

2Q 2008 RESULTS

Executive Summary



- CONSOLIDATED EBITDA INCREASED BY 37.4% TO CH\$ 8,660 MILLION (US\$ 16.5 MILLION).
- CONSOLIDATED REVENUES INCREASED BY 38% TO CH\$ 15,388 MILLION (US\$ 29 MILLION)
- PROFIT ON INVESTMENT IN RELATED COMPANIES INCREASED BY 35% TO CH\$ 1,391 (US\$ 2.6 MILLION)
- NET INCOME TOTALED CH\$ 3,138 MILLION (US\$ 6.0 MILLION), AN INCREASE OF 25.1%
- FFO GREW 28% TO CH\$ 6,380 MILLION (US\$ 12.1 MILLION)
- WITH THE SUCCESSFUL COMPLETION OF THE SYNDICATED LOAN FOR US\$ 110 MILLION, COMBINED WITH THE CORPORATE BOND PLACEMENT FOR US\$ 170 MILLION, THE COMPANY NOW HAS 90% OF THE NECESARY FINANCING IN PLACE FOR THE PIPELINE OF INVESTMENT PROJECTS
- PARQUE ARAUCO CONSOLIDATES RESULTS OF MALL PASEO ESTACIÓN AS OF MAY 1ST 2008, AFTER THE ACQUISITION OF 83% INTEREST IN THE COMPANY
- PARQUE ARAUCO ANNOUNCES THE CONSTRUCTION OF THE FIRST PREMIUM OUTLET MALL IN SANTIAGO
- PARQUE ARAUCO ANNOUNCES THE CONSTRUCTION OF A SHOPPING CENTER IN THE CITY OF BARRANQUILLA, SECOND COLOMBIAN PROJECT
- PARQUE ARAUCO LAUNCHES ITS NEW CORPORATE WEB SITE FOR INVESTORS www.parauco.cl

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Notes:

- Figures are based on exchange rate as of July 1st, 2008: \$526.05 Ch\$/US\$ for all figures in dollars
- Amounts in Ch\$ in accordance with FECU (Chilean SVS Filing) as of June 30, 2008
- Symbols for quarters: 1Q, 2Q, 3Q and 4Q, as appropriate

II. SUMMARY OF FINANCIAL RESULTS

CONSOLIDATED INCOME STATEMENT 2nd Quarter 2008

Ch\$M	2Q - 2008	% Revenues	2Q - 2007	% Revenues	Var %
Revenues	15,388,804		11,130,239		38.3%
Cost of Sales	(6,459,908)	-42.0%	(4,218,114)	-37.9%	53.1%
Gross Profit	8,928,896	58.0%	6,912,124	62.1%	29.2%
Selling, General and Administrative Expenses	(1,997,090)	-13.0%	(1,869,770)	-16.8%	6.8%
OPERATING INCOME	6,931,806	45.0%	5,042,354	45.3%	37.5%
EBITDA	8,660,152	56.3%	6,301,591	56.6%	37.4%
Financial Income	1,376,026		1,025,496		34.2%
Profit on Investment in Related Companies	1,390,768		1,028,658		35.2%
Other non-operating Income	172,749		156,315		10.5%
Amortization of Goodwill	(82,794)		(75,029)		10.3%
Financial Expenses	(2,345,512)		(1,972,328)		18.9%
Other non-operating Expenses	(290,088)		(183,283)		58.3%
Price-level Restatement	(2,686,139)		(1,740,106)		54.4%
Exchange Differentials	432,454		(58,752)		-836.1%
NON-OPERATING INCOME	(2,032,535)	-13.2%	(1,819,030)	-16.3%	11.7%
Profit before Income Tax & Extraordinary Items	4,899,271		3,223,325		52.0%
Income Tax	(856,459)		(421,497)		103.2%
Profit (Loss) before Minority Interest	4,042,813		2,801,828		44.3%
Minority Interest	(909,882)		(298,615)		204.7%
Net Profit (Loss)	3,132,931		2,503,212		25.2%
Amortization of Negative Goodwill	5,231		5,240		-0.2%
PROFIT LOSS IN THE FISCAL YEAR	3,138,162	20.4%	2,508,453	22.5%	25.1%
EPS	5.17		4.13		25.1%
Weighted Avg. Shares	607.25		607.25		
NOI	10,657,242	69%	8,171,361	73%	30%
Depreciation & Amortization	1,728,346		1,259,236		37%
FFO	4,866,508	32%	3,767,689	34%	29%

CONSOLIDATED INCOME STATEMENT 1st Semester 2008

Ch\$M	1S - 2008	% Revenues	1S - 2007	% Revenues	Var %
Revenues	27,952,818		22,344,126		25.1%
Cost of Sales	(11,791,846)	-42.2%	(8,375,288)	-37.5%	40.8%
Gross Profit	16,160,972	57.8%	13,968,838	62.5%	15.7%
Selling, General and Administrative Expenses	(3,353,259)	-12.0%	(3,364,472)	-15.1%	-0.3%
OPERATING INCOME	12,807,713	45.8%	10,604,366	47.5%	20.8%
EBITDA	16,049,206	57.4%	13,084,805	58.6%	22.7%
Financial Income	1,815,650		2,084,675		-12.9%
Profit on Investment in Related Companies	2,838,875		2,198,691		29.1%
Other non-operating Income	359,699		285,689		25.9%
Amortization of Goodwill	(142,923)		(156,797)		-8.8%
Financial Expenses	(4,390,058)		(3,864,759)		13.6%
Other non-operating Expenses	(697,216)		(344,257)		102.5%
Price-level Restatement	(3,441,030)		(2,009,232)		71.3%
Exchange Differentials	(600,084)		(84,972)		606.2%
NON-OPERATING INCOME	(4,257,087)	-15.2%	(1,890,962)	-8.5%	125.1%
Profit before Income Tax & Extraordinary Items	8,550,626		8,713,404		-1.9%
Income Tax	(1,254,769)		(959,090)		30.8%
Profit (Loss) before Minority Interest	7,295,857		7,754,314		-5.9%
Minority Interest	(841,320)		(525,915)		60.0%
Net Profit (Loss)	6,454,537		7,228,399		-10.7%
Amortization of Negative Goodwill	10,464		10,476		-0.1%
PROFIT LOSS IN THE FISCAL YEAR	6,465,001	23.1%	7,238,875	32.4%	-10.7%
EPS	10.65		11.92		-10.7%
Weighted Avg. Shares (million)	607.25		607.25		
NOI	19,402,465	69.4%	16,449,277	73.6%	18.0%
Depreciation & Amortization	3,241,493		2,480,439		30.7%
FFO	9,706,494	34.7%	9,719,314		-0.1%

III. ANALYSIS OF CONSOLIDATED RESULTS

SECOND QUARTER RESULTS

Revenues for the second quarter of 2008 increased 38.3% to Ch\$15,389 million from Ch\$11,130 million in Q207. On a same store basis, revenues increased by 14.5% to Ch\$12,740 million. Included in the second quarter results were revenues from the consolidation of Chilean malls Mall Plaza Estación ("MPE"), beginning in May 2008, and Mall Plaza El Roble ("El Roble"), acquired in December 2007 as well as growth in revenues from the completion of renovations and expansion of selling areas at Chilean malls, including at Arauco Maipú where the selling area increased by 50%, and revenue earned from other sources such as parking and advertising at Parque Arauco Kennedy. Revenues increased in local Peruvian currency by 27.4% to Sol\$12.8 million at Mega Plaza Norte in Peru as a result of continued macroeconomic growth in the country, the inauguration of expanded selling areas at the end of 2007 and the implementation of a new store mix.

Gross profit for the quarter increased 29.2% to Ch\$8,929 million as compared to the previous year's second quarter. Operating expenses during the period rose 53.1% to Ch\$6,460 million principally as a result of new assets (MPE and El Roble), higher energy costs, and additional GLA from current operations that were not in place last year. Total operating expenses per square meter remain similar to 2007 levels.

Net operating income ("NOI"), defined as revenues less cost of sales plus depreciation and amortization, increased by 30.4% to Ch\$10,657 million from Ch\$8,172 million in the previous year's quarter. In accordance with the impact on revenues and costs, the consolidation of MPE and El Roble positively affected the improvement in NOI. Selling, General and Administrative Costs increased by 6.8% to Ch\$1,997 million reflecting the consolidation of the two malls and added infrastructure and human resources to support geographic and retail distribution channel expansion plans.

EBITDA for the second quarter increased 37.4% to Ch\$8,660 million from Ch\$6,302 million and EBITDA margin remained steady at 56.3%. On a same store basis, EBITDA increased by 7% to \$6,768 million as compared to Q207. Current EBITDA reflects some of the expenses associated with the Company's Greenfield projects in Chile, Colombia and Peru. It is expected that as these malls commence operations, associated fixed costs will decrease and EBITDA margins will improve. The EBITDA also includes a property tax amount of Ch\$723 million which is generally excluded from EBITDA for other comparable mall developers and operators in the Latin American region. When adjusted to exclude the property tax amount, the EBITDA margin is 61% in Q208. Parque Arauco can deduct property taxes paid in Chile as a credit when computing income tax.

The Company's share of net income from investments in unconsolidated joint ventures increased by 35.2% to Ch\$1,391 million driven by strong profitability at Alto Palermo (Argentina) across all of its shopping centers as well as Inmobiliaria Mall Viña del Mar S.A. (Chile).

Net income increased 25.1% to Ch\$3,138 million, or Ch\$5.20 per share, from Ch\$2,508 million, or Ch\$4.10 per share in Q207 as strong positive operating income from ongoing operations and the two newly acquired malls more than offset the negative impact of the price level restatement based on prevailing inflation rates which increased from 1.9% in 2007 to 3.2% in 2008. Additionally, while debt increased 33% year over year to Ch\$259,658 million, interest expenses only grew by 19% to Ch\$2,346 million based on the attractive rates of financing achieved by the Company in two major financings: a syndicate loan for US\$110 million and a corporate bond issue for US\$170 million, during the first semester of 2008.

FFO ("Funds from Operations"), defined as net income plus depreciation plus amortization, increased by 27.9% to Ch\$6,380 million or Ch\$10.50 per share.

Cash and cash equivalents totaled Ch\$53,583 million compared to Ch\$110,328 million in the second quarter of 2007 as funds were used for acquisitions and development projects. Short and long term debt equaled Ch\$24,311 million and Ch\$235,347 million respectively, and reflected the consolidation of short term bank debt held by MPE of Ch\$12,562 million and US\$290 million on new financing received during the first quarter.

FIRST HALF RESULTS

Total revenues for the first half was Ch\$27,953 million, an increase of 25.1% as compared to the previous year's first half results. Gross profit grew by 15.7% to Ch\$16,161 million.

During the first half, NOI increased by 18%, reaching Ch\$19,402 million compared with the same period in 2007.

The 29% increase in operational costs (SG&A plus CoGS) was driven by the integration of two properties, El Roble and MPE, higher energy costs at Parque Arauco Kennedy and Arauco Maipú, and the increase in some costs associated with expansion in the Chilean, Peruvian and Colombian markets. Excluding the operational costs related to the acquisitions of MPE and El Roble, as well as costs related to the expansion of Arauco Maipú, operational costs increased almost 9% primarily due to increases in personnel to support expansion plans.

EBITDA climbed 22.7% to Ch\$16,049 million, primarily due to the integration of the two new properties, El Roble and MPE, a more efficient operation of Mega Plaza Norte in Peru, and greater contribution from Arauco Maipú, which was remodeled and increased its GLA by nearly 50%.

The Company's profit on investments in related companies increased by 29.1% to Ch\$2,839 million, driven by increases in profitability of 40.2% at Alto Palermo S.A. (Argentina) and 16.3% at Inmobiliaria Mall Viña del Mar (Chile).

PROPERTY HIGHLIGHTS (FINANCIAL AND OPERATING)

Parque Arauco Kennedy, the company's largest commercial property with a GLA that exceeds 100,000 m², has been in operation for 25 years. It has excellent brand recognition among Chilean shoppers, receiving an estimated 27 million visitors per year, and the number of visitors received climbed 10% during the first half of 2008 when compared to that same period in 2007. The shopping center derived an approximately similar contribution of revenues from anchor tenants and small stores, 44% and 46% respectively in the first half of 2008. Parque Arauco Kennedy's total revenues in Q208 increased by 3% to Ch\$8,587 million from Q207. While revenues from rents decreased slightly on a per m² basis, total revenue increased for the property primarily due to higher parking income and advertising sales. Despite this increase in total revenues, the property's EBITDA declined by 2% to Ch\$4,765 million, largely due to a 22% increase in operating costs related to energy and an increase in personnel costs at Parque Arauco S.A.'s corporate headquarters to support regional expansion and operations.

Mall Plaza El Roble – This recently-acquired property in Chillán, Chile is the largest shopping center in the Ñuble region and has a target market of half a million residents. The Company began consolidating El Roble's financial results in December 2007. The property, which has a GLA of 27,282 m², derived 78% of its income from anchor tenants and contributed total revenues of Ch\$3,851 million during the first half of 2008. Revenues in Q208 remained at their first quarter level and Q208 EBITDA increased 3% to Ch\$666 million for the same period of comparison due to a 33% decline in operating expenses, despite a 25% increase in energy costs.

Mall Paseo Estación – In January 2008, Parque Arauco acquired an 83% stake in MPE, a shopping center that is adjacent to Santiago's central train and bus station and attracts over 70 million shoppers per year, making it the most visited shopping center in Chile. The company began consolidating this property's financial results in May 2008. In the first half of 2008, MPE derived 43% of revenues from small specialty stores that pay fixed rate leases, and had a 100% occupancy rate during that same period. During Q208, the shopping center contributed total revenue of Ch\$1,712 million, a decline of 9% as compared to Q207. This decline was associated with the closing of some stores and interruption of commerce while the property was being remodeled. EBITDA, however, increased by 3% to Ch\$1,226 million. In keeping with the company's plan to accommodate two new anchor tenants and additional small stores, an expansion of GLA by 25,000 m² will be completed by the end of 2008.

Mega Plaza Norte is a large mall located in Lima, Peru that receives some 33 million visitors per year. Favorable economic conditions in Peru and the incorporation of new tenants helped to attract 12.7% more visitors as compared to the first half of 2007. Monthly rental rates per m² increased 13% to Sol\$40 during the first half of 2008. There was also a shift in tenant composition at the Lima shopping center, with department stores having made a 14% gain in GLA by the first half's conclusion. This increase in traffic and improved store mix helped to increase Q208 sales by 27% as compared to Q207, and EBITDA to Sol\$8.8 million, 28% higher than in Q207.

Non-Consolidated Assets

Inmobiliaria Mall Viña del Mar S.A. (Chile) – Net profit for the first half increased by 16.3% as compared to the same period in 2007 based on the performance of properties Marina Arauco and Mall Center Curico.

Marina Arauco – Parque Arauco holds a 33% stake in this shopping center that is located in the coastal city of Viña del Mar, Chile. The property, which has a GLA of 58,823 m², offers an array of entertainment options, including six movie theaters, bowling lanes, and a food patio. During the second quarter of 2008, the mall reported a slight increase in EBITDA of Ch\$2,178 million as compared to Q207 levels.

Mall Center Curicó – Mall Center Curicó is located south of Santiago, Chile and has a 33% participation from Parque Arauco. During the first half of 2008, the mall received nearly one million more visitors than in the first six months of 2007, an increase of 34.9% enabled by the completion of the mall's expansion, while monthly revenue per m² increased by 11.8%. Eighty-five percent (85%) of the center's total GLA of 46,458 m² is allocated to anchor stores, and its Q208 revenues, which totaled Ch\$1,188 million, were primarily derived from large tenants. EBITDA rose by 3% to Ch\$744 million when compared to Q207.

Alto Palermo S.A (Argentina) – Parque Arauco holds a 31.6% share on a fully diluted basis in Alto Palermo S.A. (APSA) of Argentina, which owns ten shopping centers in Argentina. Combined, these ten shopping centers have a total GLA of 224,138 m². Parque Arauco estimates a rise of 40% for APSA's net profit, compared to the first half of 2007.

IV. EXPANSION AND NEW DEVELOPMENT PROJECTS

NEW CORPORATE STRATEGY:

- 1) Intensify **internationalization** to other countries in Latin America.
- 2) Extend the Company's regionalization through expansion in **other provinces of Chile**.
- 3) Boost growth of current assets through investments that improve the **appeal of current shopping centers**.
- 4) Develop **new concepts and formats** to stimulate growth (Strip Centers - Power Centers - Local Malls).
- 5) Form **alliances with top retail players** who already have a significant participation in real estate assets.

In mid-2007, Parque Arauco announced an aggressive expansion plan for the 2007–2009 period, with investment projects under consideration valued at US\$ 1 billion, both in the Chilean and regional markets. By the end of December 2007, approximately 70% of the projects were in the execution stage or had already been approved. These new projects will double the GLA area, totaling close to 1.2 million square meters by 2009.

In view of these new developments and the acquisitions made by the Company, we expect an increase of 30% to 40% in consolidated EBITDA in 2008, not including potential acquisitions of ongoing projects on the part of Parque Arauco.

PROJECTS UNDER EXECUTION:

- **Barranquilla, Colombia** - In July 2008, Parque Arauco expanded its geographic reach by coming to an agreement to construct a new shopping center in Barranquilla, Colombia, its second in the country. It did so through a partnership with Conpropiudad, a local division of the Interandino Organization, one of Colombia's leading property developers. Under the terms of the agreement, which contemplates a total investment of US\$160 million, Parque Arauco will have a 51% stake in commercial operations that are scheduled to begin in 2010. It is expected that the first phase investment of US\$100M will generate EBITDA of US\$11 million on an annualized basis and that the total GLA of the shopping center will be 80,000 m² once completed. The shopping center is part of the planned International Center of the Caribbean, a mixed-use facility that will serve Barranquilla, Puerto Colombia, Cartagena, and other nearby cities. Barranquilla is the fifth largest city in Colombia with a population of approximately 1.8 million residents.

BARRANQUILLA PROJECT:



- **San Antonio - Chile:** Parque Arauco S.A. announced the purchase of a 51% stake in the Paseo del Pacífico Mall project, located in San Antonio (Chile), at a total cost of US\$ 44 million. The project's format is the first of its kind in Chile, and includes a casino (operated by third parties), a hotel and a shopping center in the same location. Paseo del Pacífico will generate annual EBITDA of around US\$ 6 million.

SAN ANTONIO PROJECT:



- **Premium Outlet Mall Quilicura - Santiago - Chile:** This outlet center is expected to be operational by the beginning of 2010. It is unique in the Chilean market in that it brings premium brands to consumers at a discount. Parque Arauco will retain a 70% equity interest in the outlet center, which will have approximately 7,000 m2 of GLA and calls overall for a total investment of US\$18 million.

PREMIUM OUTLET QUILICURA PROJECT:



- **Strip Center Pajaritos - Santiago - Chile:** This strip center located in Santiago, Chile has an expected GLA of 5,274m². The construction phase is complete and approximately 90% of the GLA is leased. Commercial operations are expected to begin in August 2008.
- **Arauco Maipú Stage II - Santiago - Chile:** Parque Arauco will invest approximately US\$53M in this mall which is expected to open in December 2008 with 24,000 m² of GLA.
- **Office Towers Kennedy - Santiago - Chile:** The construction of this commercial property has been completed and commercial operations are expected to commence during the second half of 2008. The office towers have a GLA of 23,441 m².
- **El Golf - Lima - Peru:** This mixed-use property is slated to open in 2010 in San Isidro, Peru and is expected to include a five star hotel, office towers and fashion mall after a total investment of approximately US\$84M. Parque Arauco will have at least a 51% ownership stake in this complex. Total GLA will reach 58,000 m².
- **Mega Plaza Arequipa - Arequipa - Peru:** Parque Arauco will have a 50% participation in a shopping center in Arequipa, Peru that contemplates a total investment of US\$40M. The mall is scheduled to open in mid 2010 with a GLA of more than 48,000 m².
- **Strip Center Chorrillos - Chorrillos - Peru:** Parque Arauco will invest US\$3.7M in this strip center that is expected to open in mid 2009 in Chorrillos, Peru. The property has an expected GLA of 5,500 m².
- **Mall Alameda - Pereira - Colombia:** Commercial operations at this strip center in Pereira, Colombia are expected to begin in 2009. The property, in which Parque Arauco holds a 50% stake, will require a total investment of approximately US\$80 million and have a total GLA of 41,000 m².

V. INDICATORS BY SHOPPING CENTER:

	Parque Arauco Kennedy	Arauco Maipú	Mall Plaza El Roble	Mall Paseo Estacion	Marina Arauco*	Mall Center Curico*	Mega Plaza Norte
% Tenant Revenue Composition 2Q08							
Anchor Stores	44%	52%	78%	32%	47%	82%	77%
Small Stores	46%	39%	14%	43%	44%	14%	15%
Entertainment	1%	2%	1%	5%	1%	1%	3%
Foodcourt	3%	5%	5%	15%	7%	4%	3%
Others	5%	2%	2%	6%	1%	0%	2%
	100%	100%	100%	100%	100%	100%	100%

	Parque Arauco Kennedy	Arauco Maipú	Mall Plaza El Roble	Mall Paseo Estacion	Marina Arauco*	Mall Center Curico*	Mega Plaza Norte
% GLA Composition 2Q08							
Anchor Stores	45%	53%	69%	7%	43%	78%	60%
Small Stores	34%	32%	11%	33%	32%	10%	22%
Entertainment	1%	1%	2%	3%	3%	10%	1%
Foodcourt	8%	10%	7%	20%	7%	3%	13%
Others	11%	3%	10%	37%	15%	0%	4%
	100%	100%	100%	100%	100%	100%	100%

Operating Income 2Q'08	Ch\$million	Ch\$million	Ch\$million	Ch\$million	Ch\$million	Ch\$million	Sol\$ Ths
Total Revenues	8,587	2,036	937	1,712	3,037	1,188	12,781
Gross Profit	4,754	766	627	1,174	2,513	983	9,281
% Gross Margin	55%	38%	67%	69%	83%	83%	73%
SG&A	-1,007	-206	-78	-148	-699	-350	-1,599
% SG&A	-12%	-10%	-8%	-9%	-23%	-29%	-13%
EBITDA	4,765	868	666	1,226	2,178	744	8,758
% EBITDA Margin	55%	43%	71%	72%	72%	63%	69%

Operating Income 2Q'07	Ch\$million	Ch\$million	Ch\$million	Ch\$million	Ch\$million	Ch\$million	Sol\$ Ths
Total Revenues	8,323	1,067	N/A	N/A	3,001	1,179	10,032
Gross Profit	5,189	455	N/A	N/A	2,452	983	7,216
% Gross Margin	62%	43%	N/A	N/A	82%	83%	72%
SG&A	-1,306	-124	N/A	N/A	-680	-369	-1,268
% SG&A	-16%	-12%	N/A	N/A	-23%	-31%	-13%
EBITDA	4,860	491	N/A	N/A	2,156	721	6,863
% EBITDA Margin	58%	46%	N/A	N/A	72%	61%	68%

Operating Indicators	Ch\$	Ch\$	Ch\$	Ch\$	Ch\$	Ch\$	Sol\$
Monthly Revenue per M2 2Q08	225,317	104,108	175,831	81,641	190,064	71,549	984
Monthly Revenue per M2 2Q07	228,765	118,616	188,184	84,195	199,188	63,988	888
Var 08/07	-1.5%	-12.2%	-6.6%	-3.0%	-4.6%	11.8%	10.8%
Monthly Rent per M2 2Q08	18,386	7,390	9,035	-	13,127	5,301	40.3
Monthly Rent per M2 2Q07	18,433	7,476	-	-	13,070	5,544	35.6
Var 08/07	-0.3%	-1.1%	-	-	0.4%	-4.4%	13.1%

Other Indicators as of June 2008							
Total Visitors (thousands)	14,087	9,714	N/A	N/A	9,130	3,561	17,275
Total Visitors (thousands)	12,805	6,684	N/A	N/A	9,133	2,640	15,325
Var 08/07	10.0%	45.3%	-	-	0.0%	34.9%	12.7%
% Occupancy	100.0%	99.5%	97.9%	100.0%	99.9%	98.6%	99.9%
% Occupancy	99.9%	100.0%	100.0%	100.0%	99.4%	97.5%	99.9%

* Non Consolidated Assets

VI. FINANCIAL INDICATORS

Financial Indicators	UNITS	Jun-08	Jun-07
Net Financial Debt	Ch\$million	226,835	133,899
Net Financial Debt / (Equity + Min. Int)	times	0.98	0.59
Short-term Liabilities	%	11%	9%
Long-term Liabilities	%	89%	91%
EBITDA / Financial Expenses	times	3.66	3.39

VII. SHOPPING CENTERS DATA

MALL	Country	Total GLA (m2)	% Ownership	Own GLA (m2)
1 Parque Arauco Kennedy	CL	107,637	100.0%	107,637
2 Arauco Maipu	CL	53,271	100.0%	53,271
3 Plaza el Roble	CL	24,860	100.0%	24,860
4 Mall Paseo Estacion	CL	28,353	83.0%	23,533
5 Marina Arauco	CL	58,776	33.3%	19,592
6 Mall Center Curico	CL	50,072	33.3%	16,691
TOTAL CHILE		322,969		245,584
7 Megaplaza Norte	PE	71,238	45.0%	32,057
TOTAL PERU		71,238		32,057
8 Alto Palermo	AR	18,210	31.6%	5,754
9 Abasto	AR	39,683	31.6%	12,540
10 Patio Bullrich	AR	10,978	31.6%	3,469
11 Paseo Alcorta	AR	14,403	31.6%	4,551
12 Alto Avellaneda	AR	27,336	31.6%	8,638
13 Buenos Aires Design	AR	13,988	17.1%	2,387
14 Alto Noa	AR	18,831	31.6%	5,951
15 Alto Rosario	AR	30,261	31.6%	9,562
16 Mendoza Plaza	AR	39,392	26.9%	10,581
17 Cordoba	AR	11,056	31.6%	3,494
TOTAL ARGENTINA		224,138		66,927
TOTAL		618,345		344,568

VIII. CONSOLIDATED BALANCE SHEET AS OF JUNE 2008

Consolidated Balance Sheet
(Ch\$ millions)

	<u>Quarter Ended June 30,</u>		
	<u>2008</u>	<u>2007</u>	<u>% Change</u>
Assets:			
Cash and Cash Equivalents	53,583	110,328	-51.4%
Accounts Receivable	9,570	7,394	29.4%
Other Current Assets	11,530	6,006	92.0%
Total Current Assets	74,682	123,728	-39.6%
Net Property, Plant and Equipment	334,025	231,346	44.4%
Investments in Related Companies	72,545	75,829	-4.3%
Other Assets	38,201	13,156	190.4%
Total Assets	519,453	444,059	17.0%
Liabilities & Stockholder's Equity:			
Short Term Debt	24,311	13,693	77.5%
Other Current Liabilities	8,887	5,201	70.9%
Total Current Liabilities	33,198	18,894	75.7%
Long Term Debt	235,347	181,136	29.9%
Other Long Term Liabilities	20,426	15,573	31.2%
Total Long Term Liabilities	255,773	196,708	30.0%
Total Liabilities	288,971	215,602	34.0%
Minority Interests (M.I.)	9,712	7,148	35.9%
Stockholder's Equity	220,770	221,309	-0.2%
Capital	139,833	141,786	-1.4%
Reserves and Others	74,473	72,284	3.0%
Retained Earnings	6,465	7,239	-10.7%
Total Liabilities & Stockholder's Equity	519,453	444,059	17.0%

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PARQUE ARAUCO S.A.
CONSOLIDATED BALANCE SHEETS
Expressed in Millions of Chilean Pesos as of June 30 2008

	June - 2008	June - 2007
ASSETS		
Current Assets	74,682	123,728
Cash	4,708	1,445
Time deposits	2,927	33,188
Marketeable securities	13,157	15,038
Trade receivables	6,883	5,662
Notes receivables	747	697
Other receivables	1,012	571
Notes and accounts receivable from related parties	927	465
Inventories	0	0
Recoverable taxes	4,592	1,632
Prepaid expenses	1,030	703
Deferred income taxes	510	532
Other current assets	38,187	63,797
Leasing agreements	0	0
Leasing assets	0	0
Property, Plant and Equipment	334,025	231,346
Land	63,905	53,792
Buildings and infrastructure	306,754	205,639
Machinery and equipment	5,505	5,220
Other property, plant and equipment	26,766	21,778
Technical reappraisal of property, plant and equipment	0	0
Accumulated depreciation	(68,906)	(55,084)
Other Assets	110,746	88,985
Investments in related companies	72,545	75,829
Investments in other societies	0	0
Goodwill	24,878	3,453
Negative goodwill	(3,578)	(31)
Long Term receivables	622	827
Notes and accounts receivable from relates parties	0	0
Deferred income taxes	0	0
Intangibles assets	3,085	3,204
Amortization	(884)	(679)
Other long-term assets	14,079	6,382
Long-term leasing	0	0
Total Assets	519,453	444,059

PARQUE ARAUCO S.A.
CONSOLIDATED BALANCE SHEETS
Expressed in Millions of Chilean Pesos as of June 30 2008

LIABILITIES	June - 2008	June - 2007
Current Liabilities	33,198	18,894
Short-term bank borrowings	12,562	0
Current portion of long-term bank borrowings	10,156	7,863
Obligations with the public (promissory notes)	0	0
Current portion of bonds payable	1,561	5,558
Current portion of long-term borrowings	0	239
Dividends to be paid	33	33
Trade account payables	2,998	1,823
Documents payable	301	184
Sundry creditors	13	6
Notes and accounts payable to related companies	1,519	0
Accruals	1,665	1,747
Withholdings	566	467
Income tax	384	318
Unearned income	1,286	656
Deferred taxes	0	0
Other short-term liabilities	156	0
Total long-term liabilities	255,773	196,708
Long-term bank borrowings	149,340	97,109
Bonds payable	86,006	84,026
Documents payable - long-term	37	0
Sundry creditors	0	0
Notes and accounts payable to related companies	1,323	0
Accruals	0	0
Deferred taxes	6,680	5,784
Other long-term liabilities	12,385	9,789
Minority interest	9,712	7,148
Shareholder's Equity	220,770	221,309
Paid-in capital	139,833	141,786
Capital revaluation reserve	4,475	2,693
Additional paid-in capital	9,488	9,499
Other reserves	(13,774)	(14,196)
Retained earnings	80,749	81,526
Reserve for future dividends	74,284	74,287
Accumulated profits	0	0
Accumulated loss	0	0
Net income (loss)	6,465	7,239
Interim dividends	0	0
Deficit from development period	0	0
Total Liabilities	519,453	444,059

PARQUE ARAUCO S.A.
CONSOLIDATED INCOME STATEMENT
Expressed in Millions of Chilean Pesos as of June 30 2008

	June - 2008	June - 2007
Operating Income	12,808	10,604
Gross Profit	16,161	13,969
Revenues	27,953	22,344
Cost of sales	(11,792)	(8,375)
Selling , general and administrative expenses	(3,353)	(3,364)
Non-operating Income	(4,257)	(1,891)
Financial income	1,816	2,085
Profit on investments in related companies	2,839	2,199
Other non-operating income	360	286
Loss on investment in related companies	0	0
Amortization of goodwill	(143)	(157)
Financial expenses	(4,390)	(3,865)
Other non-operating expenses	(697)	(344)
Price-level restatement	(3,441)	(2,009)
Exchange differentials	(600)	(85)
Profit Before Income Tax & Extraordinary Items	8,551	8,713
Income Tax	(1,255)	(959)
Extraordinary Items	0	0
Profit (loss) before minority interest	7,296	7,754
Minority interest	(841)	(526)
Net profit (loss)	6,455	7,228
Amortization of negative goodwill	10	10
Profit (loss) in the fiscal year	6,465	7,239

PARQUE ARAUCO S.A.
CONSOLIDATED STATEMENT OF CASH FLOWS
Expressed in Millions of Chilean Pesos as of June 30 2008

	June - 2008	June - 2007
Cash Flows From Operating Activities	16,788	9,165
Collection of trade receivables	37,701	27,333
Financial income received	2,903	1,601
Dividends received	798	802
Other income received	550	360
Payments to suppliers and personnel	(16,624)	(15,136)
Interest paid	(3,106)	(1,369)
Income tax payments	(493)	(93)
Other expenses	(5,693)	(2,548)
VAT and other taxes paid	(235)	(1,784)
Cash Flows From Financing Activities	76,231	42,846
Proceeds from issuance of common stock	0	1,034
Borrowings from banks	90,101	50,527
Proceeds from issuance of bonds	72,939	14,427
Borrowings from related companies	0	0
Other borrowings from related companies	318	0
Other sources of financing	0	0
Payment of dividends	(9,610)	(6,624)
Distribution of capita	0	0
Payment of loans	(76,577)	(13,003)
Payment of public liabilities incurred	0	(3,516)
Payment of related companies loans	0	0
Payment of other related companies loans	(0)	0
Payment of common stock issuance costs	0	0
Payment of bond issuance costs	0	0
Other payments	(939)	0
Cash Flows From Investing Activities	(67,692)	(20,470)
Proceeds from sales of property, plant and equipment	383	0
Proceeds from sales of long-term investments	0	0
Proceeds from sales of other investments	0	0
Collection of loans to related companies	0	0
Collections of other loans to related companies	0	0
Other investment income	359	466
Additions to property, plant and equipment	(32,520)	(20,913)
Payment of interest capitalized	0	0
Purchase of permanent investments	(34,052)	0
Investments in financial instruments	0	0
Loans to related companies	0	0
Other payments to related companies	0	0
Other payments of investments	(1,862)	(23)
Net Cash Flow	25,327	31,542
	(304)	(862)
Price-level Restatements of Cash and Cash Equivalents	25,024	30,680
Net Increase (Decrease) in Cash and Cash Equivalents	18,841	69,051
Cash and Cash Equivalents at Beginning of Period	43,864	99,731
Cash and Cash Equivalents at End of Period	0	0

PARQUE ARAUCO S.A.
CONSOLIDATED RECONCILIATION BETWEEN NET INCOME AND CASH FLOWS
Expressed in Millions of Chilean Pesos as of June 30 2008

	June - 2008	June - 2007
Income on sale of assets	(0)	0
Gain on sales of property, plant and equipment	(0)	0
Gain on sales of investments	0	0
Loss on sales of investments	0	0
Gain (loss) on sales of other assets	0	0
Other Debits (Credits) to income that do not represent cash flows	2,908	2,908
Depreciation	3,241	2,480
Amortization of Intangibles	126	131
Write-offs and provisions	(1,559)	21
Equity in gains of unconsolidated affiliates	(2,839)	(2,199)
Equity in losses of unconsolidated affiliates	0	0
Amortization of goodwill	143	157
Amortization of negative goodwill	(10)	(10)
Price-level restatement	3,441	2,009
Exchange differentials	600	85
Other credits to income that do not represent cash flows	(981)	(238)
Other debits to income that do not represent cash flows	746	473
Changes in operating assets	5,890	1,724
Receivables	3,409	1,044
Inventories	0	0
Other current assets	2,481	680
Changes in operating liabilities	683	(3,231)
Trade accounts payable and notes payables relating to operating activities	769	(3,288)
Taxes to be paid	1,594	2,460
Net income tax	544	473
Other trade accounts payable relating to operating activities	(3,053)	(2,274)
VAT and other taxes	829	(602)
Income attributable to minority interest	841	526
Net cash provided by operating activities	16,788	9,165