

# 2008 RESULTS

## Executive Summary

- CONSOLIDATED EBITDA FOR YEAR 2008 INCREASED BY 33.1% TO CH\$ 38,202 MILLION (US\$ 60 MILLION). ON A QUARTERLY BASIS, 4Q EBITDA INCREASED BY 51.3% TO CH\$ 11,893 MILLION (US\$ 19 MILLION)
- CONSOLIDATED REVENUES FOR 2008 INCREASED BY 36.1% TO REACH CH\$ 68,271 MILLION (US\$ 107 MILLION). DURING 4Q'08, REVENUES TOTALED CH\$ 22,642 (US\$ 35 MILLION), A 50.5% INCREASE
- NOI FOR THE QUARTER REACHED CH\$ 16,457 (US\$ 26 MILLION), AN INCREASE OF 51.1%
- NET INCOME FOR YEAR 2008 TOTALED CH\$ 11,106 MILLION (US\$ 17 MILLION), GREATER IN 77.1% THAN PREVIOUS YEAR
- FFO FOR YEAR 2008 REACHED CH\$ 18,262 MILLION (US\$ 29 MILLION), AS COMPARED TO CH\$ 11,632 MILLION (US\$ 18 MILLION) FOR PREVIOUS YEAR



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Notes:

- Figures are based on exchange rate as of January 1st, 2009: \$636.45 Ch\$/US\$ for all figures in dollars
- Amounts in Ch\$ in accordance with FECU (Chilean SVS Filing) as of December 31, 2008
- Symbols for quarters: 1Q, 2Q, 3Q and 4Q, as appropriate
- 1S: First Semester
- FY: Full Year

## II. SUMMARY OF FINANCIAL RESULTS

CONSOLIDATED INCOME STATEMENT 4th Quarter 2008

Ch\$ Thousands	4Q - 2008	% Revenues	4Q - 2007	% Revenues	Var %
Revenues	22,462,242		14,925,619		50.5%
Cost of Sales	(7,802,337)	-34.7%	(5,458,346)	-36.6%	42.9%
Gross Profit	14,659,905	65.3%	9,467,273	63.4%	54.8%
Selling, General and Administrative Expenses	(4,564,209)	-20.3%	(3,031,393)	-20.3%	50.6%
<b>OPERATING INCOME</b>	<b>10,095,696</b>	<b>44.9%</b>	<b>6,435,880</b>	<b>43.1%</b>	<b>56.9%</b>
<b>EBITDA</b>	<b>11,893,135</b>	<b>52.9%</b>	<b>7,862,675</b>	<b>52.7%</b>	<b>51.3%</b>
Financial Income	1,352,837		580,956		132.9%
Profit/Loss on Investment in Related Companies	210,121		2,152,968		-90.2%
Other non-operating Income	532,642		277,453		92.0%
Amortization of Goodwill	(120,685)		(61,262)		97.0%
Financial Expenses	(3,156,806)		(1,818,343)		73.6%
Other non-operating Expenses	(1,722,934)		(440,551)		291.1%
Price-level Restatement	(2,808,975)		(1,802,385)		55.8%
Exchange Differentials	496,274		(233,058)		-312.9%
<b>NON-OPERATING INCOME</b>	<b>(5,217,526)</b>	<b>-23.2%</b>	<b>(1,344,223)</b>	<b>-9.0%</b>	<b>288.1%</b>
Profit before Income Tax & Extraordinary Items	4,878,171		5,091,657		-4.2%
Income Tax	(93,008)		(454,357)		-79.5%
Profit (Loss) before Minority Interest	4,785,162		4,637,300		3.2%
Minority Interest	(995,917)		(138,297)		620.1%
Net Profit (Loss)	3,789,245		4,499,002		-15.8%
Amortization of Negative Goodwill	5,531		5,523		0.1%
<b>PROFIT LOSS IN THE FISCAL YEAR</b>	<b>3,794,777</b>	<b>16.9%</b>	<b>4,504,525</b>	<b>30.2%</b>	<b>-15.8%</b>
EPS	6.25		7.42		-15.8%
Weighted Avg. Shares	607.25		607.25		
NOI	16,457,344	73.3%	10,894,069	73.0%	51.1%
Depreciation & Amortization	1,797,439		1,426,796		26.0%
FFO	5,592,216	24.9%	5,931,321	39.7%	-5.7%

CONSOLIDATED INCOME STATEMENT Full Year 2008

Ch\$ Thousands	2008	% Revenues	2007	% Revenues	Var %
Revenues	68,270,954		50,157,280		36.1%
Cost of Sales	(27,194,226)	-39.8%	(18,918,367)	-37.7%	43.7%
Gross Profit	41,076,728	60.2%	31,238,913	62.3%	31.5%
Selling, General and Administrative Expenses	(10,030,464)	-14.7%	(7,905,276)	-15.8%	26.9%
<b>OPERATING INCOME</b>	<b>31,046,265</b>	<b>45.5%</b>	<b>23,333,637</b>	<b>46.5%</b>	<b>33.1%</b>
<b>EBITDA</b>	<b>38,201,716</b>	<b>56.0%</b>	<b>28,694,583</b>	<b>57.2%</b>	<b>33.1%</b>
Financial Income	4,466,655		4,315,206		3.5%
Profit/Loss on Investment in Related Companies	2,783,781		6,071,147		-54.1%
Other non-operating Income	1,111,299		787,423		41.1%
Amortization of Goodwill	(349,597)		(293,484)		19.1%
Financial Expenses	(10,255,514)		(8,314,953)		23.3%
Other non-operating Expenses	(2,689,322)		(9,487,344)		-71.7%
Price-level Restatement	(10,096,544)		(7,305,159)		38.2%
Exchange Differentials	(117,263)		(534,358)		-78.1%
<b>NON-OPERATING INCOME</b>	<b>(15,146,505)</b>	<b>-22.2%</b>	<b>(14,761,522)</b>	<b>-29.4%</b>	<b>2.6%</b>
Profit before Income Tax & Extraordinary Items	15,899,760		8,572,115		85.5%
Income Tax	(2,337,700)		(1,414,169)		65.3%
Profit (Loss) before Minority Interest	13,562,059		7,157,946		89.5%
Minority Interest	(2,478,048)		(908,605)		172.7%
Net Profit (Loss)	11,084,012		6,249,341		77.4%
Amortization of Negative Goodwill	22,082		22,083		0.0%
<b>PROFIT LOSS IN THE FISCAL YEAR</b>	<b>11,106,094</b>	<b>16.3%</b>	<b>6,271,424</b>	<b>12.5%</b>	<b>77.1%</b>
EPS	18.29		10.33		77.1%
Weighted Avg. Shares (million)	607.25		607.25		
NOI	48,232,180	70.6%	36,599,859	73.0%	31.8%
Depreciation & Amortization	7,155,452		5,360,946		33.5%
FFO	18,261,545	26.7%	11,632,370		57.0%

### III. ANALYSIS OF CONSOLIDATED RESULTS

#### Full-Year Results

Revenues for the full year increased by 36.1% to Ch\$68,271 million from Ch\$50,157 million in 2007, reflecting the consolidation of two new shopping centers in Chile, Mall Plaza El Roble (December 2007) and Mall Plaza Estación (May 2008), and revenue growth derived from the completion of expansion and renovations at existing malls, principally Arauco Maipú in Chile, where the retail area nearly doubled during the past year, and Mega Plaza Norte in Peru, where GLA increased by 14%. The Peruvian shopping center contributed significantly to the increase, with revenues in local currency growing by 25% to Sol\$51.1 million.

Gross Profit rose to Ch\$41,077, an increase of 31.5% over the previous year. Cost of Sales increased by 43.7% as compared to the level in 2007, in accordance with the expansion of GLA at existing properties and incorporation of new properties to the Company's portfolio. Cost of sales as a percentage of total revenues increased only slightly to 39.8%. Operating expenses per square meter remained consistent as compared to the previous year.

Net operating income ("NOI"), defined as revenues less cost of sales plus depreciation and amortization, increased by 31.8% to Ch\$48,232 million from Ch\$36,600 million in 2007. The consolidation of Mall Plaza Estación and El Roble positively affected the increase in NOI, as the two properties contributed Ch\$9,018 million of NOI during the year.

Selling, General and Administrative Costs increased by 26.9% as compared to the previous year, to Ch\$10,030 million, a change that was mainly driven by higher energy costs and real estate taxes, costs associated with increases to GLA and consolidation of new properties, as well as personnel costs associated with plans for regional expansion.

EBITDA for the year increased by 33.1% to Ch\$38,202 million from Ch\$28,695 million, achieving the outlook for consolidated EBITDA growth in 2008 that was announced in early 2007. Nearly every property reported an increase in EBITDA, while acquisitions also contributed to EBITDA growth. EBITDA margin declined slightly from 57% to 56%, however it is important to note that EBITDA includes a property tax totaling Ch\$2,667 million which is usually excluded from EBITDA by comparable mall developers in Latin America. When adjusted to exclude the property tax, the 2008 EBITDA margin was 59.9%.

The Company's profit on investments in related companies declined by 54.1% to Ch\$2,784 million. While profits derived from Inmobiliaria Mall Viña del Mar (Chile) increased by 9.1%, there was a sharp decline in profitability at Alto Palermo due to a difficult credit environment, which adversely affected the company's consumer credit division, Tarshop.

Net income increased to Ch\$11,106 million from Ch\$6,271 million in 2007. The previous year's result reflected an extraordinary expense as a result of a refinancing transaction through the prepayment of bonds.

Adjusted FFO (“Funds from Operations”), defined as net income plus depreciation, monetary correction and exchange rate differences, increased by 57% to Ch\$ 18,262 million from Ch\$11,632 million in the prior year, 2007.

Cash and cash equivalents were Ch\$39,515 million as of December 31, 2008 versus Ch\$27,382 at the end of December 31, 2007. This increase was largely attributable to a reduction in current liabilities through the prepayment of short-term loans and a complete restructuring of the Company’s debt portfolio, which shifted short-term debt to longer term liabilities.

The Company increased its total GLA by 16% to 670 thousand square meters during 2008, principally due to the completion of expansion projects at Mall Plaza Estación and Mega Plaza Norte. Owned GLA increased by 22.3% to 388 thousand square meters during the year, and property occupancy rates were again high, averaging 99%.

“Parque Arauco reported solid fourth quarter results despite a challenging economic environment, as the Company benefited from the recent expansion of its portfolio of properties and positive performance in Peru, which both contributed to strong operating income improvement. The results in Peru were particularly encouraging as they help to validate our strategy of portfolio diversification and regional expansion.”

#### **Fourth Quarter Results**

Net revenues for the quarter increased by 50.5% as compared to the fourth quarter of 2007, to Ch\$22,462 million, reflecting expansion and improvements to properties in Chile and Peru as well as the consolidation of Mall Plaza El Roble (December 2007) and Mall Plaza Estación.

Gross profit increased by 54.9% to Ch\$14,660 million as compared to Ch\$9,467 million in the fourth quarter of 2007.

Net operating income, or NOI (see definition above), increased to Ch\$16,457 million, as compared to a result of Ch\$10,894 million in the fourth quarter of 2007.

EBITDA for the quarter increased by 51.3% to Ch\$11,893 million from Ch\$7,863 million in the fourth quarter 2007. FFO (see definition above) declined slightly to Ch\$5,592 million from Ch\$5,931 million.

Net income declined to Ch\$3,795 million from Ch\$4,505 million in 2007. The decline was mainly caused by non-operating items, including higher interest expenses associated with project financing, lower profit from investments in related companies due to a poor result in Argentina, and a price level restatement of Ch\$2,809 million associated with higher inflation of 8.9% in 2008 versus 7.4% in 2007.

### Property Highlights (Financial & Operating) for Fourth Quarter and FY2008

**Parque Arauco Kennedy** – During 2008, PAK's total revenues increased by 7% from 2007, to Ch\$39,402 million, in line with the incremental percentage increase in the number of visitors to the property, which exceeded 29 million, and the annual expansion of the property's total GLA. The property's full year EBITDA increased by 6% to Ch\$25,430, when adjusted in order to exclude corporate overhead costs that supported regional operations and expansion. However, total unadjusted EBITDA of Ch\$21,898 million represented a decline of 1% as compared to the result during the previous year. Completion of two new office towers at the property in late Q308 increased GLA by more than 6,000 m<sup>2</sup> and contributed to an increase in foot traffic at the retail level during the fourth quarter, and an additional 17,000 m<sup>2</sup> of GLA is expected to become available during 2009.

**Mall Arauco Maipú** – This shopping center, located in Santiago, Chile, contributed Ch\$8,637 million in revenues during 2008, a 65.7% increase as compared to the result in 2007, and EBITDA of Ch\$4,536 million, an 83.7% increase. This significant improvement in the property's annual results reflects the near doubling of its GLA during 2007 to 54,618 m<sup>2</sup> and the fact that much of the incorporation of additional retail space did not take place until late 2007. The number of annual visitors to the mall also increased by 28% to more than 18 million, and fourth quarter sales and EBITDA each improved by approximately 38% as compared to Q407. Mall Arauco Maipú's financial results also reflect the consolidated financials of Arauco Express Pajaritos, a small strip center that is located nearby.

Arauco Express Pajaritos, formerly called Strip Center Pajaritos, is located next to Mall Arauco Maipú in Santiago Chile, and has a GLA of 5,801m<sup>2</sup>. The small strip center began commercial operations in the fourth quarter of 2008 and its quarterly financial results are consolidated in Mall Arauco Maipú.

**Mall Plaza El Roble** – 2008 was the first full year during which the Company consolidated the financial results of El Roble, which was acquired in December 2007 (financial and operating results for 2007 are not available, as Parque Arauco did not operate the property throughout 2007). El Roble contributed total revenues of Ch\$4,057 million and EBITDA of Ch\$2,677 million during 2008. The property, located in Chillán, Chile, has a GLA of 25,068 m<sup>2</sup> and derived 78% of its income from anchor tenants.

**Mall Paseo Estación** – Parque Arauco holds an 83% interest in this property and began consolidating MPE's financial results in May 2008 (financial and operating results for 2007 are not available, as Parque Arauco did not operate the property throughout 2007). The Company has expanded the property physically, increasing GLA by 28,000 m<sup>2</sup> and making significant changes to improve the efficiency of the property's commercial operations, including a reduction in personnel. The expansion allowed for the opening of two large anchor stores during the second half of 2008, although the mall continues to feature many small stores, which accounted for about two thirds of total annual revenue in 2008. The property contributed full year revenues of Ch\$7,468 million and EBITDA of Ch\$4,927 million.

**Mega Plaza Norte** – The commercial performance of Mega Plaza Norte improved during 2008 thanks to sustained economic growth in Perú and a 14% expansion of GLA at the shopping center, which allowed for the integration of new tenants. These factors contributed to a 25% increase in total annual revenues to Sol\$51,148 at the mall, which is located in the city of Lima, and EBITDA of Sol\$34,145 million, 33% higher than the amount reported in 2007. Anchor stores continued to generate much of the property's revenues in 2008, accounting for 77% of total sales. Sales per square meter increased by 11% and performance was strong across the diverse retail base. Total GLA was 71,495 m<sup>2</sup> at the year's end.

#### Non-Consolidated Assets

**Inmobiliaria Mall Viña del Mar S.A. (Chile)** – Net profit for the fourth quarter of 2008 increased by 2.7% to Ch\$708 million pesos based on the performance of properties Marina Arauco and Mall Center Curico. Combined, these two shopping centers have a GLA that exceeds 100,000 m<sup>2</sup>. Parque Arauco holds a 33% stake in each of the malls.

**Marina Arauco** – This shopping center, located in Viña del Mar, Chile, reported slight increases in total revenues, Ch\$13,567, and EBITDA, Ch\$9,815, in 2008 as compared to 2007 levels. Revenues were almost evenly split between small stores and anchor tenants.

**Mall Center Curicó** – Approximately eighty percent of the shopping center's total GLA of 45,885 m<sup>2</sup> is allocated to anchor stores. 2008 revenues rose 6.4% to Ch\$4,932 million, and EBITDA increased by 9.7% to Ch\$3,206, thanks in part to a 14% year-over-year increase in the number of visitors.

**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, the owner of ten shopping centers in Argentina that have a total GLA of 232,659 m<sup>2</sup>. While sales increased at each of the ten malls in Argentina by an average of 22% during the year, the credit crisis experienced during the second half of 2008 affected performance of Alto Palermo's credit division, Tarshop, weakening the Argentine company's overall results. APSA has initiated a complete restructuring of Tarshop that is expected to eliminate the possibility of similar special provisions and write-offs in the future.

## IV. OUTLOOK

Parque Arauco achieved its goals with respect to consolidated EBITDA growth and other key metrics in 2008. In light of current economic conditions and credit market dynamics that have an impact on the Company as well as its tenants, particularly anchor tenants which typically have consumer credit divisions, we will postpone the development of four projects – Premium Outlet Mall Quilicura, Quilicura Mall, El Golf, and Baranquilla – while continuing to develop properties such as Arauco del Pacifico and Mall Alameda, which are underway or have already been financed. This represents a modification of the regional expansion plan that Parque Arauco announced in mid-2007.

## V. EXPANSION AND NEW DEVELOPMENT PROJECTS

**Arauco del Pacífico Mall -- San Antonio – Chile:** Parque Arauco S.A. holds a 51% interest in this project, formerly named the Paseo del Pacífico Mall. The property, which will feature a casino, a hotel and a shopping center, is located in San Antonio, Chile, and will have a GLA of more than 30,000 m<sup>2</sup> at a total cost of US\$44 million. About 25% of the overall physical construction is complete, and improvements to the casino's interior began in January 2009.



**Mall Arauco Maipú Stage II – Santiago – Chile:** Parque Arauco completed the construction of Module B during the fourth quarter. Module A, a two-floor commercial area, and Module B, a retail banking and insurance center, each opened and began commercial operations in December 2008.

**Office Towers Kennedy – Santiago – Chile:** The construction of two commercial office towers has been completed, and as portions of the total expected GLA of 23,441 m<sup>2</sup> become operational, Parque Arauco will incorporate the space into its total GLA. Tower II has been fully leased, of which more than 6,000 m<sup>2</sup> is currently producing income. Tower I will be fully operational by March 2009, and its offices are currently in the leasing phase.

**Strip Center Chorrillos – Chorrillos – Perú:** This strip center, which has an expected GLA of 5,500 m<sup>2</sup>, is expected to open in mid-2009 in Chorrillos, Perú, following an investment of US\$3.7 million. During the fourth quarter, Parque Arauco began construction of the strip center, reached lease agreements with large tenants, and initiated lease negotiations with smaller tenants.

**Mall Alameda – Pereira – Colombia:** This shopping center in Pereira, Colombia, in which Parque Arauco will hold a 55% interest, is expected to begin operating commercially in late 2009. The property is expected to have a total GLA of 41,000 m<sup>2</sup> following a total investment of approximately US\$80 million. With construction of the shopping center well underway and an agreement with an anchor tenant reached during the fourth quarter, the Company has begun lease negotiations with smaller tenants.



**Mall Dot Baires – Buenos Aires – Argentina:** This large shopping center, to be located in an upscale neighborhood of Buenos Aires, is expected to have a GLA of 37,855 following a total investment of more than US\$100 million. The property will feature a large supermarket as well as an anchor store.

**Arauco Premium Outlet Mall Quilicura – Santiago – Chile:** Construction of this premium outlet center, formerly known as Premium Outlet Mall Quilicura and initially expected to be operational by 2010, has been postponed until better market conditions prevail. Importantly, the Company has procured the necessary land and permits so that it can proceed promptly once economic conditions improve, and management still expects to retain a 70% equity interest in the outlet center, which will have approximately 7,000 m2 of GLA.

**Mall Quilicura – Santiago – Chile:** Construction of this shopping center, which is expected to include large and small stores, a supermarket, and a medical tower, has been postponed. Parque Arauco possesses the land and requisite permits so that it can proceed with the project upon the improvement of market conditions.

**El Golf – Lima – Peru:** Construction of this mixed-use property, originally scheduled to open in 2010 in San Isidro, Peru, will be delayed until there is improvement in the economic climate. Parque Arauco owns the project site parcel and has obtained the necessary permits for this project, which is expected to include a five star hotel, office towers and fashion mall after a total investment of approximately US\$120 million.

**Barranquilla – Colombia:** Commercial operations of this urban shopping center in Colombia were expected to begin in 2010, however construction has been postponed in light of the current market conditions. Once market conditions improve, Parque Arauco expects to proceed in accordance with the joint venture agreement reached with Conpropiudad, which gives the Company a 51% interest in the property. Parque Arauco has obtained the land parcel and necessary permits for the project, which contemplates a total GLA of 80,000 m2 following a total investment of US\$160 million.

VI. INDICATORS BY SHOPPING CENTER:

	Parque Arauco Kennedy	Arauco Maipú	Mall Plaza El Roble	Mall Paseo Estacion	Marina Arauco*	Mall Center Curico*	Mega Plaza Norte
<b>% Tenant Revenue Composition 4Q08</b>							
Anchor Stores	44%	52%	78%	19%	48%	81%	77%
Small Stores	46%	40%	13%	67%	43%	15%	16%
Entertainment	1%	1%	1%	2%	1%	1%	2%
Foodcourt	3%	5%	6%	6%	6%	4%	3%
Others	5%	2%	2%	6%	1%	0%	3%
	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
<b>% GLA Composition 4Q08</b>							
Anchor Stores	43%	52%	60%	41%	43%	85%	60%
Small Stores	32%	36%	8%	26%	32%	12%	23%
Entertainment	1%	1%	4%	1%	3%	1%	1%
Foodcourt	8%	9%	19%	1%	7%	3%	9%
Others	17%	3%	9%	30%	15%	0%	7%
	100%	100%	100%	100%	100%	100%	100%

Operating Income FY 2008	Ch\$million	Ch\$million	Ch\$million	Ch\$million	Ch\$million	Ch\$million	Sol\$ Ths
<b>Total Revenues</b>	<b>39,402</b>	<b>8,637</b>	<b>4,057</b>	<b>7,468</b>	<b>13,567</b>	<b>4,932</b>	<b>51,148</b>
Gross Profit	22,890	4,037	2,608	5,259	11,345	4,058	36,381
% Gross Margin	58%	47%	64%	70%	84%	82%	71%
SG&A	-5,518	-823	-434	-979	-3,082	-1,505	-6,478
% SG&A	-14%	-10%	-11%	-13%	-23%	-31%	-13%
<b>EBITDA</b>	<b>21,898</b>	<b>4,536</b>	<b>2,677</b>	<b>4,927</b>	<b>9,815</b>	<b>3,026</b>	<b>34,145</b>
% EBITDA Margin	56%	53%	66%	66%	72%	61%	67%

Operating Income FY 2007	Ch\$million	Ch\$million	Ch\$million	Ch\$million	Ch\$million	Ch\$million	Sol\$ Ths
<b>Total Revenues</b>	<b>36,825</b>	<b>5,214</b>	<b>N/A</b>	<b>N/A</b>	<b>13,301</b>	<b>4,634</b>	<b>40,950</b>
Gross Profit	22,940	2,293	N/A	N/A	10,958	3,819	28,682
% Gross Margin	62%	44%	N/A	N/A	82%	82%	70%
SG&A	-5,006	-602	N/A	N/A	-2,985	-1,501	-6,636
% SG&A	-14%	-12%	N/A	N/A	-22%	-32%	-16%
<b>EBITDA</b>	<b>22,128</b>	<b>2,468</b>	<b>N/A</b>	<b>N/A</b>	<b>9,601</b>	<b>2,758</b>	<b>25,677</b>
% EBITDA Margin	60%	47%	N/A	N/A	72%	60%	63%

Operating Indicators Cummulative to December	Ch\$	Ch\$	Ch\$	Ch\$	Ch\$	Ch\$	Sol\$
Monthly Sales per M2 2008	246,594	111,131	184,035	142,739	203,679	74,515	1,013
Monthly Sales per M2 2007	256,113	135,921	204,243	172,055	217,099	70,927	963
Var 08/07	-3.7%	-18.2%	-9.9%	-17.0%	-6.2%	5.1%	5.1%
Monthly Rent per M2 2008	20,523	8,023	9,133	-	14,460	5,633	42.2
Monthly Rent per M2 2007	20,680	8,283	-	-	14,322	5,834	38.1
Var 08/07	-0.8%	-3.1%	-	-	1.0%	-3.4%	10.7%

Other Indicators as of December 2008	Ch\$	Ch\$	Ch\$	Ch\$	Ch\$	Ch\$	Sol\$
Total Visitors 2008 (thousands)	29,041	18,235	N/A	N/A	18,086	7,175	34,811
Total Visitors 2007 (thousands)	27,022	14,243	N/A	N/A	18,187	6,320	23,551
Var 08/07	7.5%	28.0%	-	-	-0.6%	13.5%	4.6%
% Occupancy 2008	99.9%	98.4%	97.5%	99.1%	99.8%	98.5%	99.7%
% Occupancy 2007	99.7%	98.7%	98.7%	100.0%	99.5%	97.2%	100.0%

\* Non Consolidated Assets

Note: sales for Mall Paseo Estacion only include m2 with informed sales, which account for approximately 50% of the GLA

## VII. FINANCIAL INDICATORS

Financial Indicators	UNITS	Dic-08	Dic-07
Net Financial Debt	Ch\$million	233,535	93,965
Net Financial Debt	US\$million	367	148
Net Financial Debt / (Equity + Min. Int)	times	0.85	0.40
Short-term Liabilities	%	11%	9%
Long-term Liabilities	%	89%	91%
EBITDA / Financial Expenses	times	3.72	3.45

## VIII. SHOPPING CENTERS DATA

MALL	Country	Total GLA (m2)	% Ownership	Own GLA (m2)
1 Parque Arauco Kennedy	CL	113,355	100.0%	113,355
2 Arauco Maipu	CL	59,419	100.0%	59,419
3 Plaza el Roble	CL	25,068	100.0%	25,068
4 Mall Paseo Estacion	CL	64,619	83.0%	53,634
5 Marina Arauco	CL	57,120	33.3%	19,040
6 Mall Center Curico	CL	45,885	33.3%	15,295
<b>TOTAL CHILE</b>		<b>365,466</b>		<b>285,811</b>
7 Megaplaza Norte	PE	71,495	45.0%	32,173
<b>TOTAL PERU</b>		<b>71,495</b>		<b>32,173</b>
8 Alto Palermo	AR	18,551	31.6%	5,862
9 Abasto	AR	39,642	31.6%	12,527
10 Patio Bullrich	AR	11,685	31.6%	3,692
11 Paseo Alcorta	AR	14,465	31.6%	4,571
12 Alto Avellaneda	AR	37,030	31.6%	11,701
13 Buenos Aires Design	AR	14,069	17.1%	2,401
14 Alto Noa	AR	18,851	31.6%	5,957
15 Alto Rosario	AR	28,561	31.6%	9,025
16 Mendoza Plaza	AR	39,688	26.9%	10,660
17 Cordoba	AR	10,117	31.6%	3,197
<b>TOTAL ARGENTINA</b>		<b>232,659</b>		<b>69,594</b>
<b>TOTAL</b>		<b>669,620</b>		<b>387,577</b>

## IX. CONSOLIDATED BALANCE SHEET AS OF DECEMBER

<b>Consolidated Balance Sheet</b> (Ch\$ millions)	<b>Quarter Ended December 31,</b>		
	<b>2008</b>	<b>2007</b>	<b>% Change</b>
<b>Assets:</b>			
Cash and Cash Equivalents	39,515	27,382	44.3%
Accounts Receivable	14,157	10,622	33.3%
Other Current Assets	13,275	10,444	27.1%
<b>Total Current Assets</b>	<b>66,947</b>	<b>48,447</b>	<b>38.2%</b>
<b>Net Property, Plant and Equipment</b>	<b>390,411</b>	<b>301,716</b>	<b>29.4%</b>
Investments in Related Companies	82,144	74,147	10.8%
Other Assets	44,165	5,603	688.3%
<b>Total Assets</b>	<b>583,667</b>	<b>429,914</b>	<b>35.8%</b>
<b>Liabilities &amp; Stockholder's Equity:</b>			
Short Term Debt	14,581	61,713	-76.4%
Other Current Liabilities	9,967	9,840	1.3%
<b>Total Current Liabilities</b>	<b>24,548</b>	<b>71,553</b>	<b>-65.7%</b>
Long Term Debt	262,356	107,502	144.0%
Other Long Term Liabilities	21,555	17,576	22.6%
<b>Total Long Term Liabilities</b>	<b>283,912</b>	<b>125,078</b>	<b>127.0%</b>
<b>Total Liabilities</b>	<b>308,460</b>	<b>196,631</b>	<b>56.9%</b>
<b>Minority Interests (M.I.)</b>	<b>19,143</b>	<b>6,919</b>	<b>176.7%</b>
<b>Stockholder's Equity</b>	<b>256,063</b>	<b>226,363</b>	<b>13.1%</b>
Capital	152,278	152,278	0.0%
Reserves and Others	92,679	67,814	36.7%
Retained Earnings	11,106	6,271	77.1%
<b>Total Liabilities &amp; Stockholder's Equity</b>	<b>583,667</b>	<b>429,914</b>	<b>35.8%</b>

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PARQUE ARAUCO S.A.  
CONSOLIDATED BALANCE SHEETS  
Expressed in Millions of Chilean Pesos as of December 31, 2008

ASSETS	December - 2008	December - 2007
<b>Current Assets</b>	<b>66.947</b>	<b>48.447</b>
Cash	6.120	2.737
Time deposits	784	2.573
Marketeable securities	14.454	17.195
Trade receivables	12.434	9.908
Notes receivables	875	361
Other receivables	782	284
Notes and accounts receivable from related parties	67	69
Inventories	0	0
Recoverable taxes	8.060	5.313
Prepaid expenses	840	604
Deferred income taxes	768	571
Other current assets	21.763	8.832
Leasing agreements	0	0
Leasing assets	0	0
<b>Property, Plant and Equipment</b>	<b>390.411</b>	<b>301.716</b>
Land	81.460	61.826
Buildings and infrastructure	346.193	272.498
Machinery and equipment	4.465	5.696
Other property, plant and equipment	24.443	25.623
Technical reappraisal of property, plant and equipment	0	0
Accumulated depreciation	(66.151)	(63.927)
<b>Other Assets</b>	<b>126.309</b>	<b>79.750</b>
Investments in related companies	82.144	74.147
Investments in other societies	0	0
Goodwill	24.422	3.049
Negative goodwill	(1.846)	(4.082)
Long Term receivables	551	627
Notes and accounts receivable from relates parties	0	0
Deferred income taxes	666	282
Intangibles assets	5.040	3.089
Amortization	(858)	(786)
Other long-term assets	16.189	3.423
Long-term leasing	0	0
<b>Total Assets</b>	<b>583.667</b>	<b>429.914</b>

PARQUE ARAUCO S.A.  
CONSOLIDATED BALANCE SHEETS

Expressed in Millions of Chilean Pesos as of December 31, 2008

	December - 2008	December - 2007
<b>LIABILITIES</b>		
<b>Current Liabilities</b>	<b>24.548</b>	<b>71.553</b>
Short-term bank borrowings	1.607	37.084
Current portion of long-term bank borrowings	10.883	23.769
Obligations with the public (promissory notes)	0	0
Current portion of bonds payable	1.910	735
Current portion of long-term borrowings	0	89
Dividends to be paid	181	35
Trade account payables	1.535	5.786
Documents payable	480	30
Sundry creditors	23	1
Notes and accounts payable to related companies	214	427
Accruals	3.459	1.906
Withholdings	1.210	681
Income tax	649	277
Unearned income	2.183	725
Deferred taxes	0	0
Other short-term liabilities	215	0
<b>Total long-term liabilities</b>	<b>283.912</b>	<b>125.078</b>
Long-term bank borrowings	169.868	91.724
Bonds payable	92.489	15.778
Documents payable - long-term	0	0
Sundry creditors	0	0
Notes and accounts payable to related companies	0	0
Accruals	0	0
Deferred taxes	7.588	7.007
Other long-term liabilities	13.967	10.567
<b>Minority interest</b>	<b>19.143</b>	<b>6.919</b>
<b>Shareholder's Equity</b>	<b>256.063</b>	<b>226.363</b>
Paid-in capital	152.278	152.278
Capital revaluation reserve	0	0
Additional paid-in capital	10.012	10.012
Other reserves	4.281	(20.492)
<b>Retained earnings</b>	<b>89.493</b>	<b>84.566</b>
Reserve for future dividends	78.387	78.294
Accumulated profits	0	0
Accumulated loss	0	0
Net income (loss)	11.106	6.271
Interim dividends	0	0
Deficit from development period	0	0
<b>Total Liabilities</b>	<b>583.667</b>	<b>429.914</b>

PARQUE ARAUCO S.A.  
CONSOLIDATED INCOME STATEMENT  
Expressed in Millions of Chilean Pesos as of December 31, 2008

	December - 2008	December - 2007
<b>Operating Income</b>	<b>31.046</b>	<b>23.334</b>
Gross Profit	41.077	31.239
Revenues	68.271	50.157
Cost of sales	(27.194)	(18.918)
Selling , general and administrative expenses	(10.030)	(7.905)
<b>Non-operating Income</b>	<b>(15.147)</b>	<b>(14.762)</b>
Financial income	4.467	4.315
Profit on investments in related companies	2.784	6.071
Other non-operating income	1.111	787
Loss on investment in related companies	0	0
Amortization of goodwill	(350)	(293)
Financial expenses	(10.256)	(8.315)
Other non-operating expenses	(2.689)	(9.487)
Price-level restatement	(10.097)	(7.305)
Exchange differentials	(117)	(534)
Profit Before Income Tax & Extraordinary Items	15.900	8.572
Income Tax	(2.338)	(1.414)
Extraordinary Items	0	0
Profit (loss) before minority interest	13.562	7.158
Minority interest	(2.478)	(909)
Net profit (loss)	11.084	6.249
Amortization of negative goodwill	22	22
<b>Profit (loss) in the fiscal year</b>	<b>11.106</b>	<b>6.271</b>

PARQUE ARAUCO S.A.  
CONSOLIDATED STATEMENT OF CASH FLOWS  
Expressed in Millions of Chilean Pesos as of December 31, 2008

	December - 2008	December - 2007
<b>Cash Flows From Operating Activities</b>	<b>28.171</b>	<b>19.823</b>
Collection of trade receivables	77.591	57.491
Financial income received	4.087	3.275
Dividends received	4.435	4.502
Other income received	2.468	265
Payments to suppliers and personnel	(39.768)	(24.199)
Interest paid	(7.649)	(8.492)
Income tax payments	(1.712)	(91)
Other expenses	(9.875)	(10.979)
VAT and other taxes paid	(1.408)	(1.950)
<b>Cash Flows From Financing Activities</b>	<b>81.181</b>	<b>(4.766)</b>
Proceeds from issuance of common stock	444	3.764
Borrowings from banks	97.926	131.103
Proceeds from issuance of bonds	72.939	16.513
Borrowings from related companies	0	0
Other borrowings from related companies	4.269	0
Other sources of financing	331	0
Payment of dividends	(10.308)	(7.937)
Distribution of capita	0	(1.572)
Payment of loans	(84.419)	(67.851)
Payment of public liabilities incurred	0	(75.629)
Payment of related companies loans	0	0
Payment of other related companies loans	0	(3.158)
Payment of common stock issuance costs	0	0
Payment of bond issuance costs	0	0
Other payments	0	0
<b>Cash Flows From Investing Activities</b>	<b>(99.159)</b>	<b>(68.669)</b>
Proceeds from sales of property, plant and equipment	495	395
Proceeds from sales of long-term investments	858	0
Proceeds from sales of other investments	0	0
Collection of loans to related companies	842	0
Collections of other loans to related companies	0	0
Other investment income	3.253	83
Additions to property, plant and equipment	(64.985)	(45.345)
Payment of interest capitalized	0	0
Purchase of permanent investments	(33.057)	(16.687)
Investments in financial instruments	(73)	(373)
Loans to related companies	(52)	0
Other payments to related companies	(5.583)	(7.171)
Other payments of investments	(392)	(319)
<b>Net Cash Flow</b>	<b>10.192</b>	<b>(53.612)</b>
	(878)	(1.346)
Price-level Restatements of Cash and Cash Equivalents	9.314	(54.957)
Net Increase (Decrease) in Cash and Cash Equivalents	17.380	72.337
Cash and Cash Equivalents at Beginning of Period	26.694	17.380
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 December 31, 2008

	December - 2008	December - 2007
<b>Income on sale of assets</b>	<b>157</b>	<b>(32)</b>
Gain on sales of property, plant and equipment	157	(32)
Gain on sales of investments	0	0
Loss on sales of investments	0	0
Gain (loss) on sales of other assets	0	0
<b>Other Debits (Credits) to income that do not represent cash flows</b>	<b>16.346</b>	<b>13.699</b>
Depreciation	7.432	5.361
Amortization of Intangibles	275	240
Write-offs and provisions	(740)	10
Equity in gains of unconsolidated affiliates	(2.784)	(6.071)
Equity in losses of unconsolidated affiliates	0	0
Amortization of goodwill	350	293
Amortization of negative goodwill	(22)	(22)
Price-level restatement	10.097	7.305
Exchange differentials	117	534
Other credits to income that do not represent cash flows	(1.104)	(610)
Other debits to income that do not represent cash flows	2.726	5.351
<b>Changes in operating assets</b>	<b>(7.768)</b>	<b>(2.028)</b>
Receivables	(4.882)	(3.079)
Inventories	0	0
Other current assets	(2.886)	1.051
<b>Changes in operating liabilities</b>	<b>5.851</b>	<b>1.003</b>
Trade accounts payable and notes payables relating to operating activities	(472)	5.903
Taxes to be paid	4.083	626
Net income tax	3.826	716
Other trade accounts payable relating to operating activities	(2.912)	(4.812)
VAT and other taxes	1.326	(1.430)
<b>Income attributable to minority interest</b>	<b>2.478</b>	<b>909</b>
<b>Net cash provided by operating activities</b>	<b>28.171</b>	<b>19.823</b>