1Q10

# 1Q10 Results

## Parque Arauco S.A.


### Executive Summary:

- Despite the effects of the earthquake, operating revenues decreased by accumulated only 1%
- EBITDA reached Ch$11,165, 2% less than in the previous year
- Net Income accumulated in March 2010 reached Ch$ 5,370 million, a 62% lower than the previous year, mainly due to IFRS accounting effects
- GLA increased by 9%, mainly due to the opening of San Antonio and Arauco Villa Mega Express
- New project announced in Arequipa, Peru, which is currently under construction, with a total investment of US$ 49 million
- Acquisition of Larcomar Fashion Center in Lima, Peru, for US$ 36 million, which is in the due diligence process
- Call option for our participation in Alto Palermo for US$ 126 million

**Contacts:**

**Juan Pablo Spoerer H.**
CFO

**Felipe Velasco L.**
Head of Investor Relations

Tel: (56 2) 299 0641
Fax: (56 2) 211 4077
Email: ir@parauco.com

First Quarter 2010
Parque Arauco S.A.
www.parauco.com

## 1.- INDEX

ParqueArauco®

## 2.- FINANCIAL AND OPERATING HIGHLIGHTS

**Financial and Operating Highlights**

| | 2010 | 2009 | Chg. % |
|---|---|---|---|
| Revenues (Ch$ Millions) | 16.651 | 16.824 | -1,0% |
| NOI (Ch$ Millions) | 13.214 | 13.876 | -4,8% |
| NOI Margin % | 79,4% | 82,5% | -3,1 pp |
| EBITDA (Ch$ Millions) | 11.165 | 11.341 | -1,5% |
| EBITDA Margin % | 67,1% | 67,4% | -0,4 pp |
| Net Income (Ch$ Millions) | 5.370 | 14.186 | -62,1% |
| Net Income Margin % | 32,3% | 84,3% | -52,1 pp |
| FFO (Ch$ Millions) [2] | 6.441 | 8.202 | -21,5% |
| FFO Margin % | 38,7% | 48,8% | -10,1 pp |
| Weighted Avg. Shares (million) | 608,33 | 607,25 | 0,2% |
| EPS ($) | 8,83 | 23,36 | -62,2% |
| Stock Price (Ch$) | 699,33 | 315,00 | 122,0% |
| Dayly Traded Volume (Ch$ million) | 461,16 | 158,78 | 190,4% |
| Total Tenant Sales (Ch$ Millions) [1] | 188.646 | 175.551 | 7,5% |
| Total GLA (m2) | 752.388 | 691.299 | 8,8% |
| Own GLA (m2) | 424.134 | 406.874 | 4,2% |

1: Total Tenant Sales = Sales of Consolidated Assets. Doesn't include Alto Palermo S.A.

2: FFO = Net Profit - Depreciation & Amortization - Income (loss) for indexed assets and liabilities -

"Parque Arauco advanced its expansion and diversification plans during the quarter with the acquisition, development and opening of retail properties in Peru, Colombia and Chile, while forging important relationships in these key markets with leading developers, retailers and financial institutions. The acquisition of high-profile property, Larcomar Fashion Center, in Lima, Peru, will give the Company a significant stake in what we believe will be one of the most impressive entertainment complexes in South America. This investment strengthened our position as one of the region's major operators of high quality commercial properties," commented Andrés Olivos, Chief Executive Officer of Parque Arauco.

## 3.- FINANCIAL INDICATORS

**Financial Indicators**

| | Units<br>Units | March 31<br>2010 | December 31<br>2009 | January 01<br>2009 |
|---|---|---|---|---|
| Net Financial Debt | Ch$million | 275,506 | 273,419 | 267,257 |
| Net Financial Debt | US$million | 525 | 521 | 510 |
| Net Financial Debt / Equity | times | 0.71 | 0.72 | 0.77 |
| Current Liabilities | % | 13% | 10% | 10% |
| Non-Current Liabilities | % | 87% | 90% | 90% |

ParqueArauco®

## 4.- SUMMARY OF FINANCIAL RESULTS

| Income Satetement - Consolidated | | | |
|---|---|---|---|
| **Ch$ Thousands** | **2010** | **2009** | **Chg. %** |
| Revenues | 16,651,140 | 16,823,685 | *-1.0%* |
| Cost of Sales | (3,800,554) | (3,306,790) | *14.9%* |
| **Gross Profit** | **12,850,586** | **13,516,895** | ***-4.9%*** |
| Administration Expenses | (2,039,289) | (2,262,155) | *-9.9%* |
| Other Expenses | (9,629) | (273,021) | *-96.5%* |
| **OPERATING INCOME** | **10,801,668** | **10,981,719** | ***-1.6%*** |
| Depreciation & Amortization | 363,472 | 359,035 | *1.2%* |
| **EBITDA** | **11,165,140** | **11,340,754** | ***-1.5%*** |
| Other Income / Expenses | (1,085,397) | 2,327,354 | *-146.6%* |
| Financial Income | 727,561 | 1,118,312 | *-34.9%* |
| Financial Expenses | (3,297,563) | (2,660,275) | *24.0%* |
| Foreign Exchange Differences | 51,686 | (117,583) | *-144.0%* |
| Income (Loss) for indexed assets and liabilities | (706,611) | 3,647,676 | *-119.4%* |
| **NON-OPERATING INCOME** | **(4,310,324)** | **4,315,484** | ***-199.9%*** |
| **Profit before Income Tax** | **6,491,344** | **15,297,203** | ***-57.6%*** |
| Income Tax | (1,120,897) | (1,110,789) | *0.9%* |
| **NET PROFIT (LOSS)** | **5,370,447** | **14,186,414** | ***-62.1%*** |

**Balance Sheet**

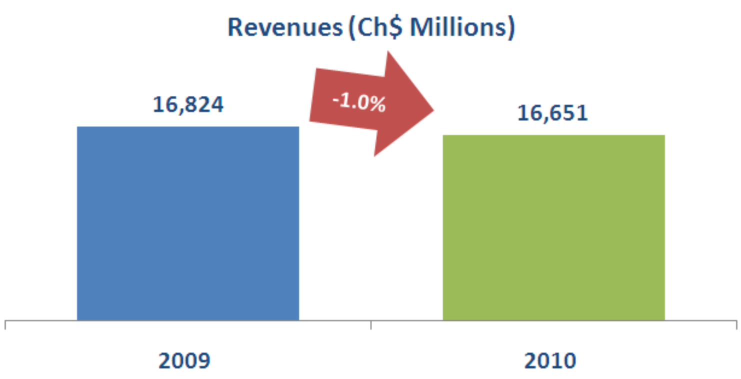
| Ch$ Millions | March 31 2010 | December 31 2009 |
|---|---|---|
| **Assets** | | |
| **Current Assets** | | |
| Cash and Cash Equivalents | 42,992 | 47,107 |
| Other Current Financial Assets | 64,348 | 62,218 |
| Other Current Non-Financial Assets | 1,875 | 1,127 |
| Trade Accounts Rec. and Other Rec. | 20,421 | 21,869 |
| Accounts Receivable from Rel. Comp. | 994 | 178 |
| Current Tax Receivable | 9,777 | 9,506 |
| **Total Current Assets** | **140,407** | **142,006** |
| **Non-Current Assets** | | |
| Other Non-Current Financial Assets | 0 | 255 |
| Other Non-Current Non-Fin. Assets | 24,001 | 21,631 |
| Non-Current Accounts Receivable | 524 | 1,514 |
| Non-Current Acc. Rec. with Rel. Part. | (0) | 0 |
| Intangible Assets exc. Surplus Value | 8,780 | 8,738 |
| Surplus Value | 2,666 | 2,559 |
| Property, Plant and Equipment | 2,754 | 2,831 |
| Investment Properties | 591,693 | 577,383 |
| Deferred Tax Assets | 15,692 | 15,929 |
| **Total Non-Current Assets** | **646,109** | **630,841** |
| **TOTAL ASSETS** | **786,516** | **772,847** |

| Ch$ Millions | March 31 2010 | December 31 2009 |
|---|---|---|
| **Liabilities** | | |
| **Current Liabilities** | | |
| Other Current Financial Liabilities | 29,146 | 18,663 |
| Comm. Cred. and Other Acc. Payable | 3,135 | 3,772 |
| Current Acc. Payable to Rel. Parties | 116 | 1,284 |
| Current Provisions | 4,928 | 3,345 |
| Tax Liabilities | 2,101 | 2,736 |
| Other Current Liabilities | 12,928 | 9,597 |
| **Total Current Liabilities** | **52,353** | **39,397** |
| **Non-Current Liabilities** | | |
| Other Non-Current Fin. Liabilities | 289,353 | 301,864 |
| Non-Current Liabilities | 258 | 283 |
| Non-Current Acc. Payable to Rel. Part. | 1,656 | 0 |
| Deferred Tax Liabilities | 44,635 | 43,984 |
| Other Non-Current Liabilities | 9,598 | 9,839 |
| **Total Non-Current Liabilities** | **345,500** | **355,970** |
| **Total Liabilities** | **397,853** | **395,367** |
| **Equity** | | |
| Issued Share Capital | 149,205 | 149,141 |
| Accumulated Earnings (Losses) | 199,208 | 194,327 |
| Other Reserves | (1,807) | (6,185) |
| **Attrib. to Shareholders of the Company** | **346,606** | **337,283** |
| Minority Interest | 42,057 | 40,196 |
| **Total Equity** | **388,663** | **377,480** |
| **TOTAL LIABILITIES AND EQUITY** | **786,516** | **772,847** |

## 5.- PORTFOLIO

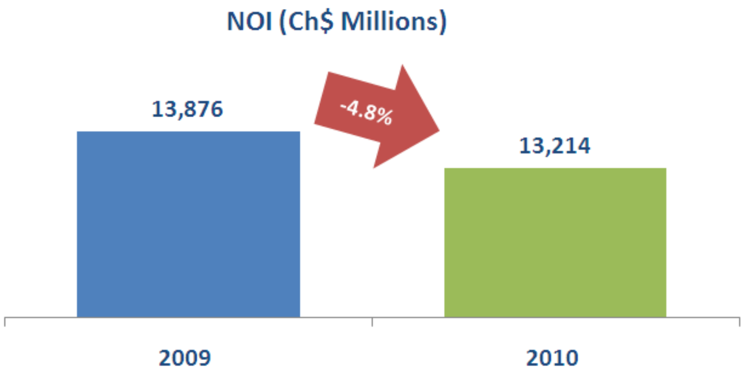
| 2010 | | | |
|---|---|---|---|
| MALL | Total GLA | % Part. | Own GLA |
| Parque Arauco Kennedy | 120,543 | 100.0% | 120,543 |
| Arauco Maipu | 58,047 | 100.0% | 58,047 |
| Arauco Express Pajaritos | 5,165 | 100.0% | 5,165 |
| Plaza El Roble | 25,229 | 100.0% | 25,229 |
| Paseo Arauco Estación | 67,290 | 83.0% | 55,850 |
| Arauco San Antonio | 5,233 | 51.0% | 2,669 |
| Marina Arauco | 54,655 | 33.3% | 18,218 |
| Mall Center Curicó | 44,975 | 33.3% | 14,992 |
| **TOTAL CHILE** | **381,137** | | **300,714** |
| Megaplaza Norte | 76,323 | 45.0% | 34,345 |
| Mega Express Villa | 5,518 | 50.0% | 2,759 |
| **TOTAL PERU** | **81,841** | | **37,104** |
| Alto Palermo | 18,629 | 31.6% | 5,887 |
| Abasto | 41,100 | 31.6% | 12,988 |
| Patio Bullrich | 11,736 | 31.6% | 3,709 |
| Paseo Alcorta | 14,388 | 31.6% | 4,547 |
| Alto Avellaneda | 36,579 | 31.6% | 11,559 |
| Buenos Aires Design | 13,621 | 17.0% | 2,311 |
| Alto Noa | 18,869 | 31.6% | 5,963 |
| Alto Rosario | 28,649 | 31.6% | 9,053 |
| Mendoza Plaza | 40,548 | 31.6% | 12,813 |
| Cordoba | 15,541 | 31.6% | 4,911 |
| Dot Baires | 49,750 | 25.3% | 12,577 |
| **TOTAL ARGENTINA** | **289,410** | | **86,316** |
| **TOTAL** | **752,388** | | **424,134** |

## 6.- ANALYSIS OF CONSOLIDATED RESULTS

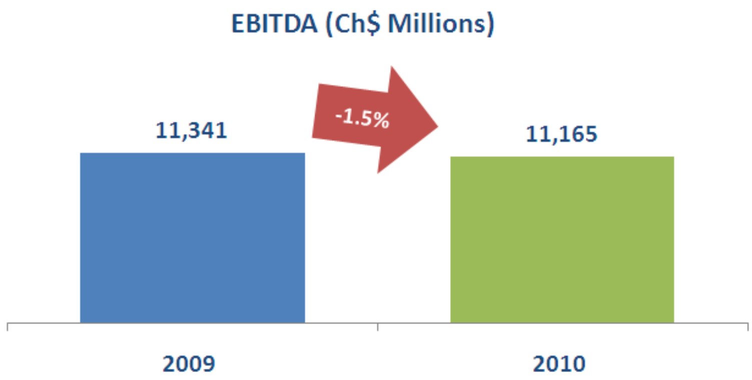



**Revenues** for the first quarter of 2010 were Ch$16,651 million, in line with the revenue of Q109. The quarter's results were impacted by interruptions associated with the February earthquakes, resulting in temporary closures of certain malls as well as the remodeling of Parque Arauco Kennedy ("Kennedy") and Mall Arauco Maipú. This was offset by the incorporation of Arauco San Antonio and a 4.2% expansion of owned leasable area.

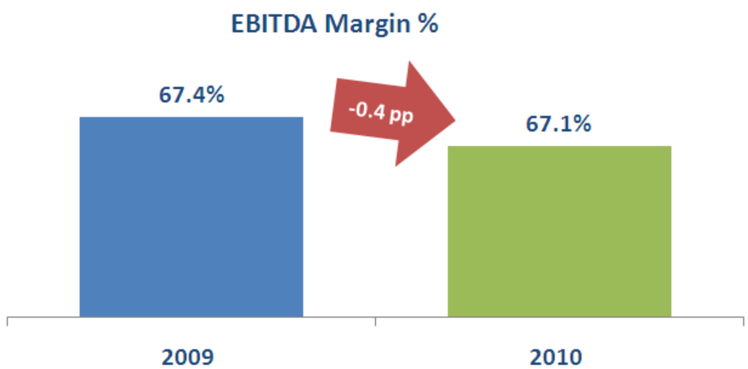
**Gross Profit** for the quarter was Ch$12,851 million, a decline of 4.9% as compared to the same period of 2009. The addition of two malls to the Company's portfolio and the Company's concerted effort to raise the quality of the shopping experience in its portfolio through improved maintenance, cleaning and security resulted in a 14.9% increase in the cost of sales to Ch$3,801 million during the period.




**Net operating income ("NOI")**, defined as revenues less cost of sales plus depreciation and amortization, decreased by 4.8% to Ch$13,214 million from Ch$13,876 million in the first quarter of 2009.




In the first quarter, **EBITDA** of Ch$11,165 million was generally in line with Q109's Ch$11,341 million as was the **EBITDA margin** of 67.1%. Expansion of the leasable area of portfolio properties and a 6.6% increase of GLA at Mega Plaza Norte, helped to offset the effects of business interruption during the period.



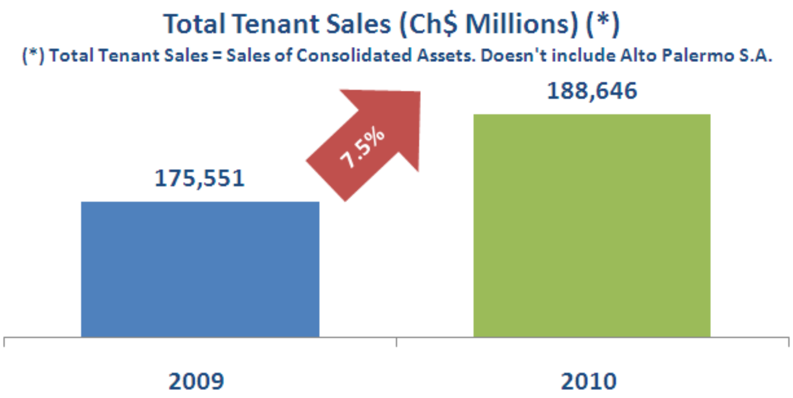

A **non-operating loss** of Ch$(4,310) million was recorded in the first quarter 2010, as compared to a profit of Ch$4,315 million in Q109. The principal contributors to the result were the adoption of IFRS accounting standards, under which Ch$2,696 million of negative goodwill recorded in 2009 and a difference of Ch$(4,354) on indexed assets and liabilities were recognized, as well as Ch$1,027 million of expenses incurred with the payment of insurance deductibles related to the earthquake.

**Net income** was Ch$5,370 million, or Ch$8.83 per share, compared with net income of Ch$14,186 million, or Ch$23.36 per share, in Q109.

**FFO** ("Funds from Operations"), defined as net income plus depreciation and amortization minus a loss on indexed assets and liabilities and the negative goodwill, declined year-over-year to Ch$6,441 million, or Ch$10.59 per share, as compared to Ch$8,202 million in the first quarter of 2009. The main driver of this decrease was lower non-operating income that resulted from payment of insurance deductibles to address the effects of the earthquake and an increase in financial expenses

**Cash and cash equivalents** totaled Ch$42,992 million in the first quarter compared to Ch$47,107 million reported at the end of Q409, as funds were used primarily for the development of properties such as Mall Alameda in Pereira, Colombia, Mall Arequipa in Peru and Mall Paseo Marina in Viña del Mar, Chile, as well as the expansion of some Chilean properties.

**GLA** totaled 752,388 m², as compared to 691,299 m² in Q109, and **owned GLA** was 424,134 m², an increase from 406,874 m² in the equivalent period of the previous year. **Occupancy** rates showed minimal variation as compared to the prior quarter.




Total **tenant sales** increased by 7.5% in the first quarter of 2010, to Ch$188,646 million.

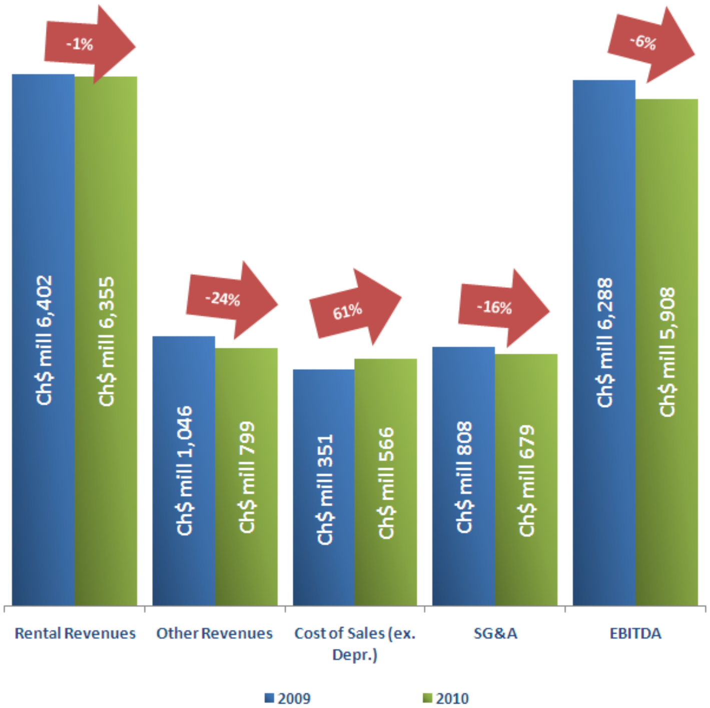
## 7.- OUTLOOK

Parque Arauco will continue to extend its regional footprint and has committed to investing an additional US$421 million in Chile, Colombia, and Peru through 2012, bringing the total investment in those markets since 2007 to US$929 million. The Company is proceeding with the development of properties Mall Alameda, Mall Paseo Marina, and Mall Arequipa, where construction has started, furthering its expansion in each of the three markets in which it operates, and continuing to improve its current portfolio of assets. The longer-term development of Parque La Colina, a flagship property in the capital city of Bogota, for which land has already been purchased, is also expected to begin in 2011, strengthening the Company's brand name and expansion efforts in the Colombian market.

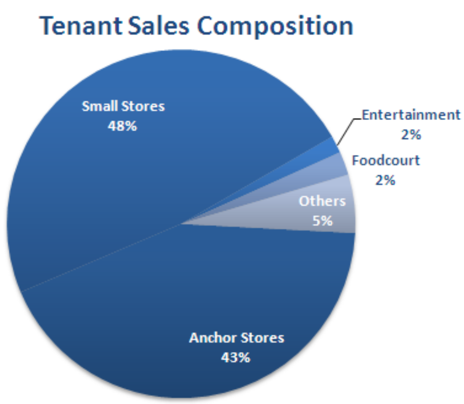


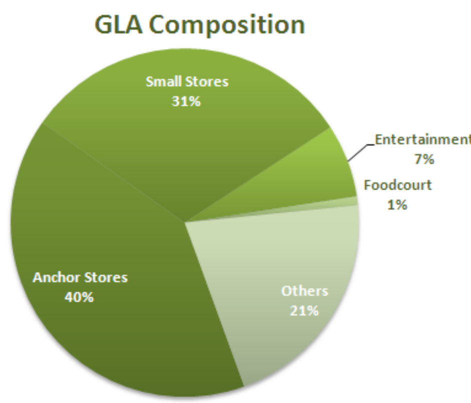
## 8.- PROPERTY HIGHLIGHTS BY MALL

### 8.1.- PARQUE ARAUCO KENNEDY



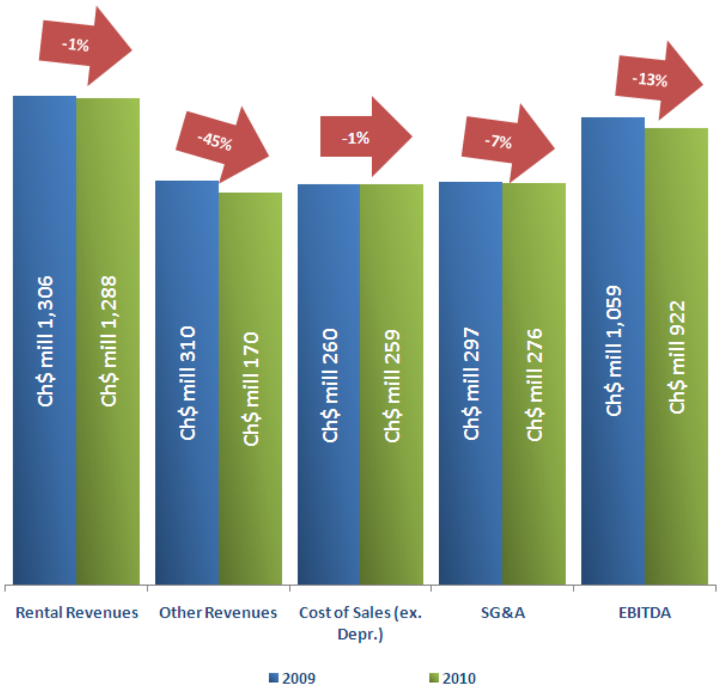

PAK generated total income of Ch$7,154 in the first quarter of 2010, a result that was 3.9% lower than the amount recorded in the same period of the previous year. This decline and a 6.1% decline in EBITDA year-over-year to Ch$5,908 million were mainly attributable to interruptions associated with the renovation of the food court and lower energy sales prices, both of which affected revenues. PAK continued to benefit from a strong brand name and location and its sales totals were fairly balanced between anchor tenants and small stores. The property's total GLA of 120,543 m2 will decline upon the sale of the property's commercial office towers, which is expected to be completed in the coming months.



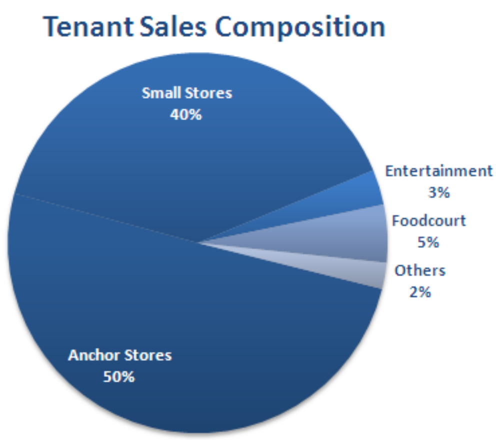



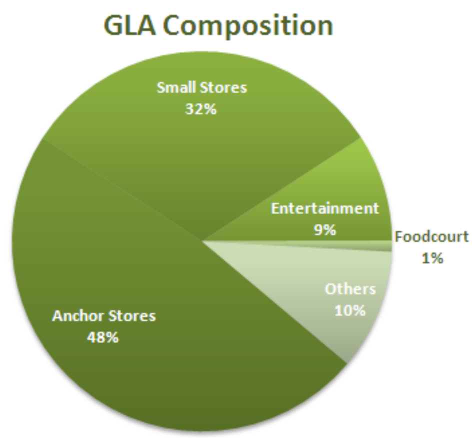

| Operating and Commercial Indicators | 2010 | 2009 | Chg. % |
|---|---|---|---|
| Tenant Sales (Ch$ millions) | 65,633 | 61,354 | 7.0% |
| Total GLA (m2) | 120,543 | 121,658 | -0.9% |
| Monthly Sales per m2 (Ch$) | 218,834.21 | 201,512.09 | 8.6% |
| Monthly Rent per m2 (Ch$) | 17,501.03 | 17,538.93 | -0.2% |
| Total Visitors (thousands) | 6,278 | 6,134 | 2.4% |
| % Occupancy | 99.96% | 100.00% | 0.0% |
| EBITDA Margin (%) | 82.6% | 84.4% | -1.8 bp |

## 8.2.- MALL ARAUCO MAIPÚ



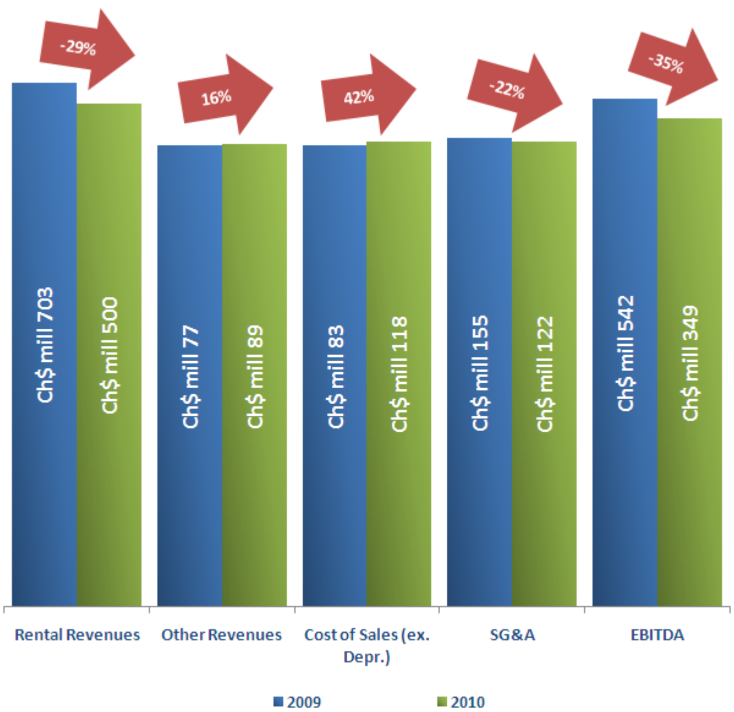

This shopping center, located in Santiago, Chile, contributed Ch$1,458 million in income during the first quarter, a decline of 9.8% as compared to the total in Q109, a result mainly driven by the remodeling of portions of the property, which led to lower rental revenue, and lower energy sales. The property's EBITDA of Ch$922 million represented a 12.9% decline from the C$1,059 recorded in the same period of 2009. Maipú suffered minimal damage and short-term closure due to the earthquake, yet both it and affiliated strip mall, Arauco Express Pajaritos, which have a combined GLA of 63,212 m2, are fully operational. Pajaritos' quarterly financial results are consolidated in those of Mall Arauco Maipú.



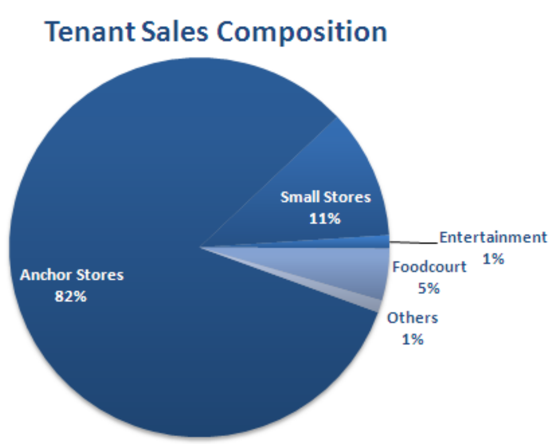



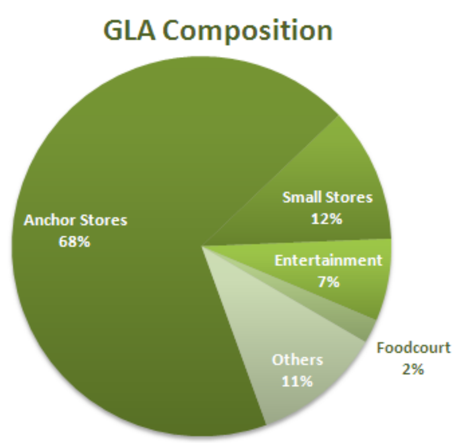

| Operating and Commercial Indicators | 2010 | 2009 | Chg. % |
|---|---|---|---|
| Tenant Sales (Ch$ millions) | 14,782 | 14,154 | 4.4% |
| Total GLA (m2) | 63,212 | 64,488 | -2.0% |
| Monthly Sales per m2 (Ch$) | 87,706.88 | 82,366.66 | 6.5% |
| Monthly Rent per m2 (Ch$) | 6,767.73 | 7,109.74 | -4.8% |
| Total Visitors (thousands) | 3,293 | 3,579 | -8.0% |
| % Occupancy | 90.49% | 90.10% | 0.4% |
| EBITDA Margin (%) | 63.3% | 65.5% | -2.3 bp |

## 8.3.- PLAZA EL ROBLE



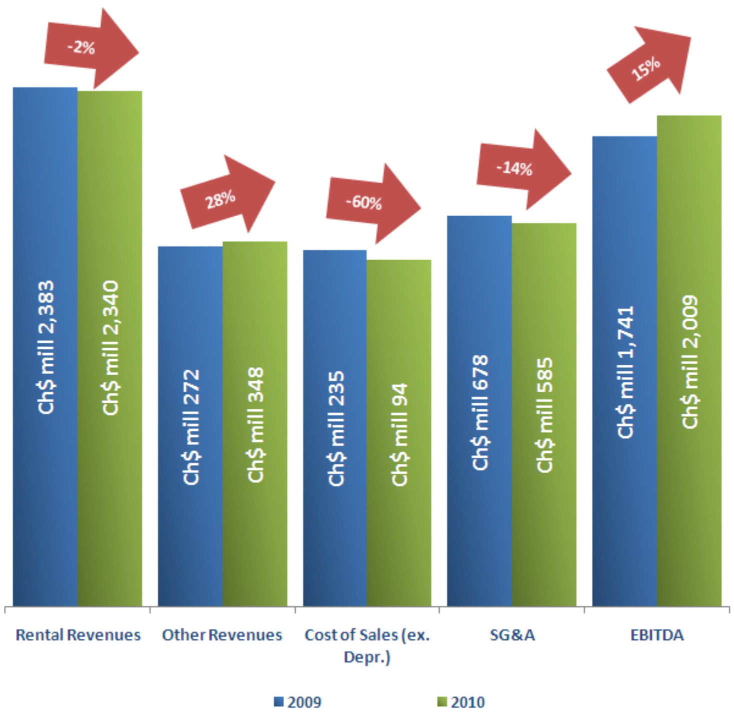

The property's supermarket and an anchor tenant reopened in early March after being closed since February 27 due to damage from the earthquake that struck close to the city of Chillán, where the property is located. As a result of the rest of property being inoperable during the month of March, El Roble contributed total income of Ch$589 million, a decline of 24.5% as compared with Q109, and EBITDA also declined year-over-year by 35.49% to Ch$349 million. These declines were partially offset by higher revenues derived from energy sales. Approximately 78% of the property's GLA of 25,229 m2 is now operating regularly and occupancy remains strong, exceeding 99%.



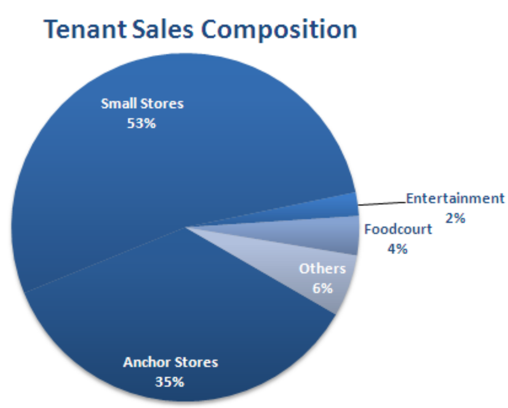



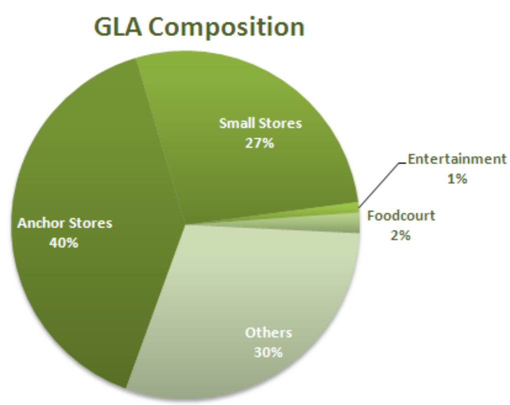

| Operating and Commercial Indicators | 2010 | 2009 | Chg. % |
|---|---|---|---|
| Tenant Sales (Ch$ millions) | 9,065 | 11,031 | -17.8% |
| Total GLA (m2) | 25,229 | 25,139 | 0.4% |
| Monthly Sales per m2 (Ch$) | 136,962.41 | 166,208.99 | -17.6% |
| Monthly Rent per m2 (Ch$) | 6,601.47 | 9,314.58 | -29.1% |
| Total Visitors (thousands) [1] | 2,318 | 1,338 | 73.2% |
| % Occupancy | 99.63% | 99.73% | -0.1% |
| EBITDA Margin (%) | 59.3% | 69.4% | -10.1 bp |

## 8.4.- PASEO ARAUCO ESTACIÓN



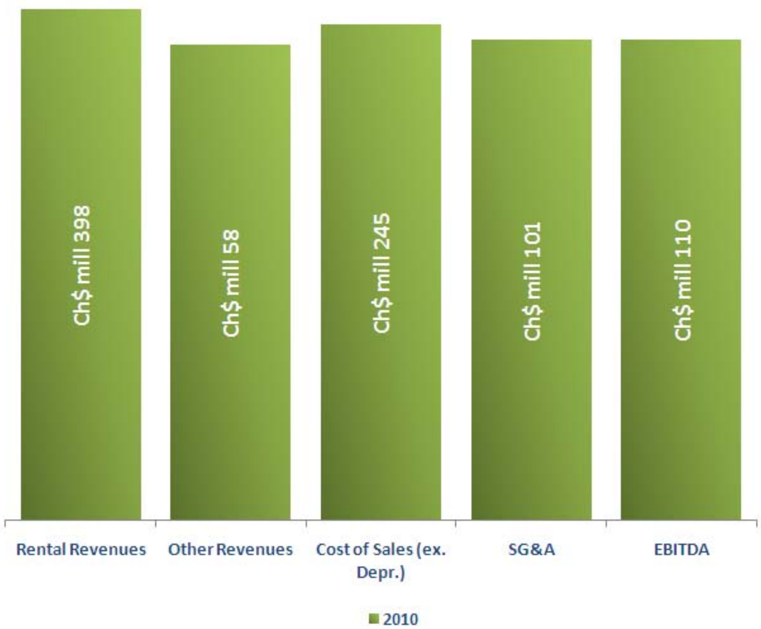

Estación achieved total income of Ch$2,688 million, a 1.3% increase over the amount reported in Q109 driven primarily by higher parking revenue. EBITDA also rose by 15.4% to Ch$2,009 million as compared to the first quarter of 2009. Small stores continued to perform well, accounting for 53% of the property's tenant sales despite occupying less than a third of the property's GLA of 67,290 m2.



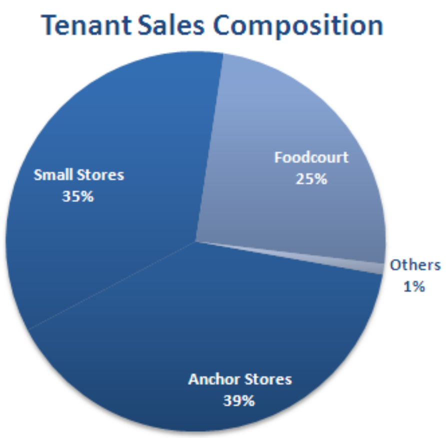



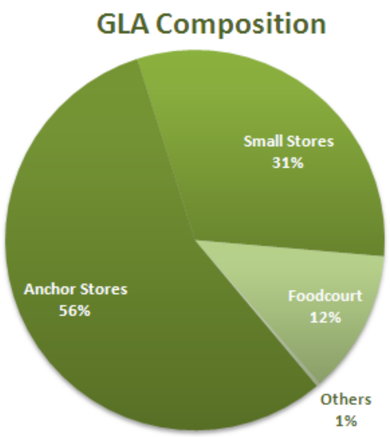

| Operating and Commercial Indicators | 2010 | 2009 | Chg. % |
|---|---|---|---|
| Tenant Sales (Ch$ millions) | 23,038 | 21,206 | 8.6% |
| Total GLA (m2) | 67,290 | 67,290 | 0.0% |
| Monthly Sales per m2 (Ch$) | 158,337.02 | 145,746.09 | 8.6% |
| Monthly Rent per m2 (Ch$) | 11,571.33 | 11,780.24 | -1.8% |
| Total Visitors (thousands) | N/A | N/A | - |
| % Occupancy | 99.22% | 98.10% | 1.1% |
| EBITDA Margin (%) | 74.7% | 65.6% | 9.2 bp |

## 8.5.- ARAUCO SAN ANTONIO



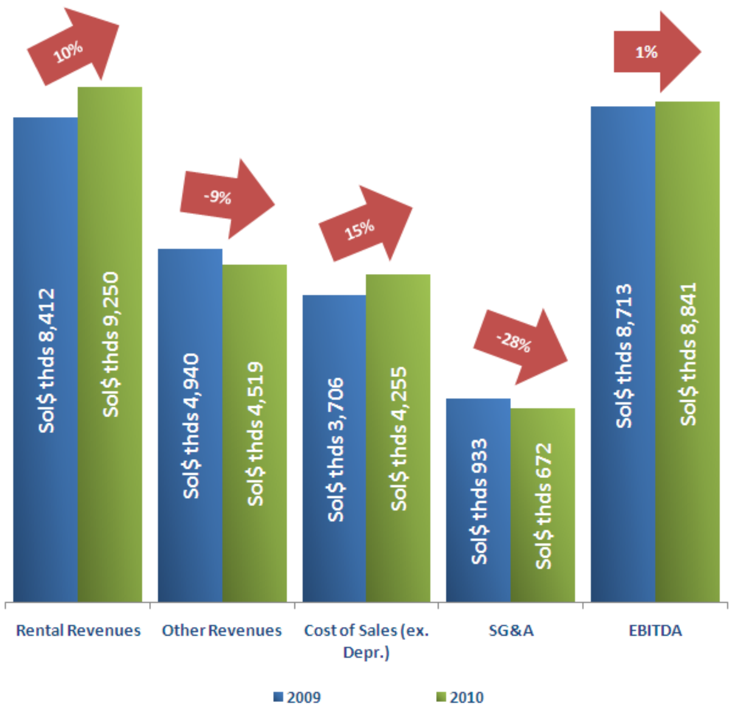

This innovative commercial center located in San Antonio, Chile, which is to include a mall, hotel and casino, opened in late 2009. The first quarter's results reflected the commercial operation of small stores, a food court and a casino which occupy approximately one sixth of the property's contemplated GLA of 29,000 m2. The property contributed income of Ch$456 million and EBITDA of Ch$110 million during the quarter. Tenant sales were fairly balanced between the casino and small stores, comprising 75% of the total, with the food court generating the remainder.



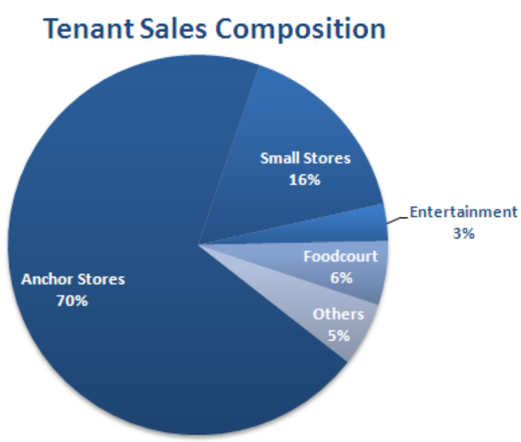



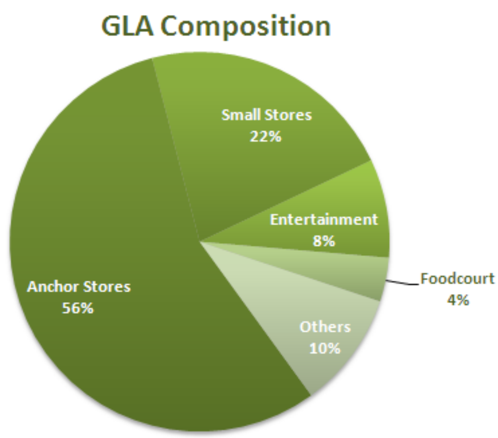

| Operating and Commercial Indicators | 2010 |
|---|---|
| Tenant Sales (Ch$ millions) | 1,818 |
| Total GLA (m2) | 5,233 |
| Monthly Sales per m2 (Ch$) | 118,653.28 |
| Monthly Rent per m2 (Ch$) | 16,462.68 |
| Total Visitors (thousands) | N/A |
| % Occupancy | 89.74% |
| EBITDA Margin (%) | 24.1% |

## 8.6.- MEGAPLAZA NORTE




This urban shopping center, located in Lima, Peru, contributed first quarter income of Sol$13,769 thousand, an increase of 3.1% over the prior year, and posted EBITDA of Sol$8,841 thousand, a 1.5% increase. These results were largely attributable to expansion of the property's GLA by nearly 5,000 m2 to 76,323 m2. A 10% increase in year-over-year rental revenues offset declining non-rental income during the first quarter as compared with the same quarter in 2009. Occupancy remained strong at the shopping center, exceeding 99.9%.

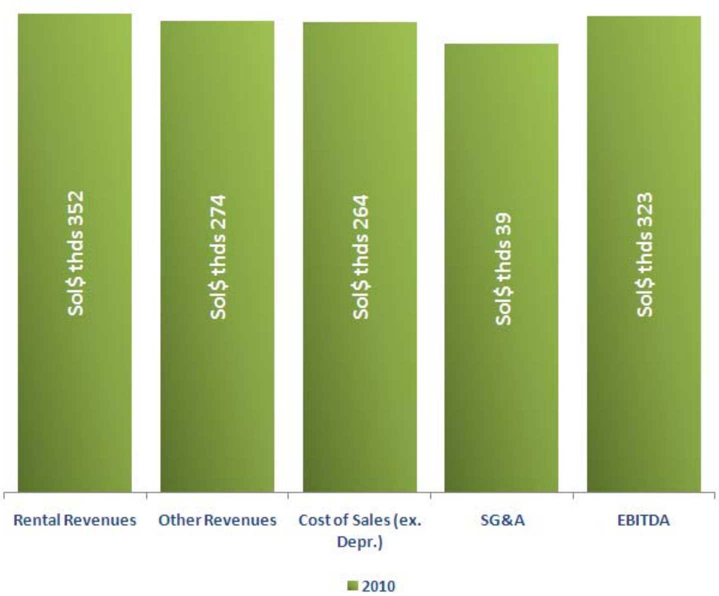


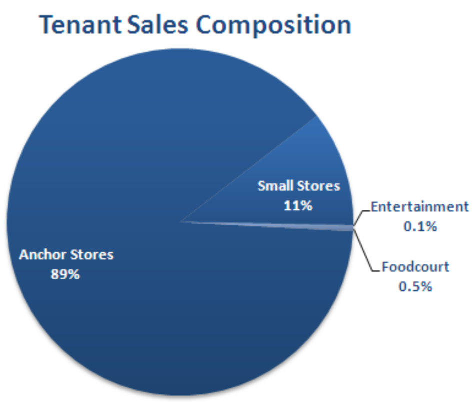



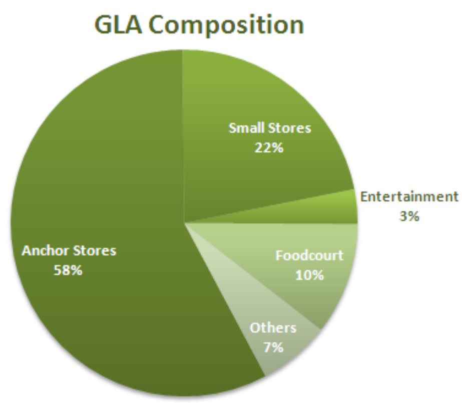

| Operating and Commercial Indicators | 2010 | 2009 | Chg. % |
|---|---|---|---|
| Tenant Sales (Ch$ millions) | 178,959 | 165,035 | 8.4% |
| Total GLA (m2) | 76,323 | 71,583 | 6.6% |
| Monthly Sales per m2 (Ch$) | 781.59 | 768.50 | 1.7% |
| Monthly Rent per m2 (Ch$) | 40.40 | 39.17 | 3.1% |
| Total Visitors (thousands) | 9,103 | 8,440 | 7.9% |
| % Occupancy | 99.92% | 99.50% | 0.4% |
| EBITDA Margin (%) | 64.2% | 65.3% | -1.0 bp |

## 8.7.- MEGA EXPRESS VILLA

This property, located in Chorrillos, Perú, began commercial operations in November 2009. During the first quarter, its first full quarter of commercial operation, the strip mall contributed income of Sol$626 thousands and EBITDA of Sol$323 thousands, and had 91.6% of its 6000 m2 of GLA leased. Anchor stores contributed heavily to tenant sales, generating 89% of the total.

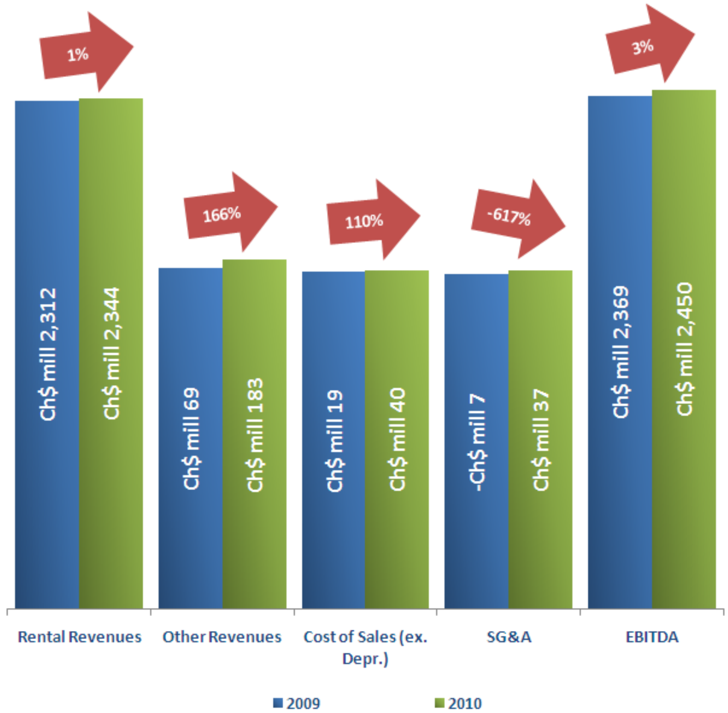


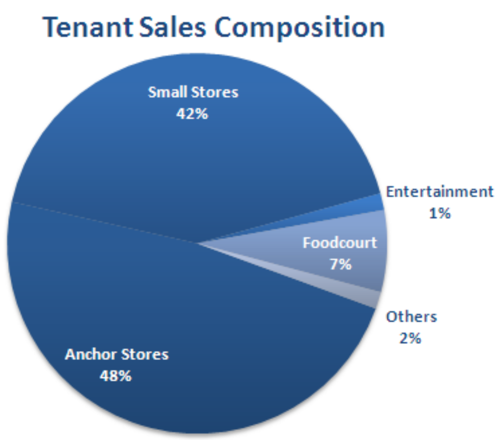



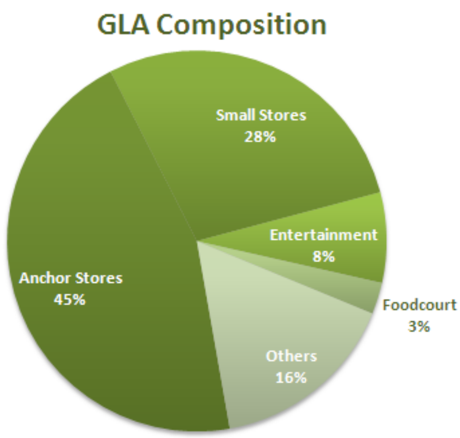

| Operating and Commercial Indicators | 2010 |
|---|---|
| Tenant Sales (Ch$ millions) | 6,739 |
| Total GLA (m2) | 5,518 |
| Monthly Sales per m2 (Ch$) | 407.07 |
| Monthly Rent per m2 (Ch$) | 21.26 |
| Total Visitors (thousands) | N/A |
| % Occupancy | 91.60% |
| EBITDA Margin (%) | 51.6% |

## 8.8.- MALL MARINA ARAUCO



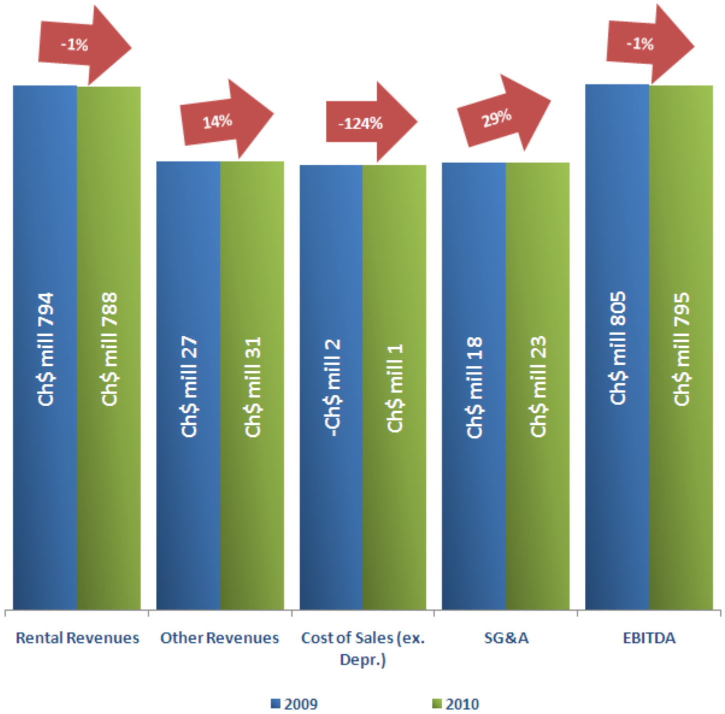

This property, located in Viña del Mar, Chile, which has a GLA of 54,655 m2, reported income of Ch$2,527 million during the quarter, an increase of 6.1% over the total recorded in the first quarter of 2009. The property's EBITDA of Ch$2,450 million rose by 3.4% over Q109 levels. Marina Arauco's monthly sales per square meter of Ch$206,537, which increased by 3.1% year-over-year, were the second strongest in Parque Arauco's portfolio of properties, and occupancy reached 100%.




| Operating and Commercial Indicators | 2010 | 2009 | Chg. % |
|---|---|---|---|
| Tenant Sales (Ch$ millions) | 28,444 | 27,983 | 1.6% |
| Total GLA (m2) | 54,655 | 56,984 | -4.1% |
| Monthly Sales per m2 (Ch$) | 206,537.39 | 200,327.65 | 3.1% |
| Monthly Rent per m2 (Ch$) | 14,296.03 | 13,500.78 | 5.9% |
| Total Visitors (thousands) | 1,582 | 1,619 | -2.3% |
| % Occupancy | 100.00% | 99.40% | 0.6% |
| EBITDA Margin (%) | 96.9% | 99.5% | -2.6 bp |

## 8.9.- MALL CENTER CURICÓ




This shopping center, situated south of Santiago, Chile, contributed first quarter income of Ch$819 million, in line with the result during the same quarter of the previous year, while EBITDA decreased by 1.2% to Ch$795 million from Ch$805 million in Q109. The property's GLA of 44,975 m2 mainly consists of anchor stores, which contributed 81% of tenant sales during the quarter.

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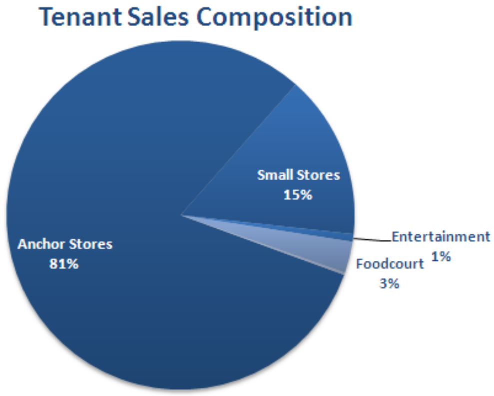
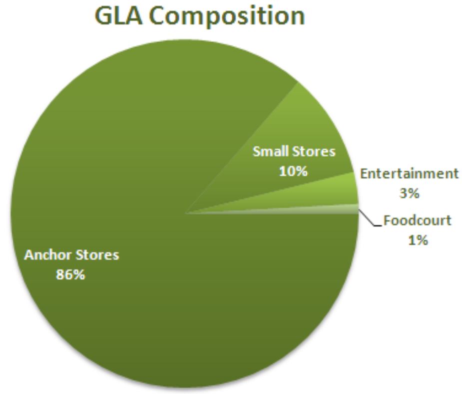



| Operating and Commercial Indicators | 2010 | 2009 | Chg. % |
|---|---|---|---|
| Tenant Sales (Ch$ millions) | 11,597 | 9,368 | 23.8% |
| Total GLA (m2) | 44,975 | 45,789 | -1.8% |
| Monthly Sales per m2 (Ch$) | 85,979.21 | 69,119.92 | 24.4% |
| Monthly Rent per m2 (Ch$) | 5,844.45 | 5,775.65 | 1.2% |
| Total Visitors (thousands) | 539 | 549 | -1.8% |
| % Occupancy | 97.54% | 97.78% | -0.2% |
| EBITDA Margin (%) | 97.1% | 98.1% | -1.0 bp |

## 8.10.- ALTO PALERMO

Parque Arauco holds a 31.6% share on a fully diluted basis in Alto Palermo S.A. (APSA) of Argentina, which owns eleven shopping centers in Argentina which together have a total GLA of 289,410 m2. In January, Parque Arauco granted a call option to Argentinean partner IRSA for US$6 million that gives IRSA the right to purchase Parque Arauco’s stake in APSA for US$126 million (including the US$6 million already paid). The call option is valid until August 31, 2010 and extendable until November 30, 2010. Should IRSA execute this option, Parque Arauco expects to use the proceeds generated for the development of regional properties.

## 9.- FIRST QUARTER 2010 HIGHLIGHTS

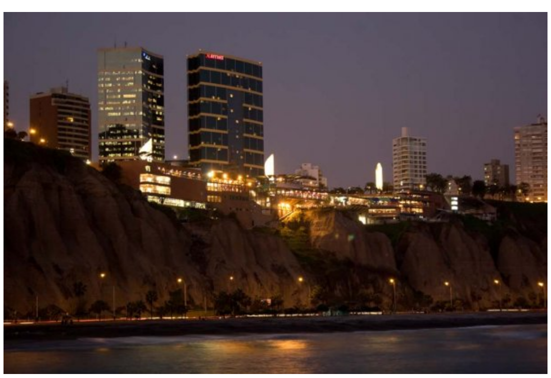
### MALL PASEO MARINA – VIÑA DEL MAR - CHILE

This commercial center, to be located next to Mall Marina Arauco in Viña del Mar, Chile, will feature small stores, restaurants, offices and entertainment. The property is expected to open during the second quarter of 2010 with a total GLA of 11,000 m2 following a total investment of US$13.5 million.

### PARQUE AREQUIPA – AREQUIPA – PERÚ

Construction of this property, located in the city of Arequipa, Peru, was advanced during the quarter. Commercial operations are expected to commence in late 2010, following a total investment of US$49million.

### LARCOMAR FASHION CENTER – LIMA - PERÚ



On March 30, 2010, the Company announced the acquisition of 82.5% of Larcomar Fashion Center (Peru) for US$36 million.  The purchase agreement between Parque Arauco and Graña y Montero also calls for the joint development of a 300 room, five star hotel in connection with the property.  The property includes a cinema, a museum, restaurants, two discotheques, a large theater and more than 800 parking spaces, and has a gross leasable area of 26,218 m2. In 2009, Larcomar recorded more than 500,000 visits per month, generating sales of US$50 million and EBITDA of US$5.7 million. The Company is currently engaged in the due diligence process to acquire this asset.



## MALL ALAMEDA PEREIRA - PEREIRA - COLOMBIA

This shopping center is expected to open during the fourth quarter 2010 in Pereira, Colombia. Construction is 70% completed and lease agreements with three well-known anchor tenants have been secured. The property will be the first operated by the Company in the Colombia market, and is expected to have a total GLA of 40,000 m2 following a total investment of approximately US$90 million.

## 10.- CONSOLIDATED FINANCIAL STATEMENTS

| Balance Sheet - Assets<br>Ch$ Millions | March 31<br>2010 | December 31<br>2009 | January 01<br>2009 |
|---|---|---|---|
| **Assets** | | | |
| | | | |
| **Current Assets** | | | |
| Cash and Cash Equivalents | 42,992 | 47,107 | 26,747 |
| Other Current Financial Assets | 64,348 | 62,218 | 61,521 |
| Other Current Non-Financial Assets | 1,875 | 1,127 | 3,914 |
| Trade Accounts Rec. and Other Rec. | 20,421 | 21,869 | 17,283 |
| Accounts Receivable from Rel. Comp. | 994 | 178 | 155 |
| Current Tax Receivable | 9,777 | 9,506 | 8,060 |
| **Total Current Assets** | **140,407** | **142,006** | **117,680** |
| | | | |
| **Non-Current Assets** | | | |
| Other Non-Current Financial Assets | 0 | 255 | 0 |
| Other Non-Current Non-Fin. Assets | 24,001 | 21,631 | 11,121 |
| Non-Current Accounts Receivable | 524 | 1,514 | 2,284 |
| Non-Current Acc. Rec. with Rel. Part. | (0) | 0 | 1 |
| Intangible Assets exc. Surplus Value | 8,780 | 8,738 | 11,867 |
| Surplus Value | 2,666 | 2,559 | 23,928 |
| Property, Plant and Equipment | 2,754 | 2,831 | 3,787 |
| Investment Properties | 591,693 | 577,383 | 518,938 |
| Deferred Tax Assets | 15,692 | 15,929 | 13,716 |
| **Total Non-Current Assets** | **646,109** | **630,841** | **585,643** |
| | | | |
| **TOTAL ASSETS** | **786,516** | **772,847** | **703,322** |

| Balance Sheet - Liabilities<br>Ch$ Millions | March 31<br>2010 | December 31<br>2009 | January 01<br>2009 |
|---|---|---|---|
| **Liabilities** | | | |
| | | | |
| **Current Liabilities** | | | |
| Other Current Financial Liabilities | 29,146 | 18,663 | 15,809 |
| Comm. Cred. and Other Acc. Payable | 3,135 | 3,772 | 4,289 |
| Current Acc. Payable to Rel. Parties | 116 | 1,284 | 218 |
| Current Provisions | 4,928 | 3,345 | 3,276 |
| Tax Liabilities | 2,101 | 2,736 | 1,956 |
| Other Current Liabilities | 12,928 | 9,597 | 8,649 |
| **Total Current Liabilities** | **52,353** | **39,397** | **34,197** |
| | | | |
| **Non-Current Liabilities** | | | |
| Other Non-Current Fin. Liabilities | 289,353 | 301,864 | 278,195 |
| Non-Current Liabilities | 258 | 283 | 0 |
| Non-Current Acc. Payable to Rel. Part. | 1,656 | 0 | 0 |
| Deferred Tax Liabilities | 44,635 | 43,984 | 35,400 |
| Other Non-Current Liabilities | 9,598 | 9,839 | 10,276 |
| **Total Non-Current Liabilities** | **345,500** | **355,970** | **323,871** |
| | | | |
| **Total Liabilities** | **397,853** | **395,367** | **358,068** |
| | | | |
| **Equity** | | | |
| Issued Share Capital | 149,205 | 149,141 | 152,278 |
| Accumulated Earnings (Losses) | 199,208 | 194,327 | 153,630 |
| Other Reserves | (1,807) | (6,185) | 973 |
| **Attrib. to Shareholders of the Company** | **346,606** | **337,283** | **306,880** |
| Minority Interest | 42,057 | 40,196 | 38,375 |
| **Total Equity** | **388,663** | **377,480** | **345,255** |
| | | | |
| **TOTAL LIABILITIES AND EQUITY** | **786,516** | **772,847** | **703,322** |

| Income Satetement - Consolidated | | | |
|---|---|---|---|
| **Ch$ Thousands** | **2010** | **2009** | **Chg. %** |
| Revenues | 16,651,140 | 16,823,685 | -1.0% |
| Cost of Sales | (3,800,554) | (3,306,790) | 14.9% |
| **Gross Profit** | **12,850,586** | **13,516,895** | **-4.9%** |
| Administration Expenses | (2,039,289) | (2,262,155) | -9.9% |
| Other Expenses | (9,629) | (273,021) | -96.5% |
| **OPERATING INCOME** | **10,801,668** | **10,981,719** | **-1.6%** |
| Depreciation & Amortization | 363,472 | 359,035 | 1.2% |
| **EBITDA** | **11,165,140** | **11,340,754** | **-1.5%** |
| Other Income / Expenses | (1,085,397) | 2,327,354 | -146.6% |
| Financial Income | 727,561 | 1,118,312 | -34.9% |
| Financial Expenses | (3,297,563) | (2,660,275) | 24.0% |
| Foreign Exchange Differences | 51,686 | (117,583) | -144.0% |
| Income (Loss) for indexed assets and liabilities | (706,611) | 3,647,676 | -119.4% |
| **NON-OPERATING INCOME** | **(4,310,324)** | **4,315,484** | **-199.9%** |
| **Profit before Income Tax** | **6,491,344** | **15,297,203** | **-57.6%** |
| Income Tax | (1,120,897) | (1,110,789) | 0.9% |
| **NET PROFIT (LOSS)** | **5,370,447** | **14,186,414** | **-62.1%** |
| **Attributable to:** | | | |
| Equity holders of the company | 4,844,634 | 13,485,342 | -64.1% |
| Minority interests | 525,813 | 701,072 | -25.0% |
| **NET PROFIT (LOSS)** | **5,370,447** | **14,186,414** | **-62.1%** |

ParqueArauco®

| Cash Flow Statement<br>Ch$ Thousands | 2010 | 2009 | Chg. % |
|---|---|---|---|
| **Net cash flow from operating activities** | | | |
| Receipts from sales of goods and services | 25,552,427 | 22,892,985 | *11.6%* |
| Other receipts from operating activities | 195,373 | 10,458 | *1768.2%* |
| Payments to suppliers for goods and services | (8,172,209) | (6,069,136) | *34.7%* |
| Payments on behalf of employees | (966,787) | (803,956) | *20.3%* |
| Other payments for operating activities | (2,202,794) | (1,769,292) | *24.5%* |
| Interest paid | (2,902,200) | (3,600,049) | *-19.4%* |
| Interest received | 331,488 | 136,767 | *142.4%* |
| Income taxes refunded | (1,226,456) | (21,647) | *5565.7%* |
| Other inputs (outputs) in cash | (297,601) | (517,901) | *-42.5%* |
| **Net cash flow from operating activities** | **10,311,241** | **10,258,229** | ***0.5%*** |
| **Net Cash flow from investment activities** | | | |
| Other payments to acquire equity or debt instruments of other entities | (1,183,953) | 0 | - |
| Loans to related entities | (749,142) | 0 | - |
| Purchases of property, plant and equipment | (497,694) | (119,662) | *315.9%* |
| Purchases of intangible assets | (38,033) | 0 | - |
| Figures from other long-term assets | (279,829) | 0 | - |
| Purchases of other long-term assets | (6,348,919) | (11,551,436) | *-45.0%* |
| Dividends received | 393,102 | 0 | - |
| Other inputs (outputs) in cash | (792,449) | 34,232 | *-2414.9%* |
| **Net Cash flow from investment activities** | **(9,496,917)** | **(11,636,866)** | ***-18.4%*** |
| **Net cash flow from financing activities** | | | |
| Share Issuance | 68,705 | 0 | - |
| Loan Payments | (5,213,500) | (2,853,396) | *82.7%* |
| Other inputs (outputs) in cash | 21,190 | (231,983) | *-109.1%* |
| **Net cash flow from financing activities** | **(5,123,605)** | **(3,085,379)** | ***66.1%*** |
| **Net increase (decrease) in cash and cash equivalents, before the effect of changes in the exchange rate** | **(4,309,281)** | **(4,464,016)** | ***-3.5%*** |
| **Effects of variation in the exchange rate on cash and cash equivalents** | **194,458** | **(780,925)** | ***-124.9%*** |
| Increase (decrease) in net cash and cash equivalent | (4,114,823) | (5,244,941) | *-21.5%* |
| **Cash and cash equivalents at beginning of period** | **47,107,169** | **26,747,088** | ***76.1%*** |
| **Cash and cash equivalents at end of period** | **42,992,346** | **21,502,147** | ***99.9%*** |