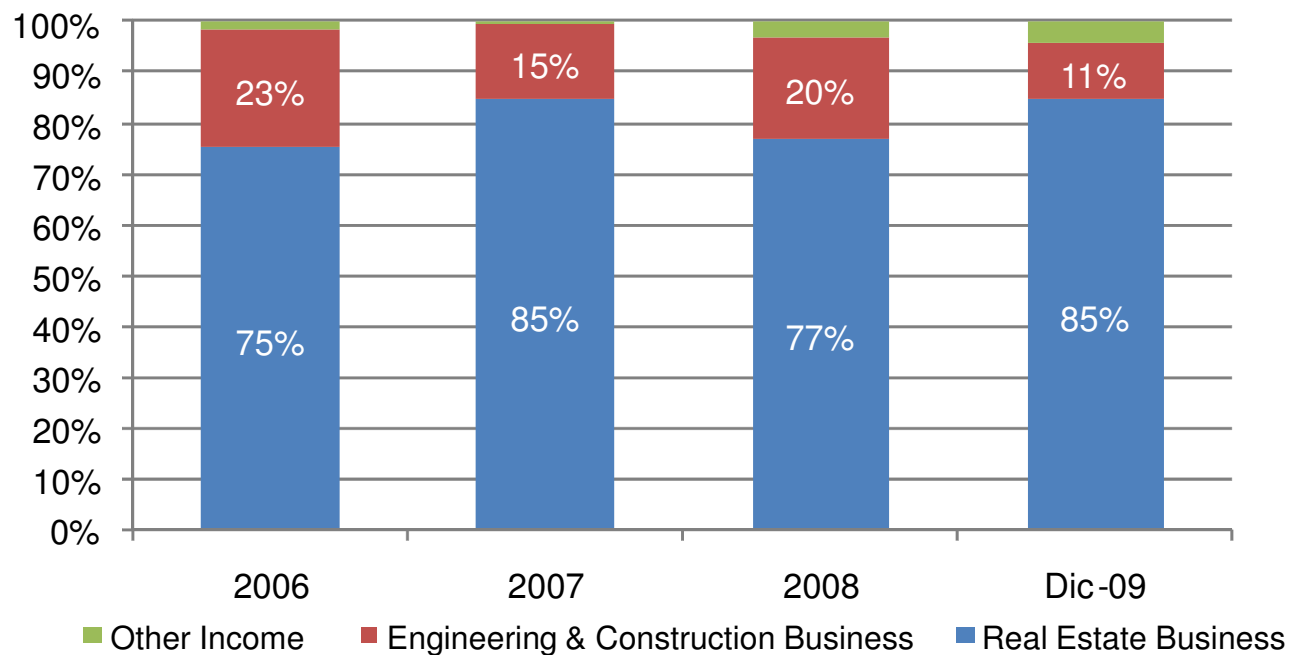


- Socovesa Santiago
- Socovesa Temuco
- Socovesa Valdivia

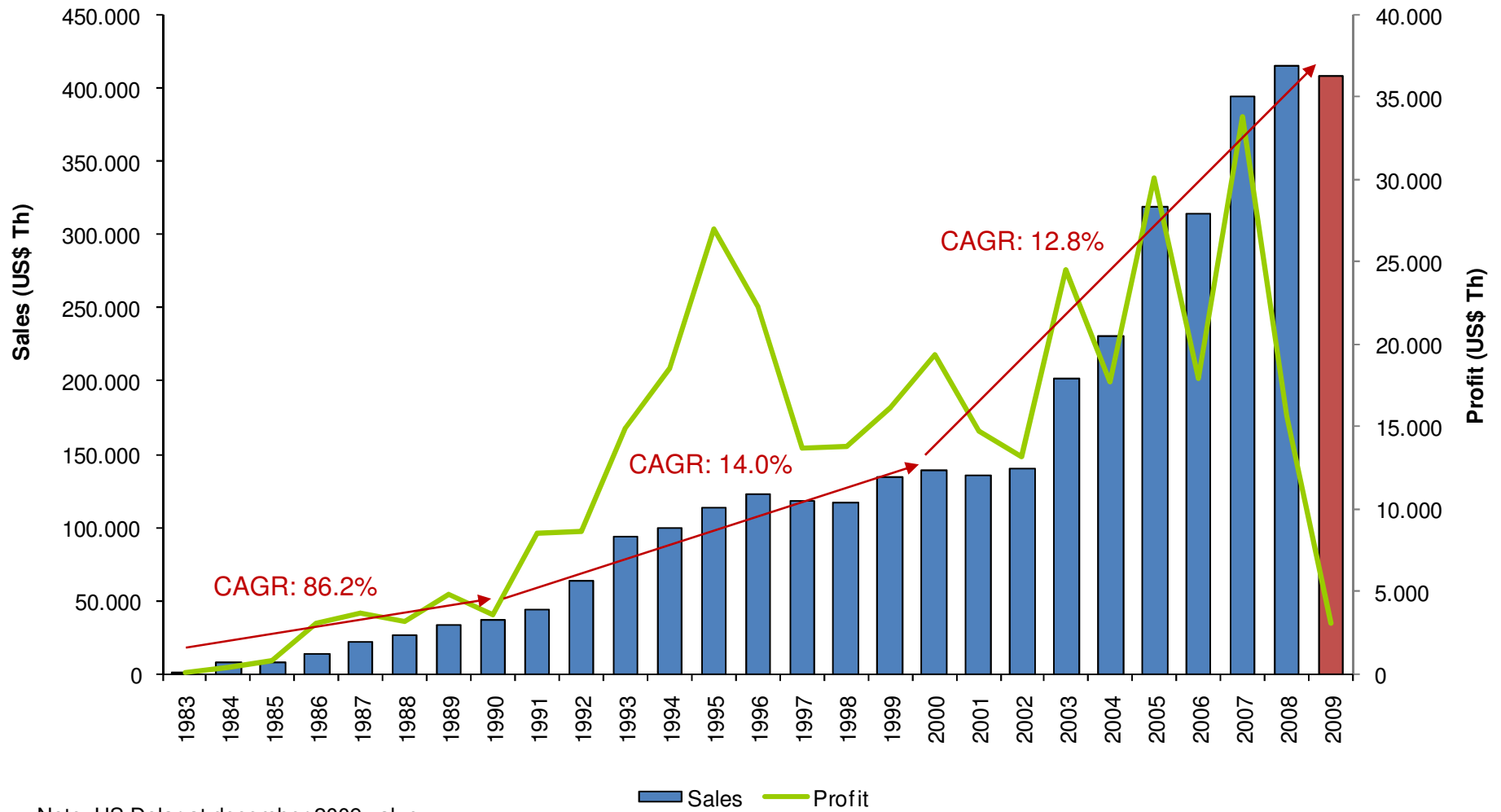
Real Estate & Housing Business

Engineering &
Construction
Business

SALES DISTRIBUTION PER BUSINESS AREA



SALES & PROFIT EVOLUTION

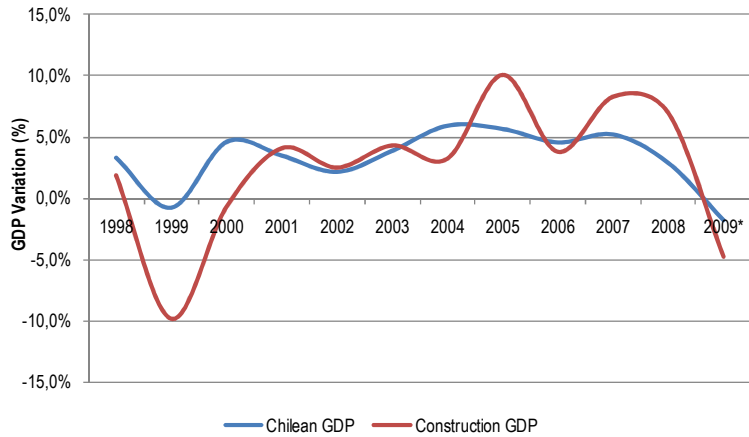


Note: US Dolar at december 2009 value

2. HOUSING AND CONSTRUCTION INDUSTRY

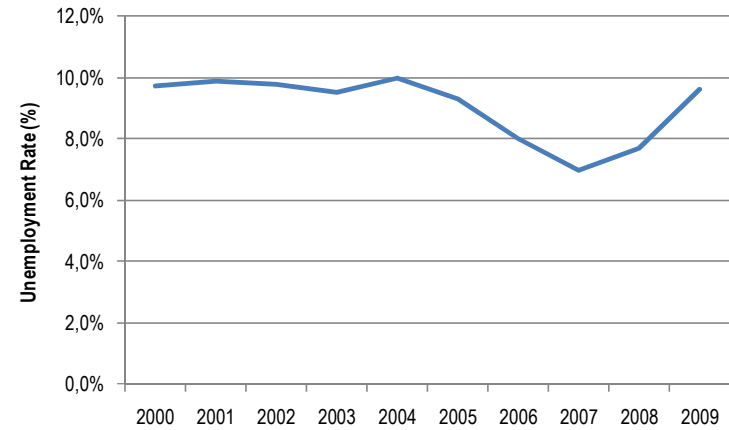
MIXED ECONOMIC CONDITIONS

Correlation GDP / Construction GDP



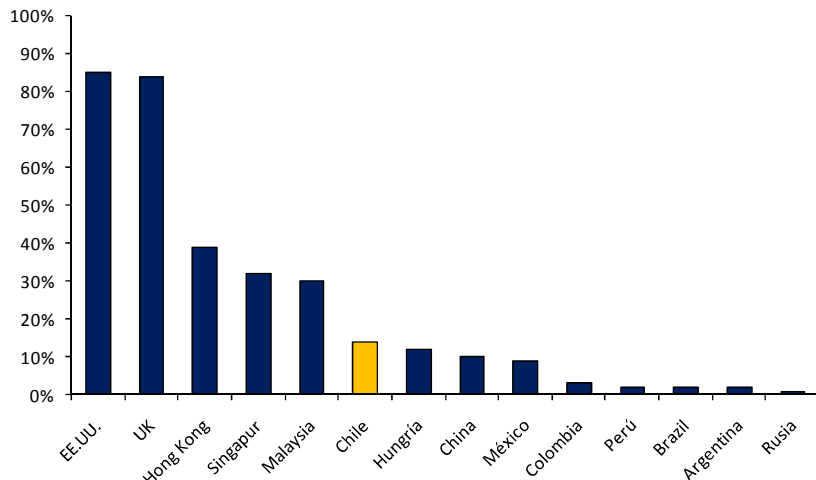
Source: Chilean Central Bank

Unemployment Rate



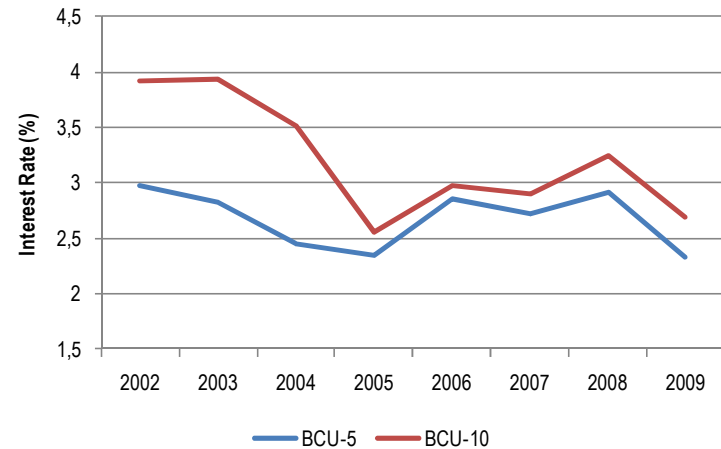
Source: Chilean Central Bank

Mortgage Loans as % of GDP



Source: International Finance Corporation

Interest Rate Evolution (BCU-5 y BCU-10)

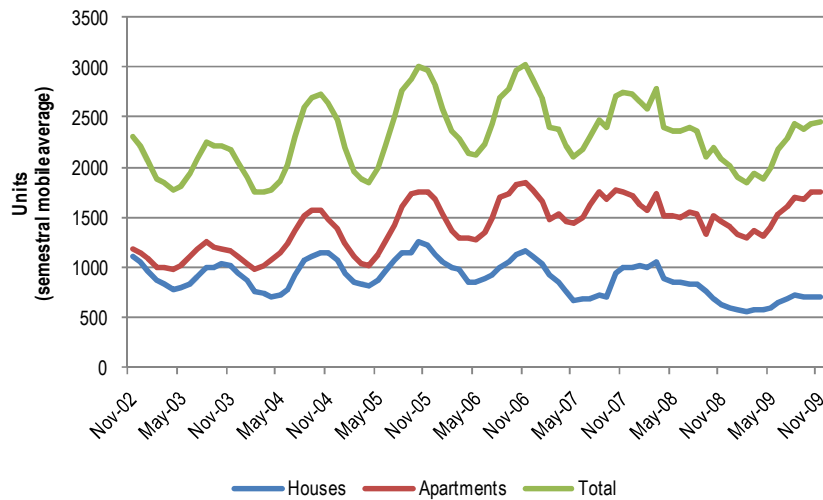


Source: Chilean Central Bank

MARKET TRENDS

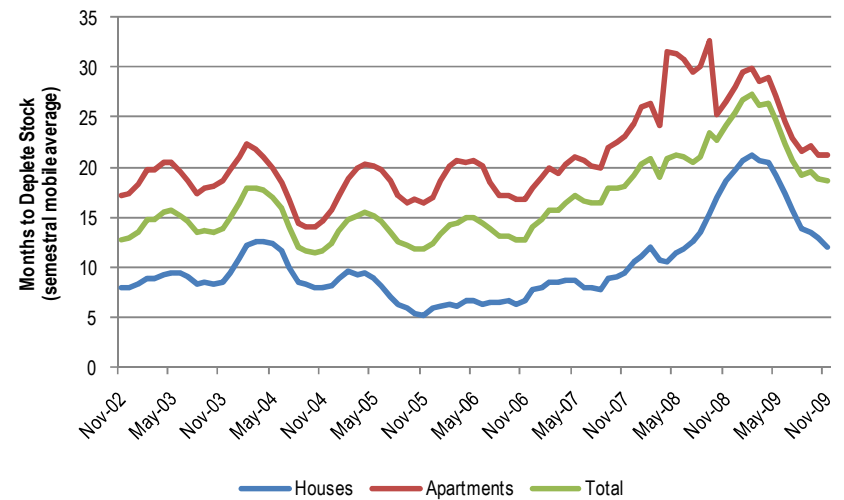
- 🚩 Sales have decreased due to the current economic cycle, specially during the last quarter of 2008. Nevertheless, the mobile average of the last semester remains on the positive side.
- 🚩 The sales decrease has had less effect on the apartment segment.

Housing Sales in Gran Santiago (Units)



Source: Chilean Construction Chamber

Months to deplete Stock (Semi anual mobile average)



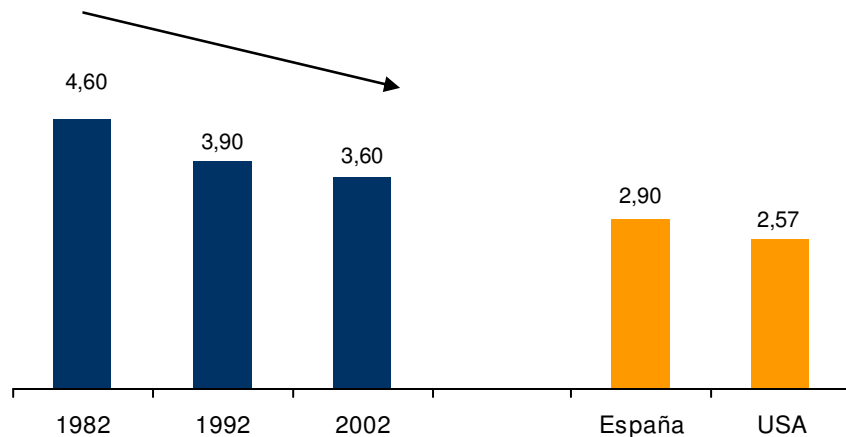
Source: Chilean Construction Chamber

MARKET TRENDS

- Professionalization and specialization of the supply
- Demand for goods with higher added value
- Positive correlation between the income level and the housing density
- Strong demographic base

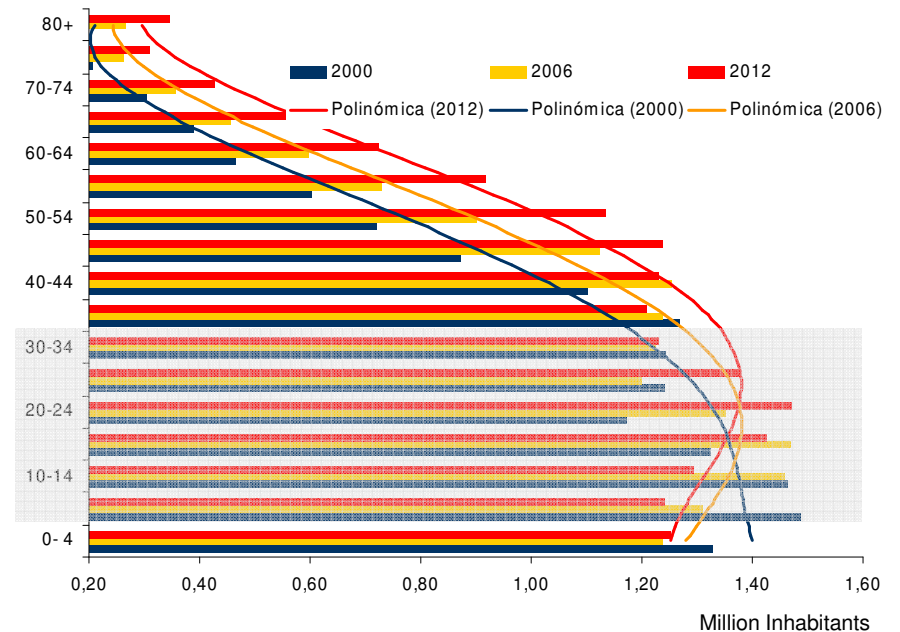
- According to INE (Chilean Statistics Institute) data, the housing demand should become stronger due to the demographic tendency of Chilean population.
- Towards 2012, there will be an important growth in the population base of 1st house home buyers.

Average size of Chilean home



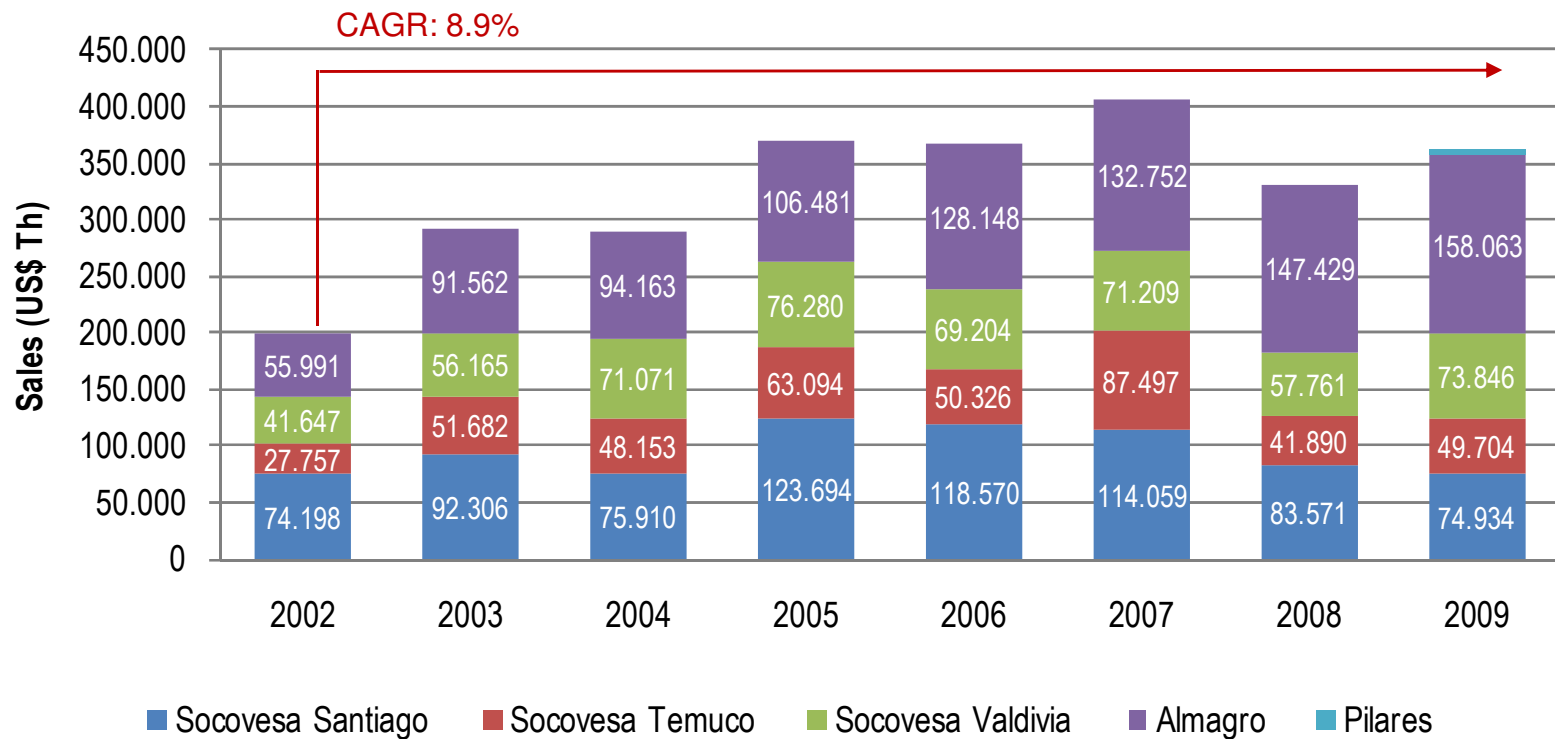
Sources: INE Chile, INE (Spain), US Bureau of Concensus (2005)

Population Distribution 2000-2006-2012



3. REAL ESTATE BUSINESS

PRO FORMA REAL ESTATE SALES EVOLUTION



Notes: US Dolar at december 2009 value
Includes income from sales of new and used homes, land and others.

PROJECTS UNDER DEVELOPMENT DECEMBER 2009 - SOCOVESA



BUSINESS UNIT	NUMBER OF PROJECTS	UNITS ON SALE	AVERAGE PRICE (Th)	US\$ ON SALE (Th)
Santiago	16	1.320	US\$ 84	US\$ 111.172
Temuco	18	890	US\$ 79	US\$ 70.205
Valdivia	17	801	US\$ 51	US\$ 40.626
TOTAL	51	3.011	US\$ 74	US\$ 139.292



Altos del Sol

ThUS\$ 31



Larapinta

ThUS\$ 41 to
ThUS\$94



Ciudad Satélite

ThUS\$ 90 to
ThUS\$ 139



Alcalá

ThUS\$ 190 to
ThUS\$ 315



Los Bravos

ThUS\$ 830 to
ThUS\$ 873



PROJECTS UNDER DEVELOPMENT DECEMBER 2009 - ALMAGRO



BUSINESS UNIT	NUMBER OF PROJECTS	UNITS ON SALE	AVERAGE PRICE (Th)	US\$ ON SALE (Th)
Almagro	37	1.465	US\$ 175	US\$ 255.795



Blanco Encalada
 ThUS\$ 52 to
 ThUS\$ 124



Campanario
 ThUS\$ 118 to
 ThUS\$ 176



El Comendador
 ThUS\$ 195 to
 ThUS\$ 262



Kennedy
 ThUS\$ 330 to
 ThUS\$ 865



PROJECTS UNDER DEVELOPMENT DECEMBER 2009 - PILARES

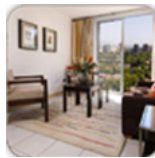


BUSINESS UNIT	NUMBER OF PROJECTS	UNITS ON SALE	AVERAGE PRICE (Th)	US\$ ON SALE (Th)
Pilares	4	227	US\$ 41	US\$ 9.267



Vista Cordillera

ThUS\$ 40



Vista Los Andes

ThUS\$ 40



Parque Balmaceda

ThUS\$ 36 to
ThUS\$ 48



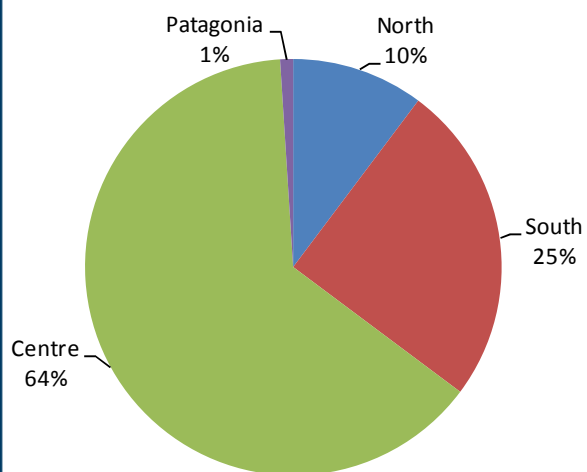
Mirador de Ossa

ThUS\$ 35 to
ThUS\$ 58

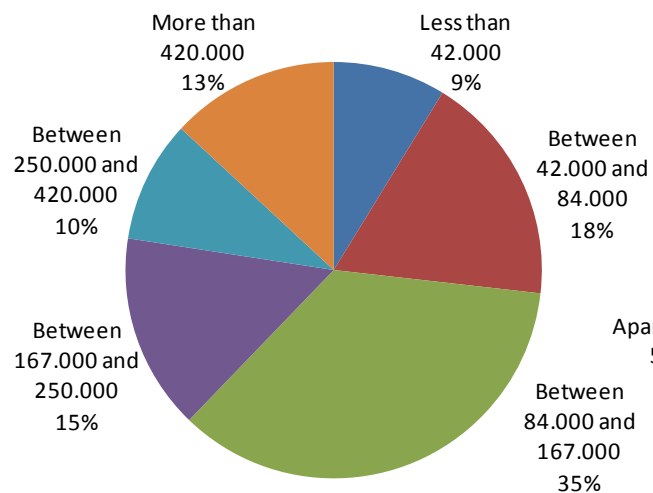


REAL ESTATE SALES DISTRIBUTION DECEMBER 2009

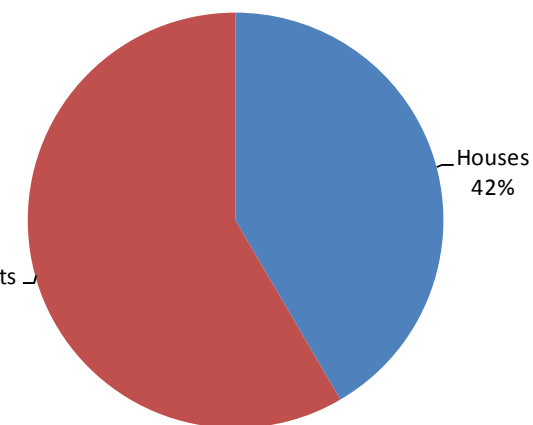
GEOGRAPHIC ZONE



PRICE RANGE



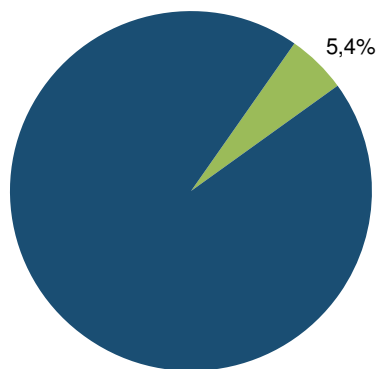
PRODUCT TYPE



Note: Distribution presented considers the income of the sale of units from the projects currently on execution.

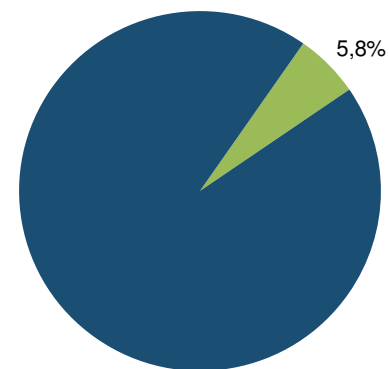
MARKET SHARE – SEPTEMBER 2009

SOCOVESA SANTIAGO -- Houses



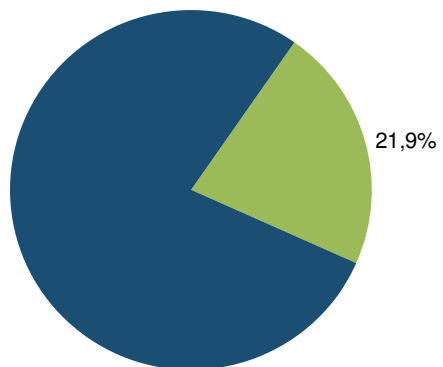
Source: CBR Real Data 3Q 2009
Data : Includes information of houses in the Metropolitan Region, La Serena and Rancagua

ALMAGRO -- Apartments



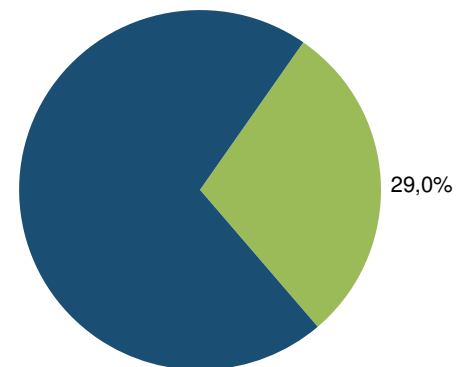
Source: CBR Real Data 3Q 2009
Data : Includes information of apartments in the Metropolitan Region and Antofagasta

SOCOVESA TEMUCO -- Houses



Source: CBR Real Data 3Q 2009
Data: Includes information from Los Ángeles, San Pedro, Concepción, Chillán and Temuco

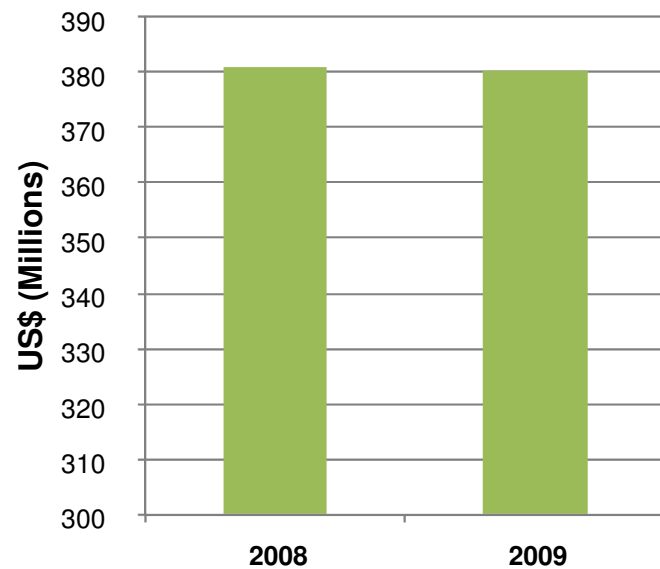
SOCOVESA VALDIVIA -- Houses



Source: CBR Real Data 3Q 2009
Data: Includes information from Puerto Montt, Puerto Varas, Osorno and Valdivia

LAND BANK

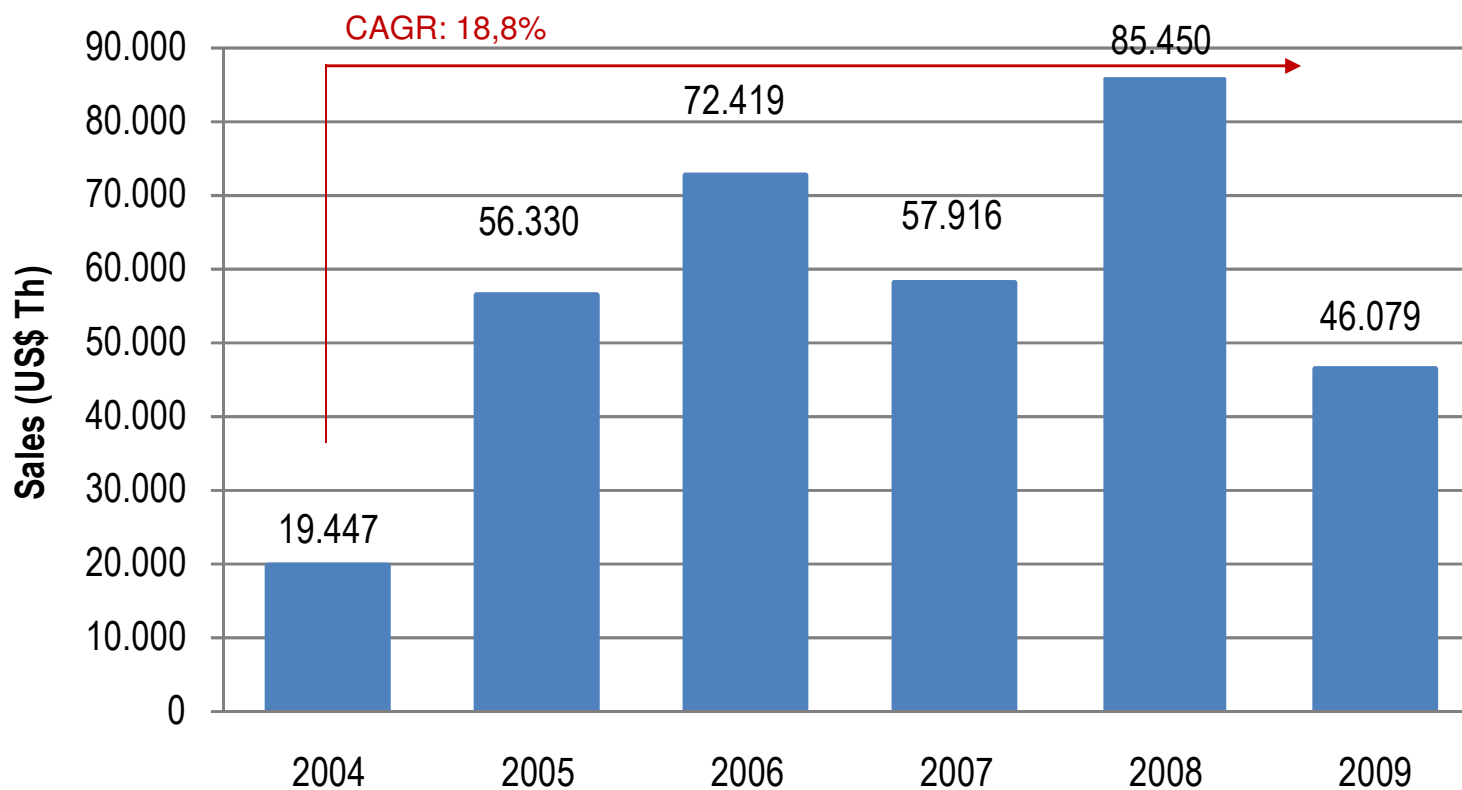
**Book Value from Land Bank as December 31st
of each year (US\$ Th)**



	Number of Sites	Area (m2)	Book Value (US\$ Th)
Soc. Santiago	18	8.619.439	237.809
Soc. Temuco	35	2.516.333	46.463
Soc. Valdivia	26	5.055.322	38.556
Almagro	18	112.371	57.387
Total	97	16.303.465	380.215

**4. ENGINEERING AND
CONSTRUCTION BUSINESS
(SOCOICSA)**

SOCOICSA'S SALES EVOLUTION



Notes: US Dolar at december 2009 value
Considers only third parties sales

PROJECTS UNDER DEVELOPMENT DECEMBER 2009 - SOCOICSA



BUSINESS UNIT	PROJECTS UNDER DEVELOPMENT	TOTAL M2	CONTRACT AMOUNT (Th)
Socoicsa	10	61.250	US\$ 102.792

Some of Socoicsa's new projects:



Copiapó Stadium

ThUS\$ 7.694



Santa Cruz Hospital

ThUS\$ 19.264



Lautaro Thermoelectric

ThUS\$ 35.000



Cañete Hospital

ThUS\$ 31.184

PROJECTS UNDER DEVELOPMENT

PROJECT	CLIENT	ADVANCE (%)
Hospital Cañete	S. Salud Arauco	27,2%
Hospital Santa Cruz	S. Salud O'Higgins	90,0%
Hospital Lota-Coronel	S. Salud Concepción	93,2%
Ribera Rio Las Minas	MOP - DOH	100,0%
Costanera Estrecho	Serviu XII	46,8%
Estero D"Agostini	MOP - DOH	100,0%
Pavimentos Participativos	Serviu XII	31,4%
Cesfam San Felipe	S.Salud Aconcagua	1,1%
Estadio de Copiapo	Instituto Nacional del Deporte	10,2%
Enjoy de Castro	Inmobiliaria Proyecto Integral Castro S.A.	2,5%
Construcción Aceras Natales	Gobierno Regional de Magallanes y Antartica Chilena	13,5%
Central Lautaro*	Comasa S.A.	0,0%

*: Contract in two stages, engineering and construction by delegate administration

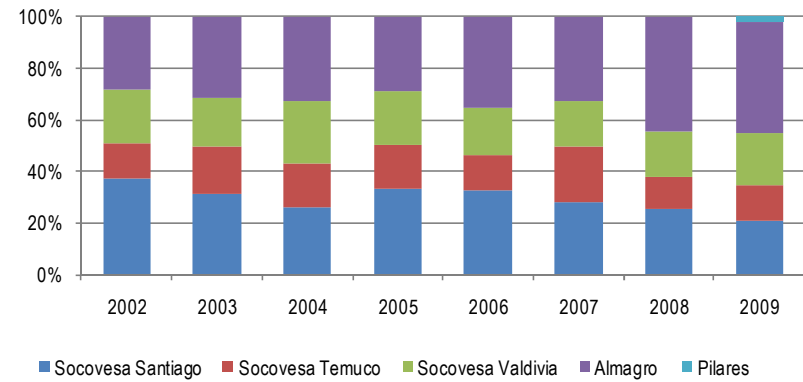
4. FINANCIAL HIGHLIGHTS

FINANCIAL HIGHLIGHTS

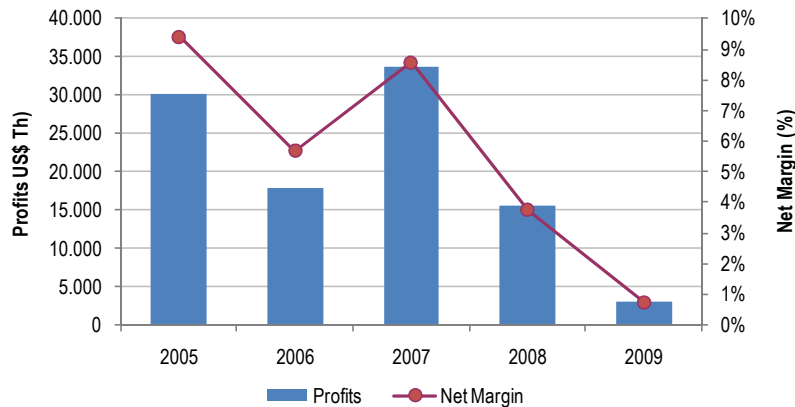
SALES EVOLUTION



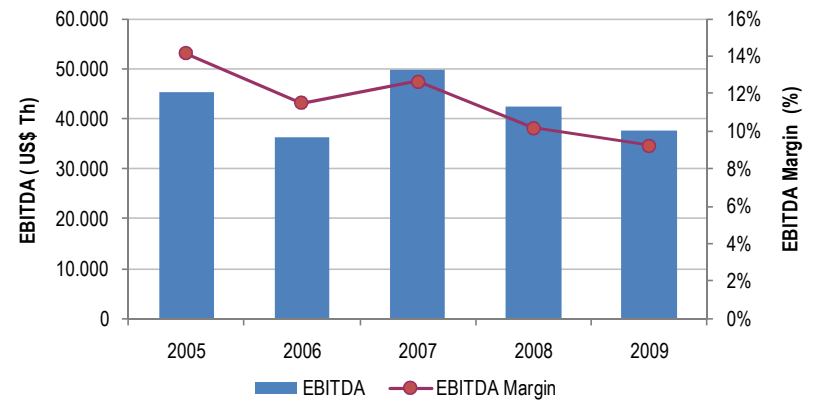
PRO FORMA INCOME BREAKDOWN



PROFIT EVOLUTION

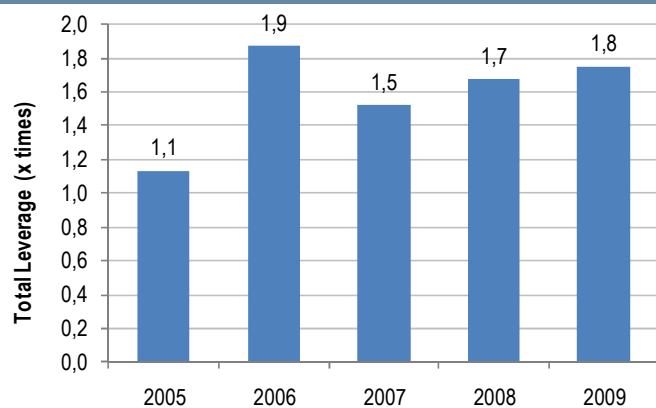


EBITDA EVOLUTION



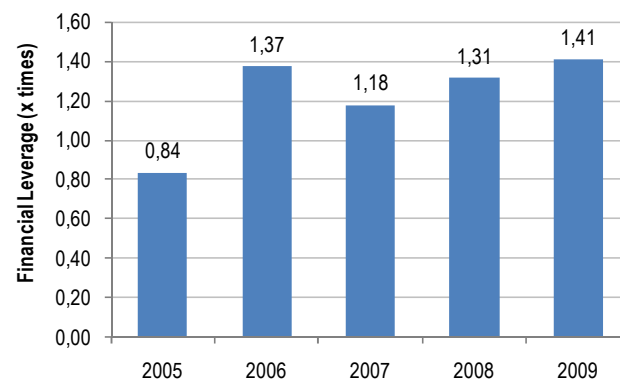
FINANCIAL HIGHLIGHTS

TOTAL LEVERAGE



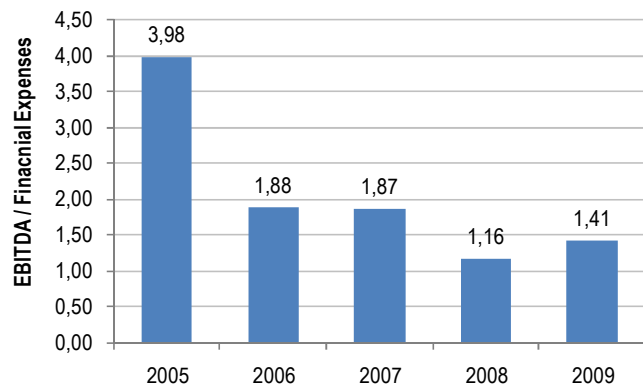
Total Leverage = Liabilities / Capital

FINANCIAL LEVERAGE



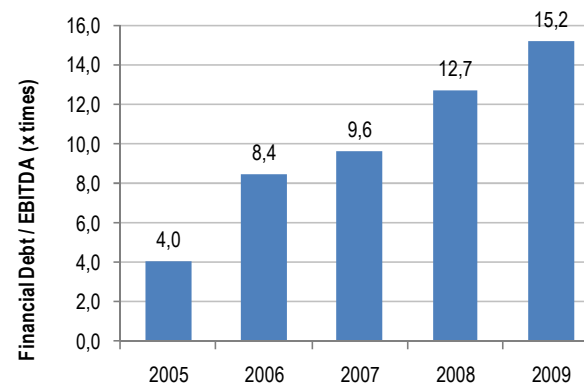
Financial Leverage = Financial Obligations (ST+LT) + Documents and accounts payable to related companies / Capital

FINANCIAL EXPENSES COVERAGE



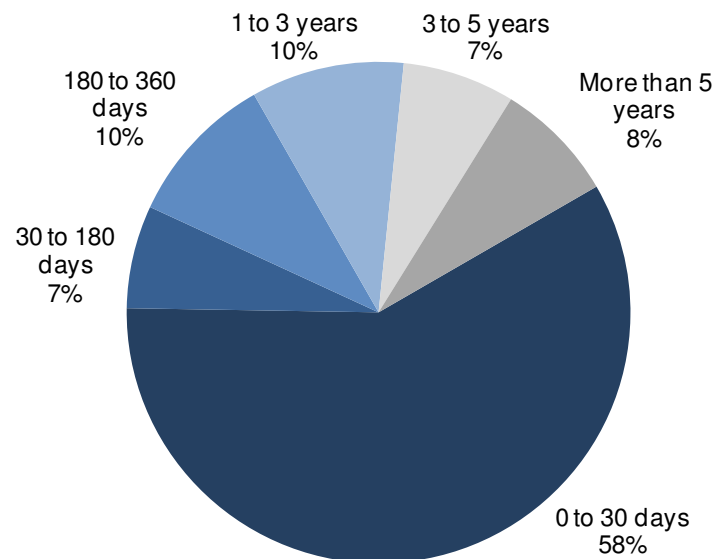
Financial Expenses Coverage = EBITDA / Financial Expenses

FINANCIAL DEBT / EBITDA



FINANCIAL HIGHLIGHTS

DEBT BREAKDOWN (December 2009, US\$ Th)



Total Debt: US\$ 623.179.840

REAL ESTATE BUSINESS FINANCING

LAND

- ⚠ Socovesa finances most of its land acquisition primarily with its own capital or debt.
- ⚠ In some cases, they are financed with different structures such as insurance companies, association with third parties or through purchasing options.

WORKING CAPITAL

- ⚠ Socovesa uses short and medium term revolving lines of credits .
- ⚠ This financing structure allows the Company to have more operational flexibility and optimization of the financial cost.

MACHINERY AND EQUIPMENTS

- ⚠ Socovesa rents the majority of the necessary equipment for the development of its activities.
- ⚠ Although purchases exist and minor investments are made, most are financed with own resources.

ENGINEERING AND CONSTRUCTION BUSINESS (SOCOICSA) FINANCING

WORKING CAPITAL

- ✦ Socoicsa finances its activities through anticipated payments of its clients. Progress reports and costs of the works are generated as work develops, and payments are made depending on progress, which permits the Company to self-finance its operations.

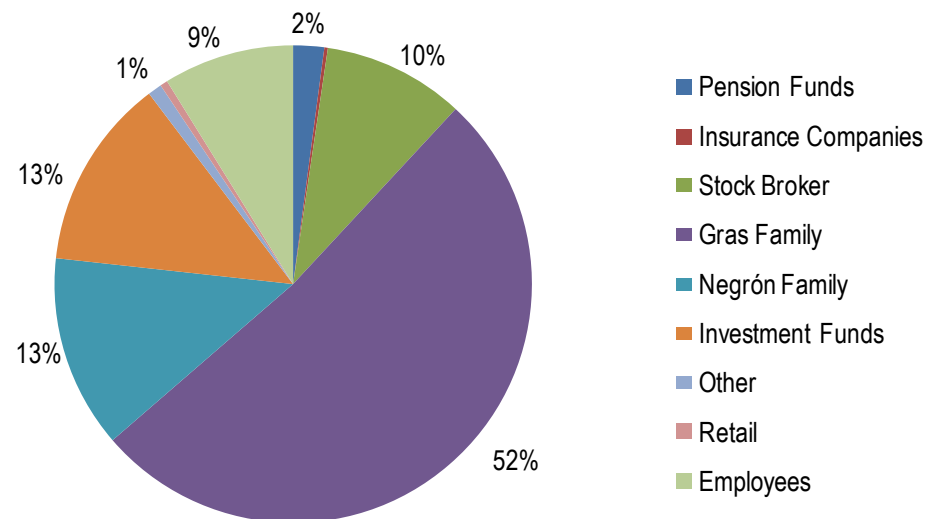
MACHINERY AND EQUIPMENT

- ✦ Socoicsa rents all the necessary equipment for the development of its activities.

5. PROPERTY STRUCTURE

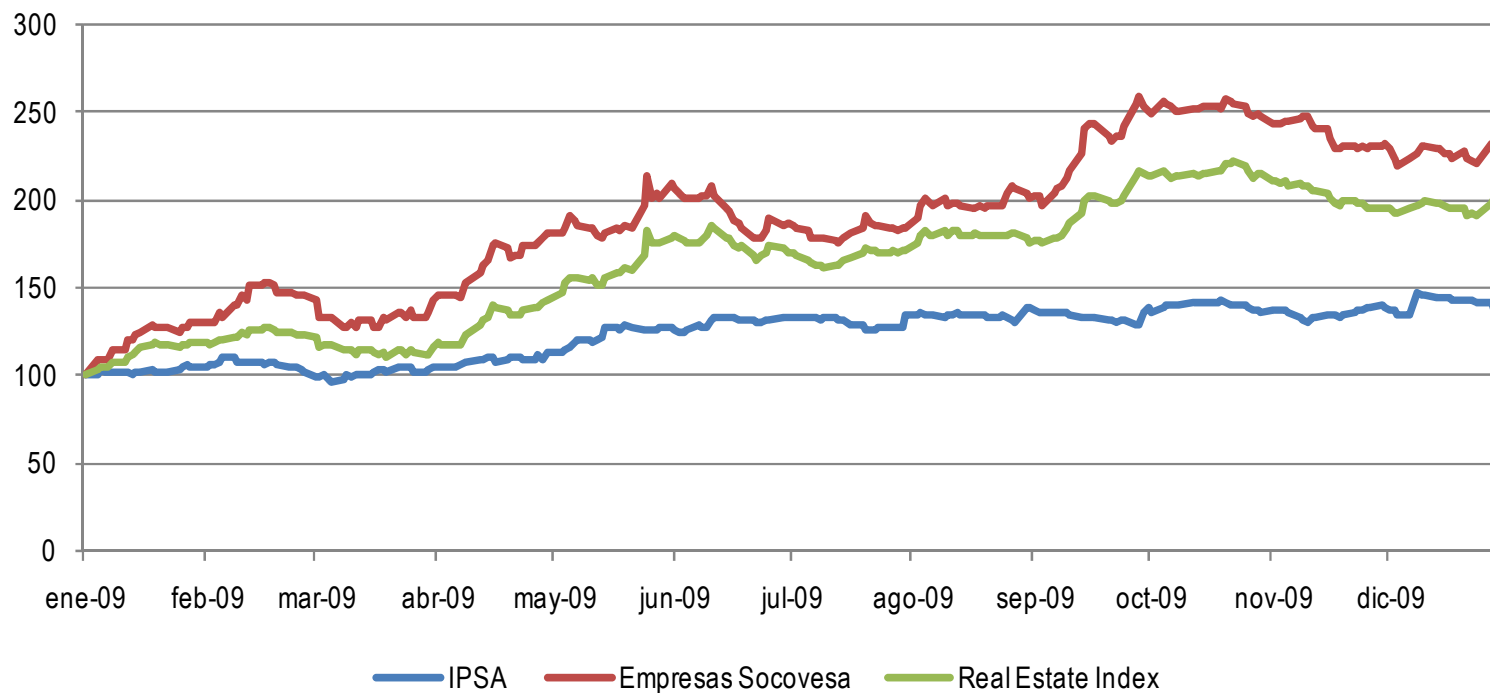
PROPERTY STRUCTURE

- ✦ The Company is controlled by Mr. Eduardo Gras, founder of Socovesa, and his family through 13 corporations.
- ✦ The second largest shareholder in the Company is Mr. Justino Negrón. Today, apart from being a Director of the Company, he actively participates in the administration of Socovesa Temuco.
- ✦ Up to December 31st, 2009, the executives and employees of the Company maintained 8.8% of the participation.



TOTAL SHARES: 1.223.935.691

SHARE EVOLUTION 2009



Market Cap. up to March 19th: US\$ 558,50 MM

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