



**SANTANDER INVESTMENT**  
**11th LATIN AMERICAN CONFERENCE**

January 15-19, 2007

**MASISA**

## FORWARD LOOKING STATEMENTS



This presentation may contain projections or other forward-looking statements related to Masisa that involve risks and uncertainties. Readers are cautioned that these statements are only projections and may differ materially from actual future results or events. There is no assurance that the expected events, trends or results will effectively occur. These declarations are made on the basis of numerous assumptions and factors, including general economic and market conditions, industry conditions and operating factors. Any change to these assumptions or factors could cause the present results of Masisa and Masisa's planned actions to differ substantially from the present expectations.

All forward-looking statements are based on information available to Masisa on the date of its posting and Masisa assumes no obligation to update such statements unless otherwise required by applicable law.

## Investment Highlights



- **Leading producer of wood boards for furniture in Latin America (#1 in MDF & PB)**
- **Favorable short and long term growth prospects (Macroeconomics, product penetration, housing deficit)**
- **Sound Competitive Strategy (Strong fundamentals)**
- **Sound financial profile (Investment Grade by Fitch)**
- **243,000 hectares of planted forests (Strategic asset)**
- **Diversified manufacturing base and end markets (Latin America, US)**
- **Established and expanding associated distribution network (Placacentros)**
- **Commitment to sustainable development (Triple Bottom Line Management)**
  - Integration, environmental and social credentials are key entry barriers

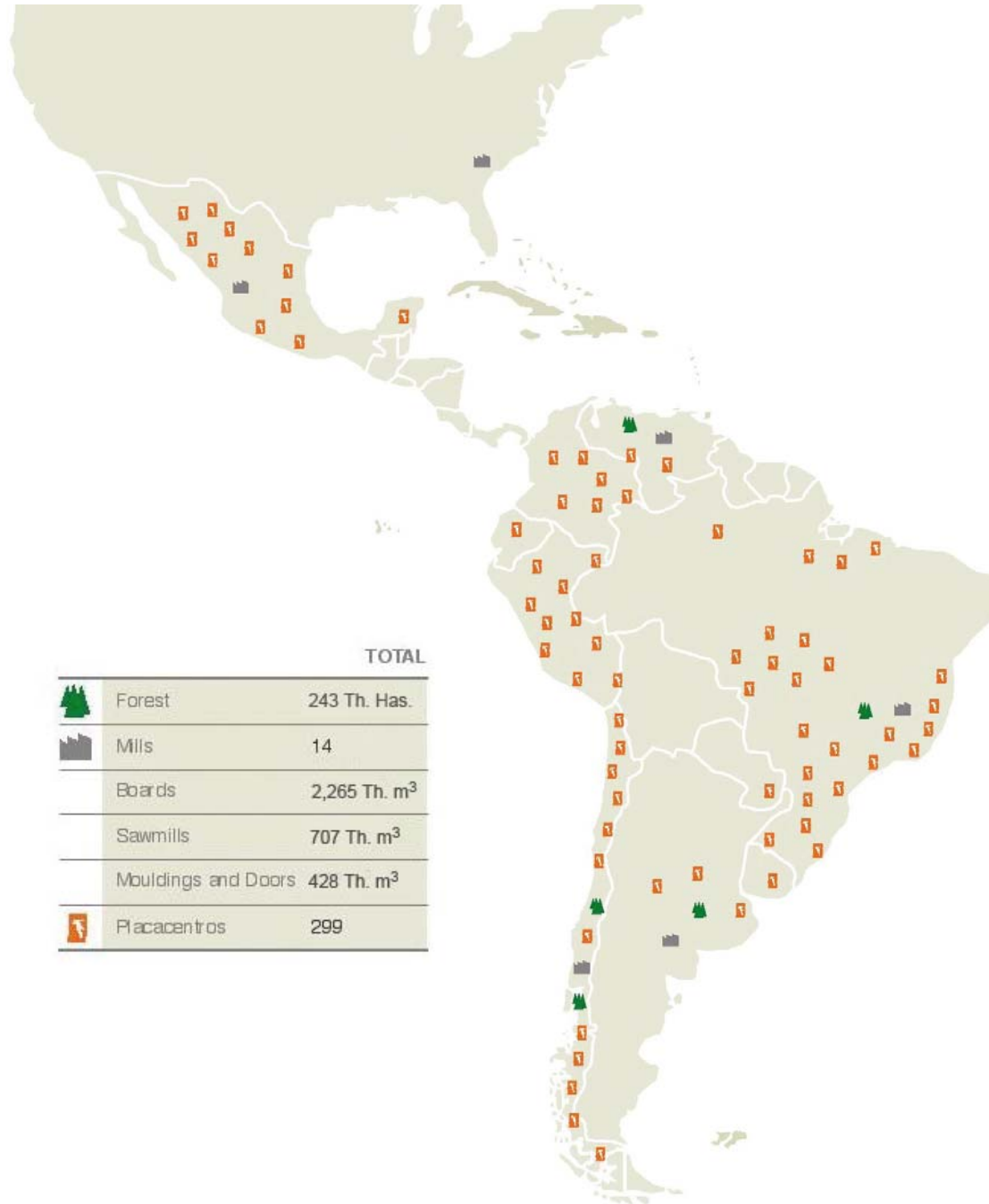


## Masisa in brief

- Based in Santiago, Chile
- Listed on NYSE (ADR) and on the Santiago Stock Exchange
- Assets - US\$ 1.96Bn as of Sept. 2006
- Sales 2005 - US\$ 549MM<sup>1</sup>
- Sales 2006 - US\$ 664MM<sup>1</sup>
- Earnings 2005 - US\$ 27.7MM<sup>1</sup>
- Earnings 2006 - US\$ 19.1MM<sup>1</sup>
- # 1 MDF producer in Latin America
- # 1 PB producer in Latin America
- Investment Grade BBB- by Fitch Ratings

(1) Figures correspond to the 9-month period ended Sept. 2005 or Sept. 2006, respectively.

# Masisa in brief – Location of Forests, Mills and Placacentros

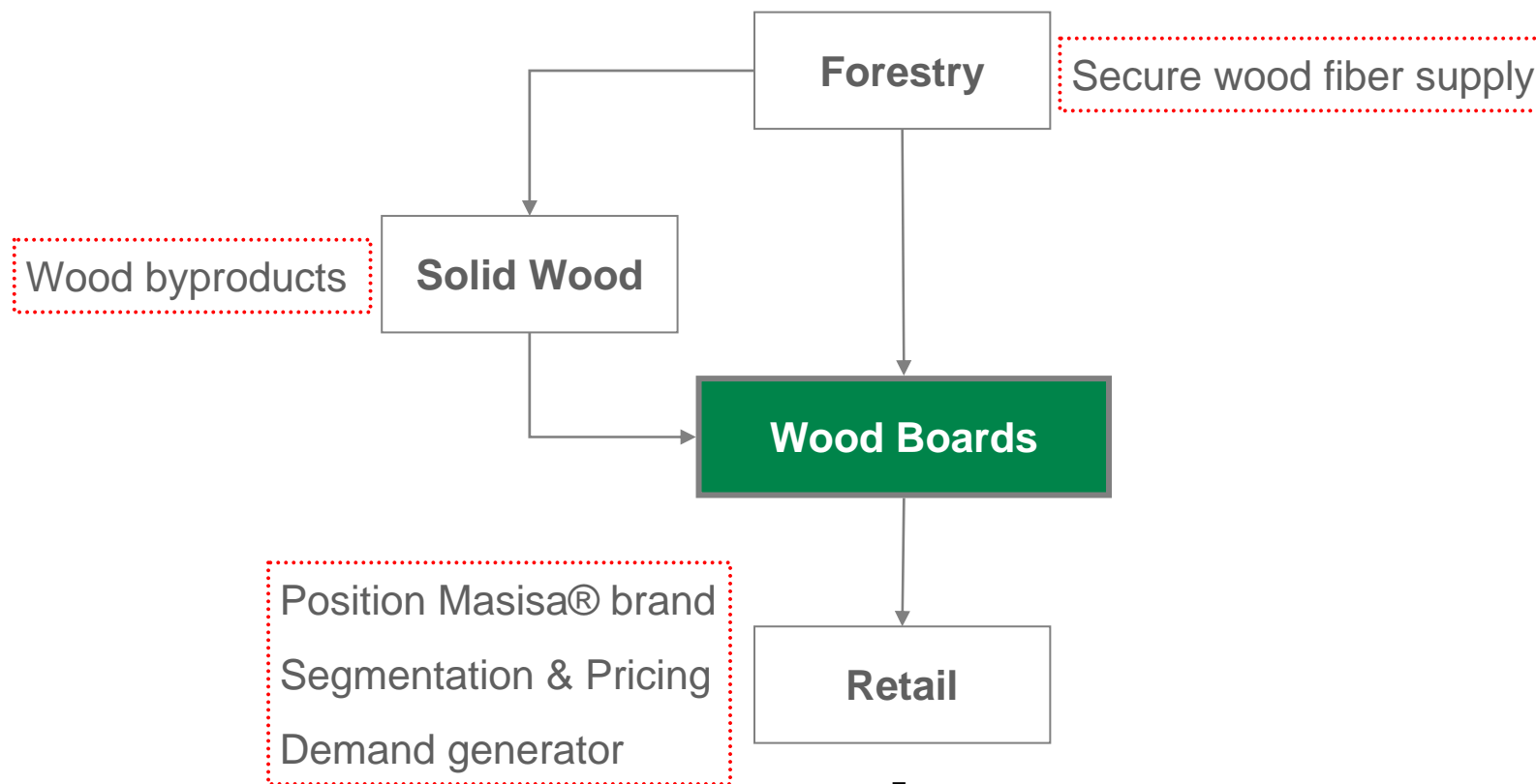


| TOTAL   |                     |                          |
|---|---------------------|--------------------------|
|   | Forest              | 243 Th. Has.             |
|  | Mills               | 14                       |
|   | Boards              | 2,265 Th. m <sup>3</sup> |
|   | Sawmills            | 707 Th. m <sup>3</sup>   |
|   | Mouldings and Doors | 428 Th. m <sup>3</sup>   |
|  | Placacentros        | 299                      |

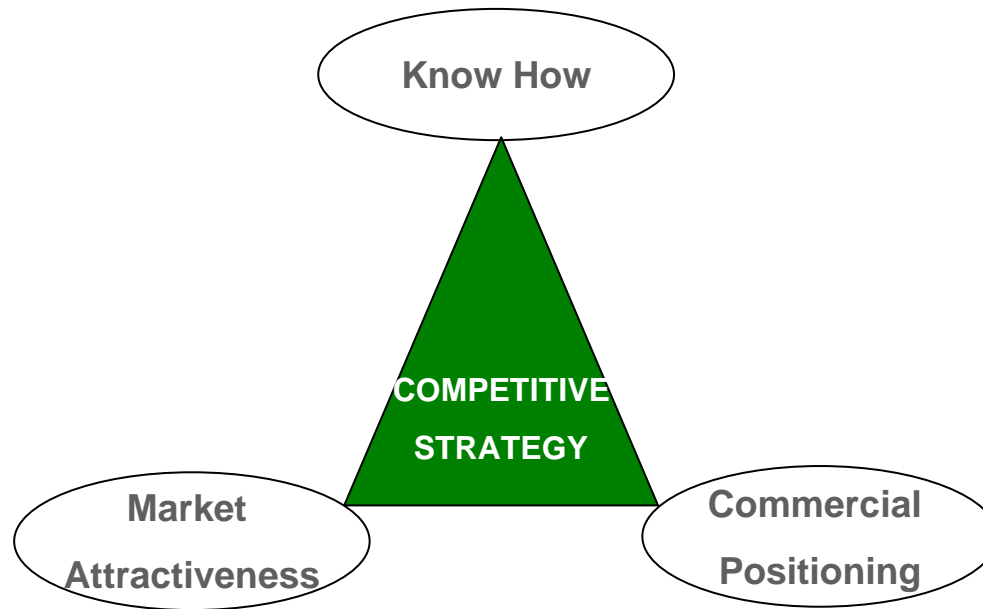
# Corporate Strategy



- Masisa is the production and commercialization leader of wood boards (MDF & PB) in Latin America.
- Value Proposition
  - Customer intimacy
  - Innovation, Design
  - Commitment to Sustainable Development
- Other business units are considered synergic to the Wood Board business



# Corporate Strategy – Boards for furniture in Latin America: a winning strategy



- Masisa has a strong commercial and production know-how in Latin America.
- Masisa has a strongly positioned brand and is the market leader in Latin America.
- High board's market growth rates (actual and expected).
- Strong entry barriers
- Brand positioning possible (design, innovation)

# Social & Environmental Responsibility – Long Term Competitive Advantage



- **Cost reduction (Examples from Masisa's MDF plant in Argentina)**
  - Waste management (selection, recovery and recycling).  
**Cost Savings: US\$ 440,000 p.a. since 2003**
  - Reduction (-75%) of natural gas consumption (unification of heating oil in MDF lines).  
**Cost Savings: US\$ 108,000 p.a. since 2004.**
  - Substitution of natural gas by renewable energy in laminating, impregnation and molding production (natural gas reduction -80%).  
**Cost Savings: US\$ 108,000 p.a. since 2005.**
- **Risk reduction**
  - Closeness to NGO's (Awards: (1) Leaders for a Living Planet Award - WWF and (2) Corporate Sustainable Standard-Setter Award - Rain Forest Alliance)
  - Reduce risk of conflicts between civil society and forestry companies.
- **Revenue increase**
  - Consumer confidence – increase Masisa® brand value
  - Business at the Bottom of the Pyramid
  - Customer preference. Examples: Sony (Mexico); Todeschini (Brazil))
- **Human Resources**
  - Hire and retain talent
  - Highly motivated team
  - Innovation culture (face the challenge as an opportunity for value creation) – cost reduction, increase efficiency, new products, new services



# Wood Board Division

## MDF, PB & OSB

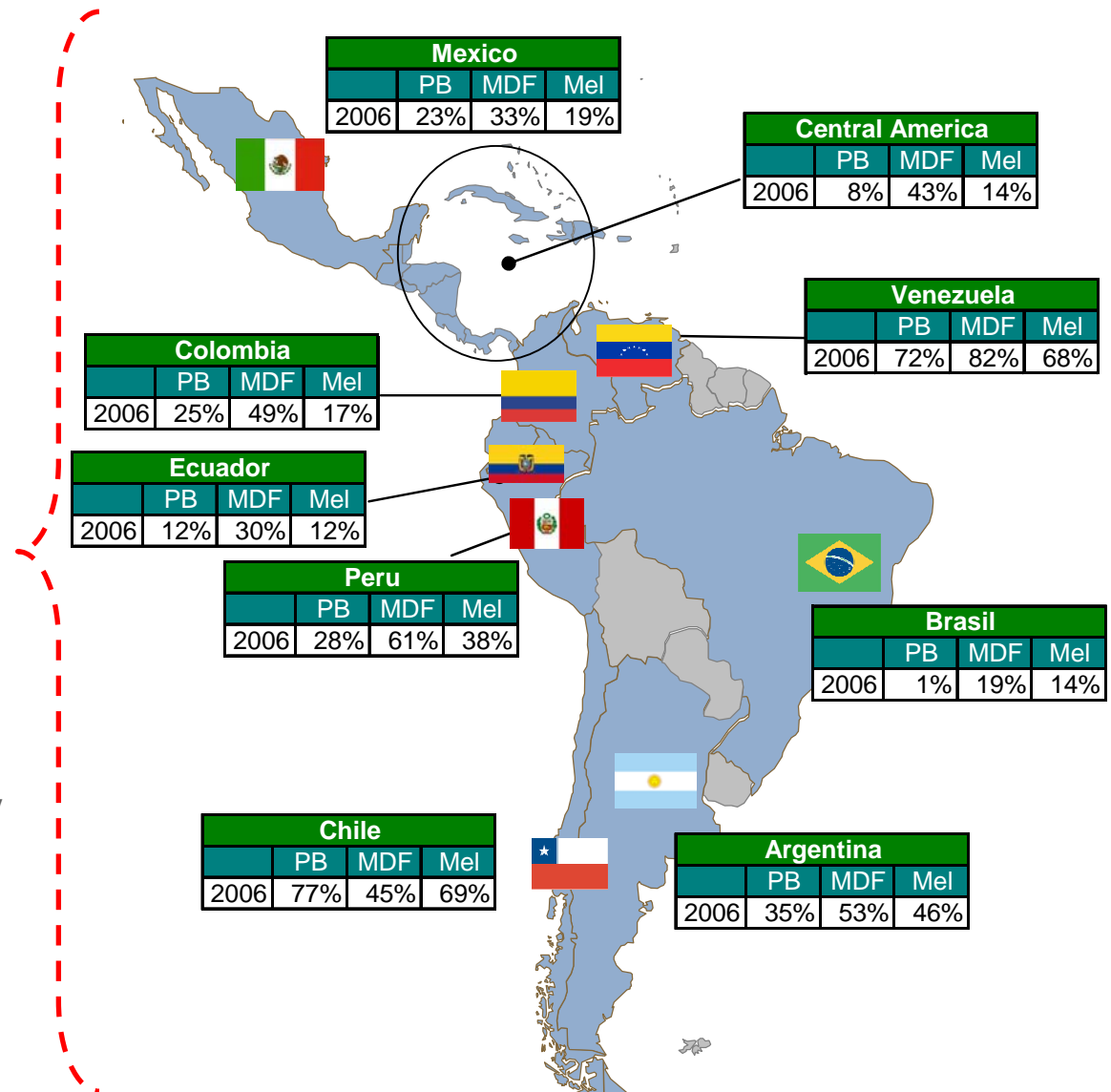


- Masisa's Core Business (MDF & PB)
- 63% of Total Sales
- 68% of Consolidated EBITDA
- 45% of Total Assets
- Market Leader in Latin America (#1 or #2 in all markets, except Brazil #3)

| Total Market Share in Latin America |     |     |     |
|-------------------------------------|-----|-----|-----|
|                                     | PB  | MDF | Mel |
| 2006                                | 19% | 30% | 24% |

- All operations scheduled to have ISO 14001 and OHSAS 18001 certification by the end of 2007.

### Masisa's Market Share in Latin America



Source: Masisa's estimate as of Dec 2006.



## Cabrero MDF expansion – as scheduled

- Adds 340,000m<sup>3</sup> MDF capacity (+32% of Masisa's total installed MDF production capacity)
- All Masisa's MDF mills operating at full capacity
- Strong MDF demand growth in Latin America (actual and expected)
- Technology – efficiency (inputs), sustainability
- Knowledgeable workforce
- Operations start in May-June 2007. Operating at full capacity in 2008.

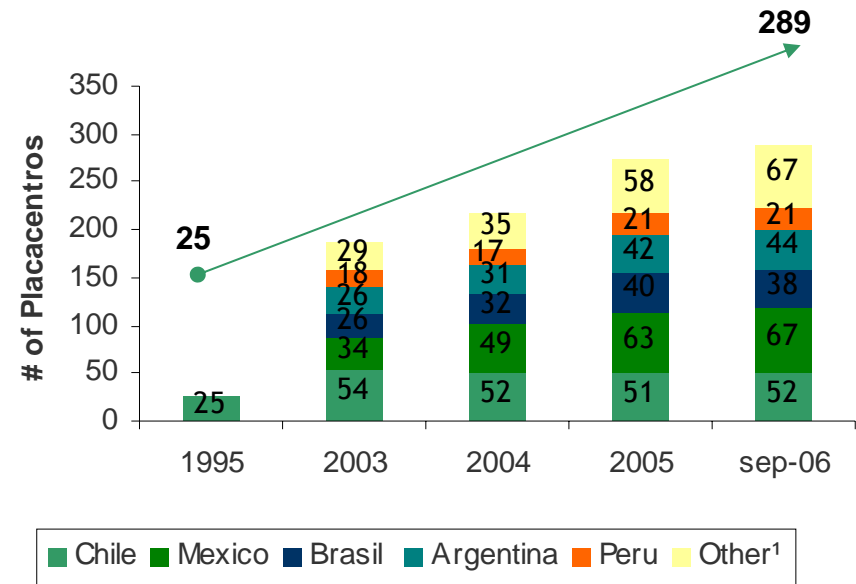




## Retail Division - Placacentros

- Placacentros is a licensed retail chain, tailored to improve productivity of carpenters and small contractors
- US\$ 156MM in Sales expected for 2006 (approx. 28% of total wood board's sales).
- 289 Placacentros as of Sept. 2006
  - 256,000m<sup>2</sup> of selling space
- Strong growth perspectives (market demand & penetration of Masisa's sales)
- Focus 2007-2009:
  - Secure existing "core" stores (develop franchise, locations)
  - Increase Profitability (Masisa & Operators)
  - Position as "the one stop shopping" for carpenters and small furniture manufacturers

### Placacentros – a growth story

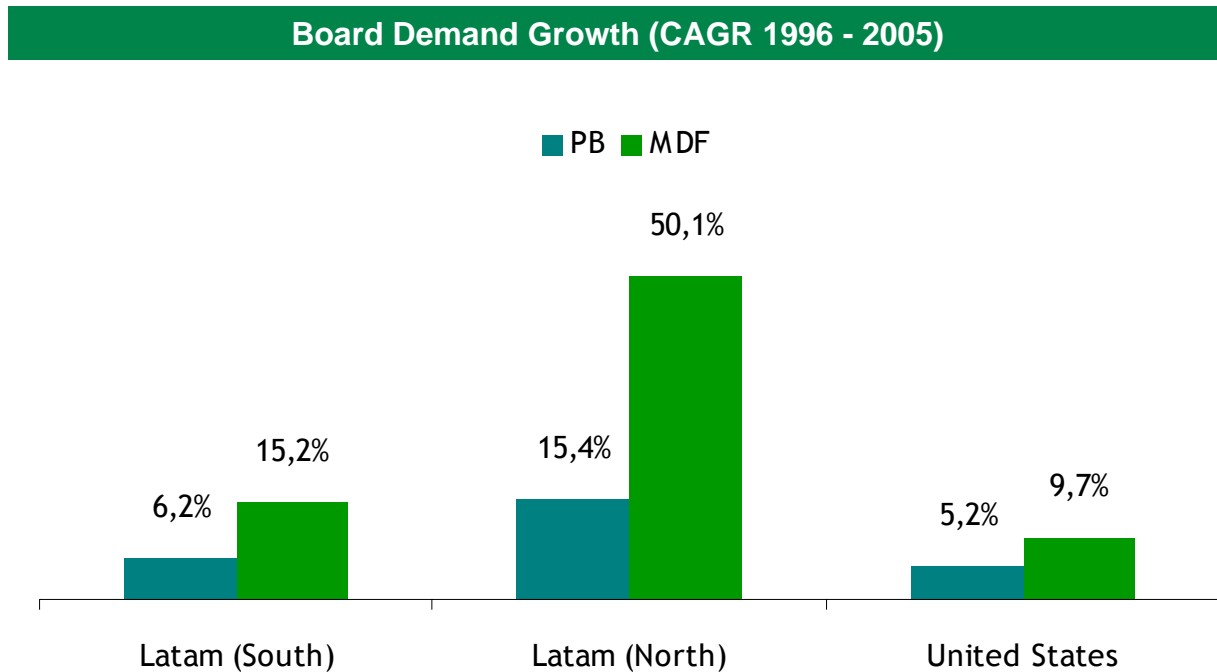


<sup>1</sup> Includes: Ecuador, Colombia, Venezuela, Paragua, and Uruguay  
Info as of Sept. 2006



## Latin American Market Outlook - Demand

- **MDF/PB vs. solid wood for furniture manufacturing**
  - Better cost/quality relation
  - Better milling and transformation attributes
  - Strong demand growth (historical and expected)



Source: FAO, RISI, ABIPA. Info as of Dec 2005



## Latin American Market Outlook - Demand

- **Strong Macroeconomics continue in 2007**
  - Consensus(\*) GDP Growth for 2007: **+4.75%**

| Country                                | Real GDP Growth (%) |             | Masisa's Sales by Country (Sept'06) |
|--|---------------------|-------------|-------------------------------------|
|  | 2006                | 2007        |                                     |
| USA                                    | 3.30                | 2.80        | 27%                                 |
| Chile                                  | 4.84                | 5.23        | 17%                                 |
| Brazil                                 | 3.07                | 3.44        | 16%                                 |
| Mexico                                 | 4.28                | 3.37        | 14%                                 |
| Venezuela                              | 7.84                | 5.47        | 9%                                  |
| Argentina                              | 7.61                | 6.04        | 8%                                  |
| Colombia                               | 4.52                | 4.21        | 3%                                  |
| Peru                                   | 6.15                | 5.51        | 2%                                  |
| <b>Latin America Consensus Average</b> | <b>5.47</b>         | <b>4.75</b> |                                     |

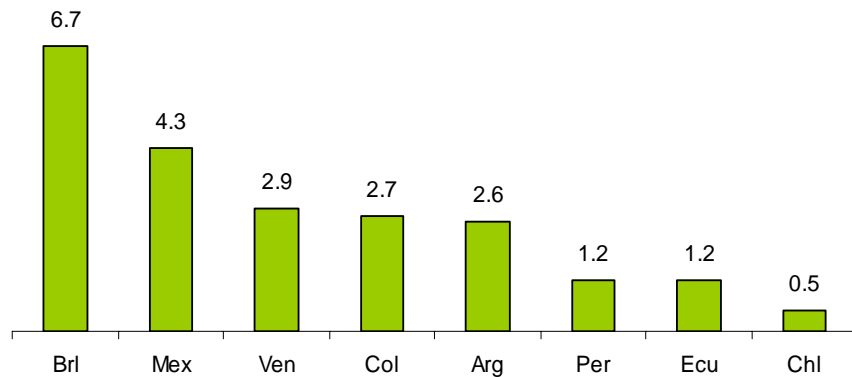
Source: Corresponds to the average estimates of several financial institutions that operate in Latin America as of Nov 2006.



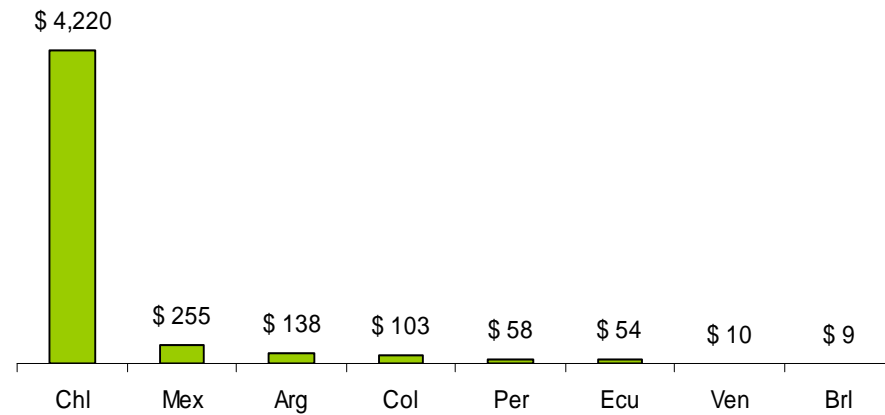
## Latin American Market Outlook - Demand

- Long term demand growth for Masisa's products – Housing & Mortgage Loan Deficits

Housing deficit per country—mm houses



Mortgage per capita (US\$)



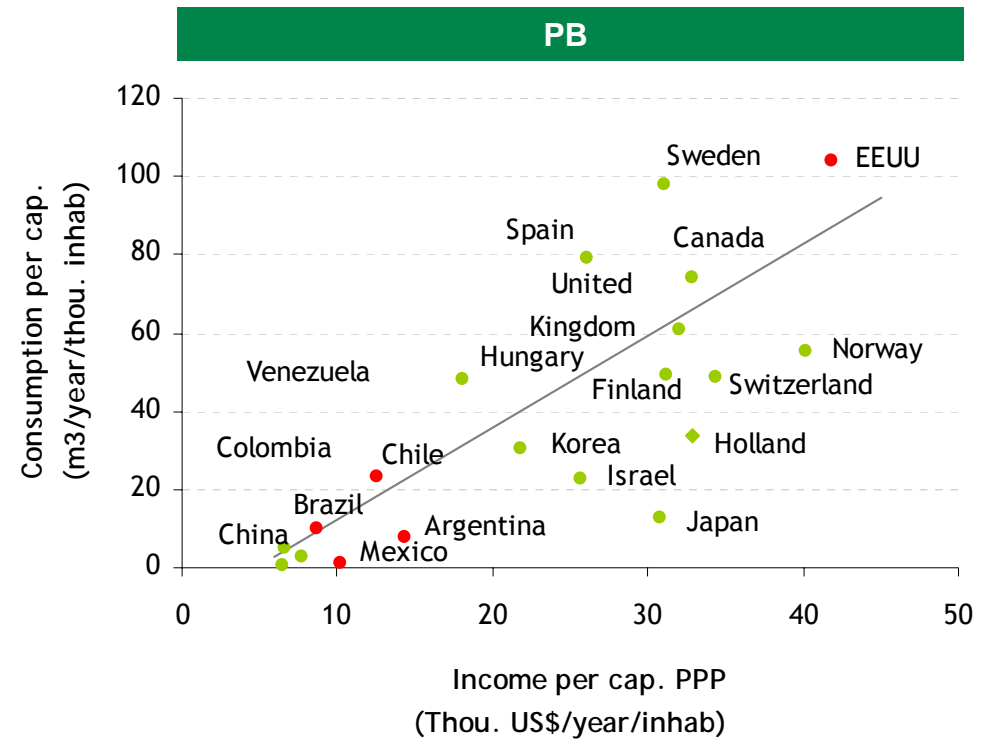
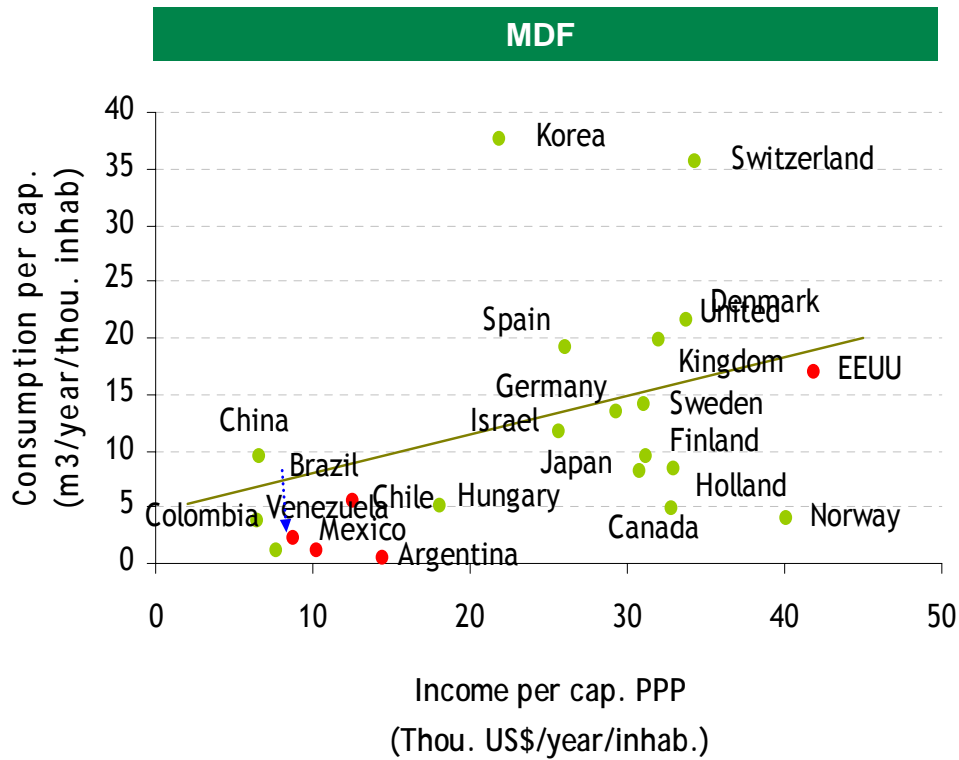
Source: Various sources, including central banks, government ministries and third party research sources as compiled by Titularizadora Colombiana as of June 2005





# Latin American Market Outlook - Demand

- Relatively low MDF & PB penetration in Latin America



Source: FAO, World Bank. Info as of Dec 2005.

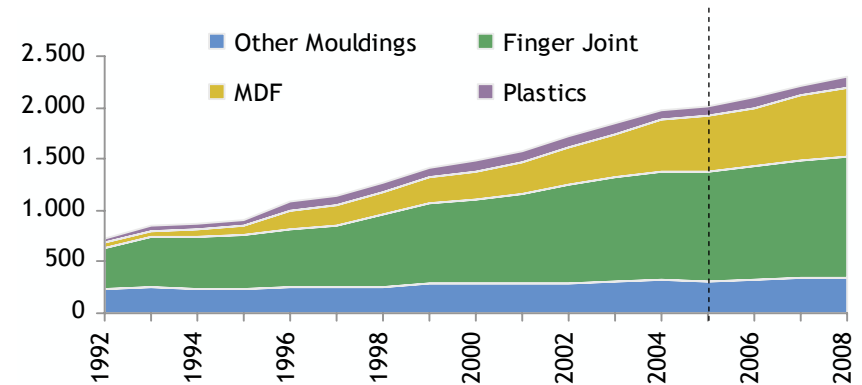
# Solid Wood Division

## Moldings, Doors & Sawn Lumber



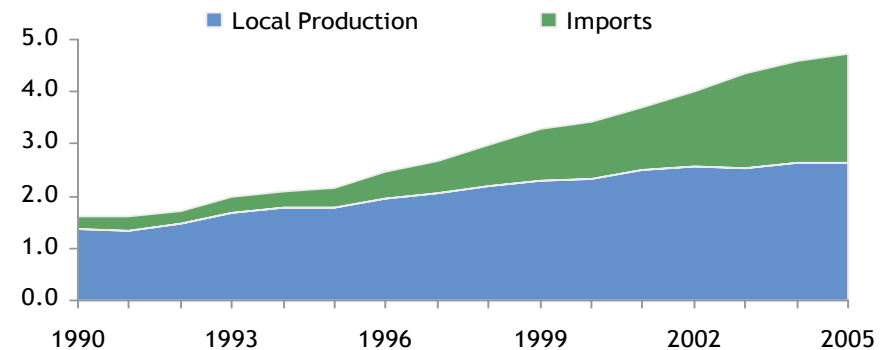
- 32% of Total Sales
- 6% of Consolidated EBITDA
- 15% of Total Assets
- Natural hedge for operations in LATAM (U.S export business)
- Guarantees sawing capacity in areas of influence
- Despite estimates of declining housing starts, the US molding and door market is expected to grow slightly in 2007
  - Higher per home molding consumption
  - Increased activity in repair and remodeling industries
- All operations scheduled to have ISO 14001 and OHSAS 18001 certification by the end of 2007

### Expected growth - US mouldings market – mm bF



Source: RE Taylor. Dec 2005

### Breakdown of US molding market (m<sup>3</sup> million)



Source: RE Taylor. Dec 2005

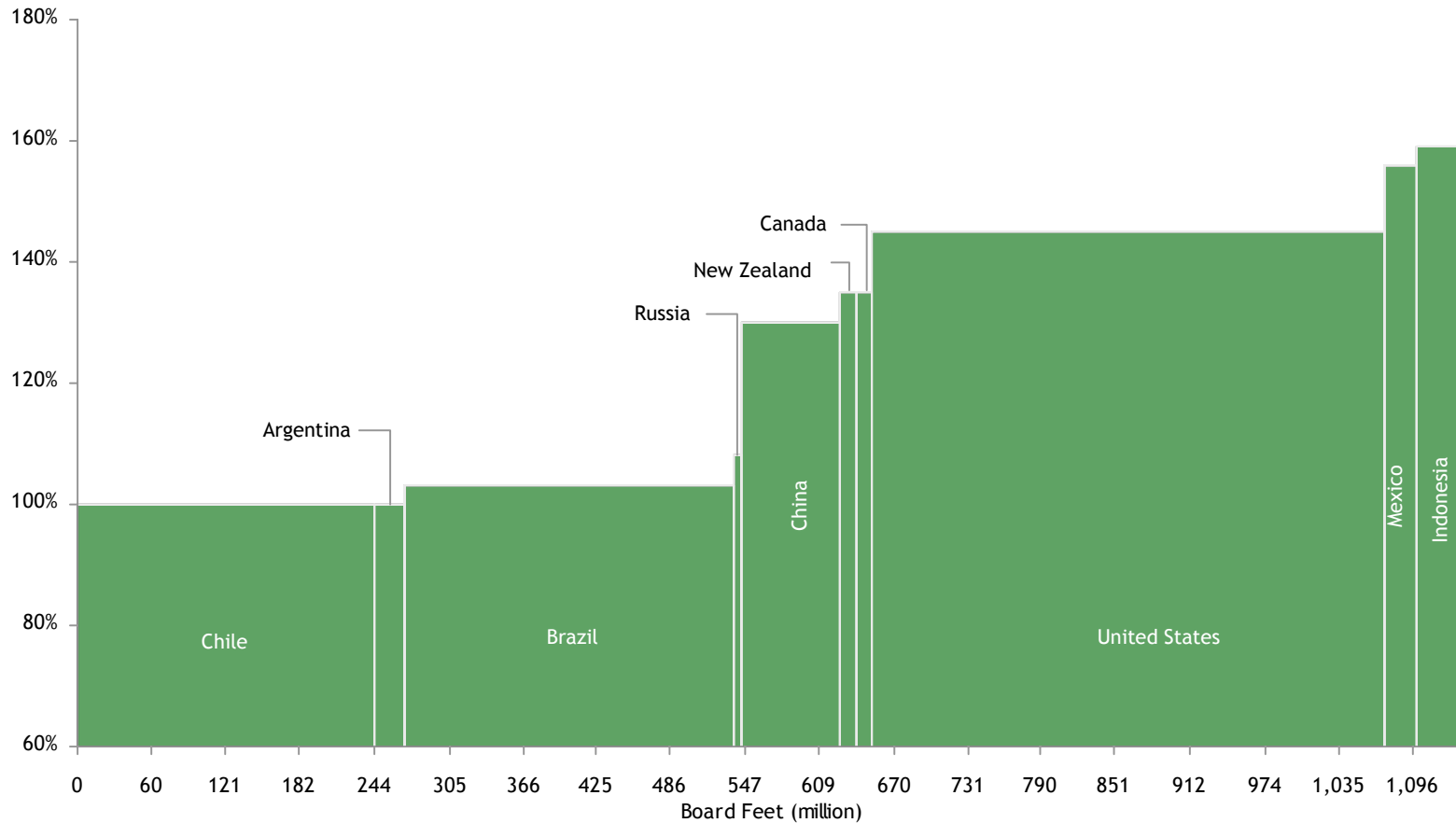


# Solid Wood Division

## Moldings, Doors & Sawn Lumber



Imports supply curve, finger joint molding landed in U.S.<sup>1</sup>



Source: United States International Trade Commission, R.E. Taylor, Interviews, Crows Industry Newsletter, Analysis FT—Booz Allen, updated as of 2005

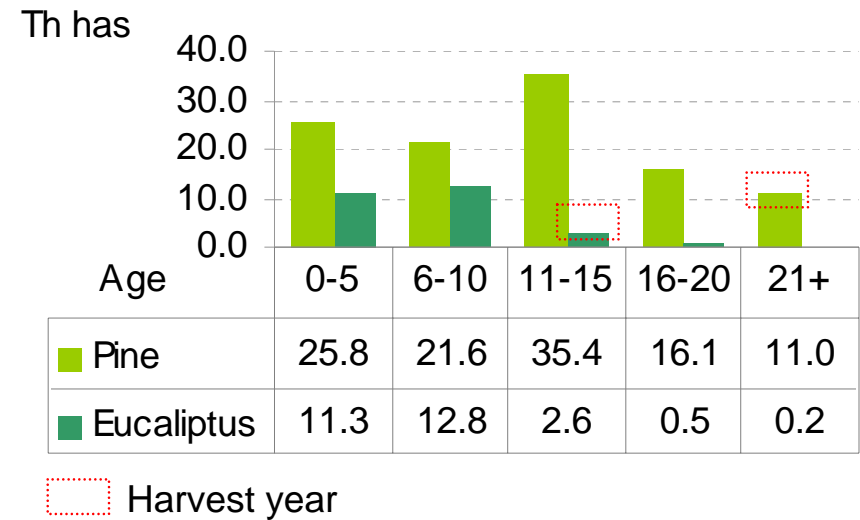
<sup>1</sup> Cost based on raw moulding delivered in Houston



## Forestry Division

- **Strategic Asset**
  - Secure fiber supply for industrial operations
- **243,000 hectares planted**
- **5% of Total Sales**
- **26% of Consolidated EBITDA**
- **40% of Total Assets**
- **Young age profile in Chile and Argentina ensures increasing harvesting volumes**
- **Optimize geographical location – industrial operations**
- **Development of forest clusters**
- **Levering forest assets could provide additional financial flexibility to develop industrial operations**
- **All operations under Forest Stewardship Certification (FSC), ISO 14001 and OHSAS 18001 certification**

**Age Profile as of Dec. 2005**



**MASISA'S  
FINANCIAL PROFILE & PERFORMANCE**

## Masisa's Financial Profile



| (1)                    | Q4'05   | Q1'06   | Q2'06   | Q3'06   |
|------------------------|---------|---------|---------|---------|
| <b>Sales</b>           | 194,059 | 212,575 | 218,234 | 233,041 |
| <b>EBITDA (2)</b>      | 32,494  | 38,278  | 35,231  | 44,882  |
| EBITDA Margin          | 16.7%   | 18.0%   | 16.1%   | 19.3%   |
| Net Income             | -1,324  | 1,167   | 4,082   | 13,847  |
| Funded Debt/EBITDA (3) | 5.00    | 4.29    | 4.51    | 3.47    |
| Leverage (4)           | 0.70    | 0.73    | 0.71    | 0.70    |

(1) Figures in US\$'000

(2) EBITDA: Net Op. Profit + Depreciation + Amortization + Depletion

(3) EBITDA annualized

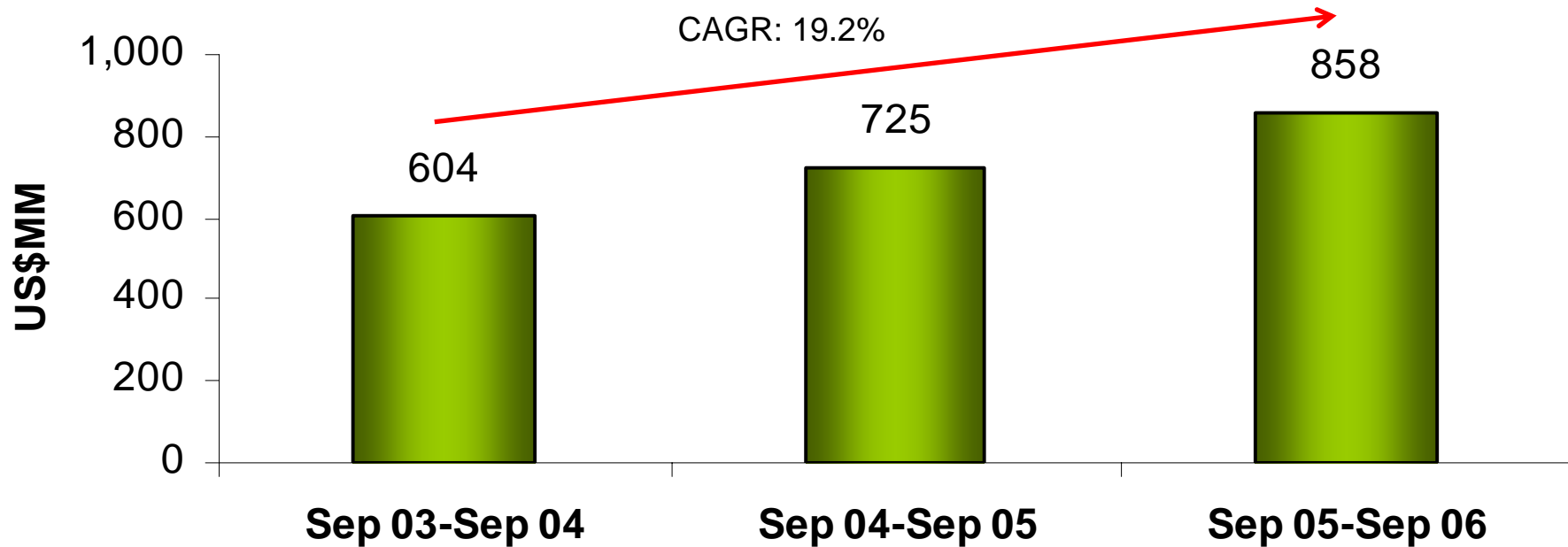
(4) Leverage: Total Liab./(Equity + Min. Interest)



## Improvements on Performance

- Constant growth on Sales. Mainly driven by the MDF and PB business.
- Attractive growth potential in the region.

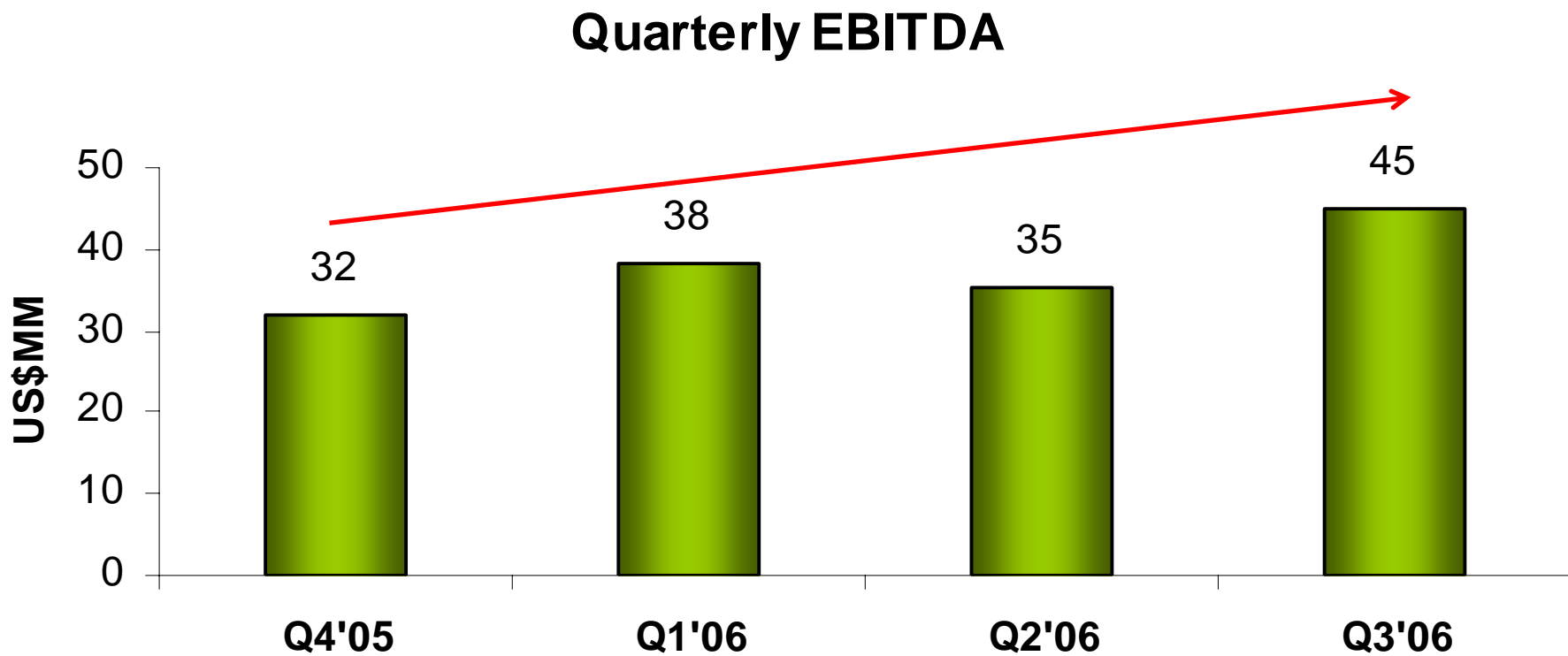
### Revenues (TTM)



## Improvements on Performance



- Adequate operational cash flow generation (EBITDA), despite costs pressures.

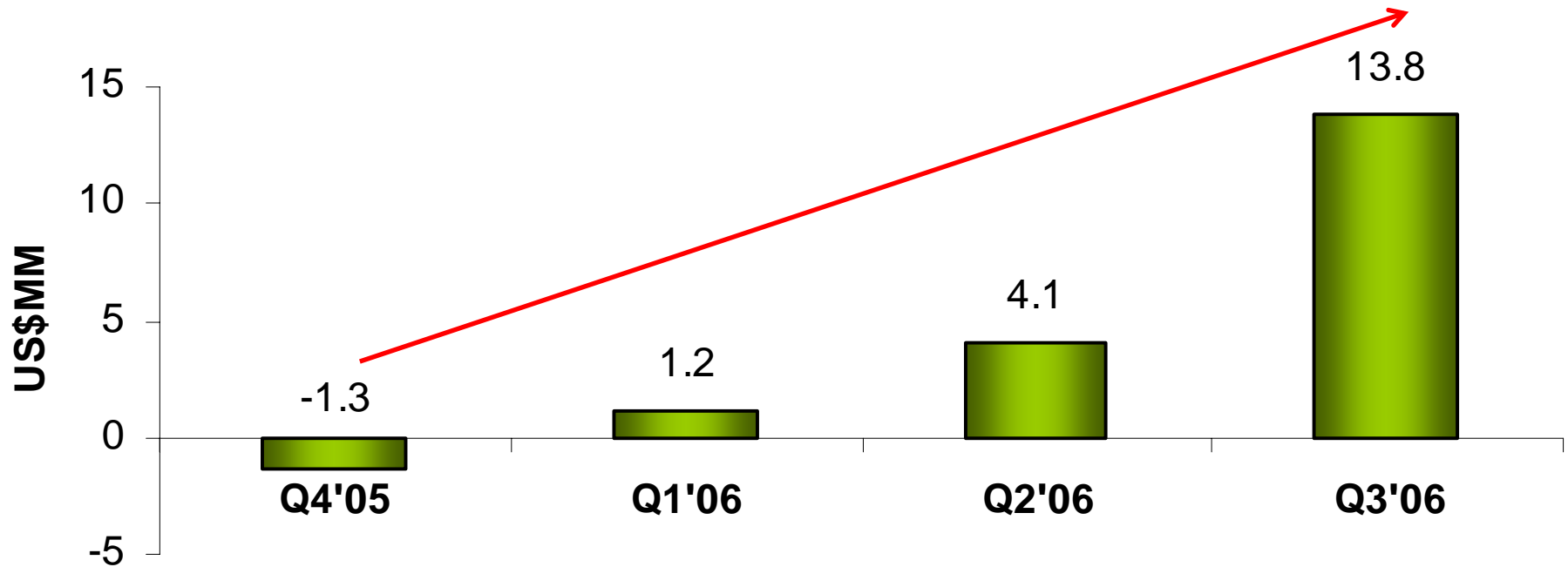


# Improvements on Performance



- Improved Net Income.

## Quarterly Net Income

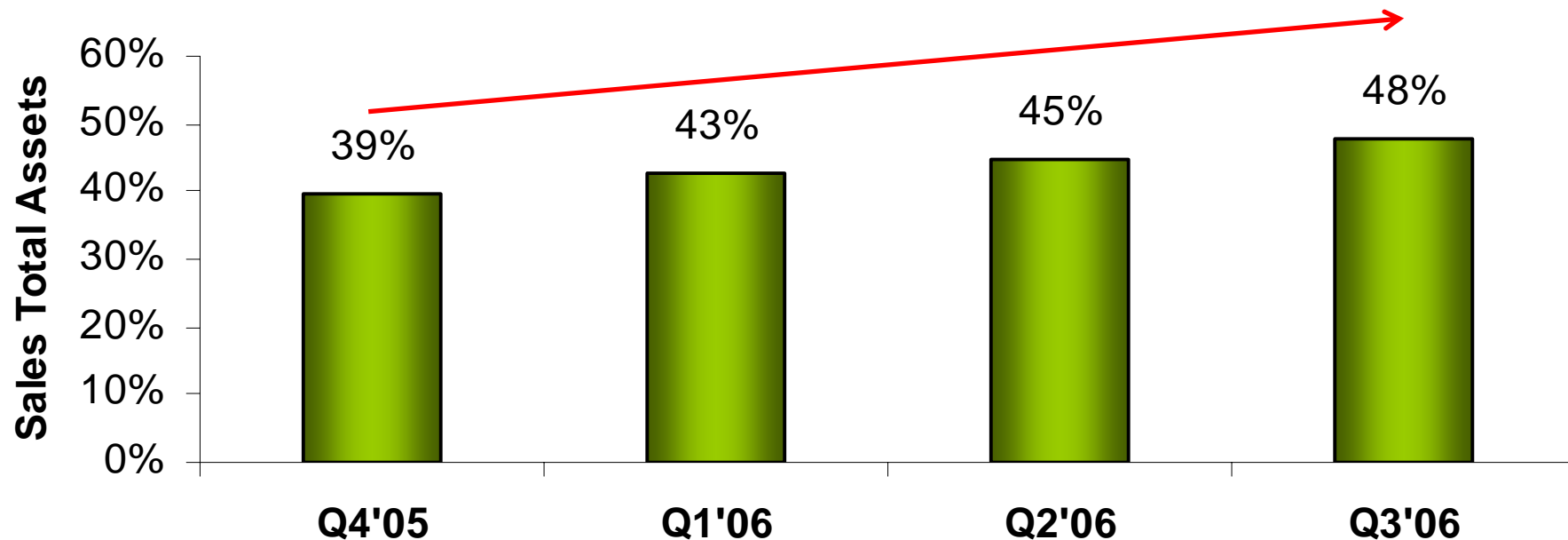




## Improvements on Performance

- Constant efficiency improvements. Strong Sales' growth while maintaining the asset base.

### Sales/Total Assets



Note: Sales have been annualized.

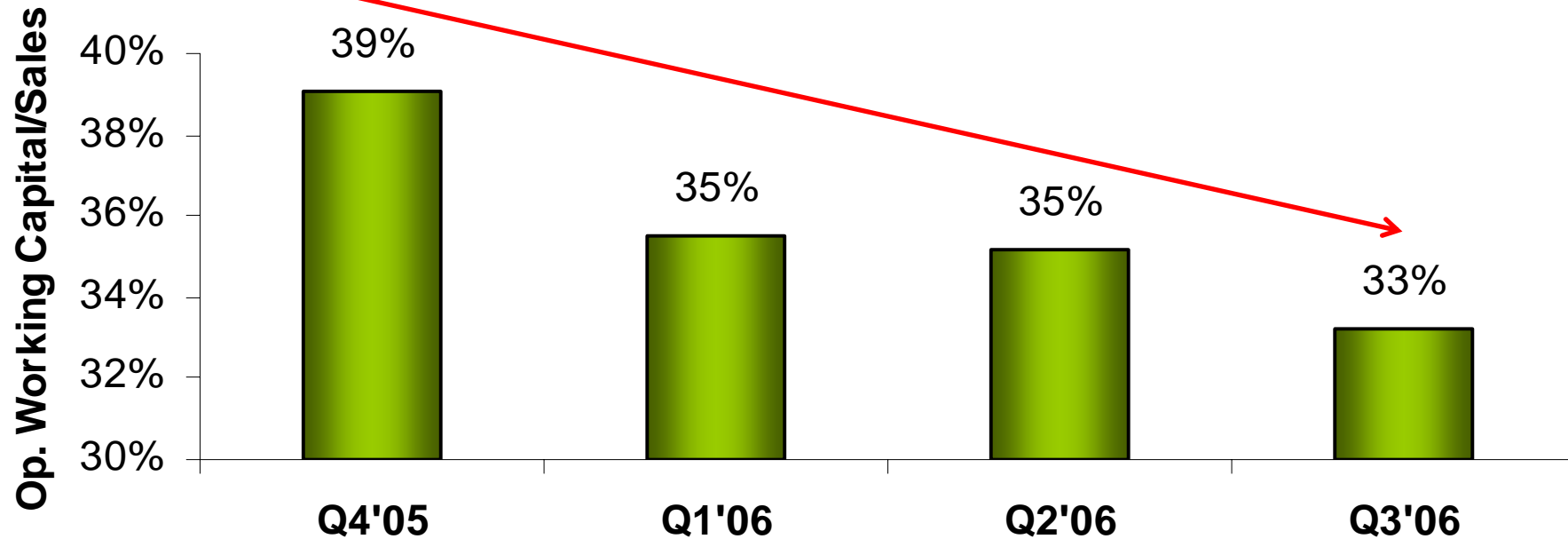




## Improvements on Performance

- Constant efficiency improvements. Reduced Working Capital requirements.

### Operating Working Capital/Sales

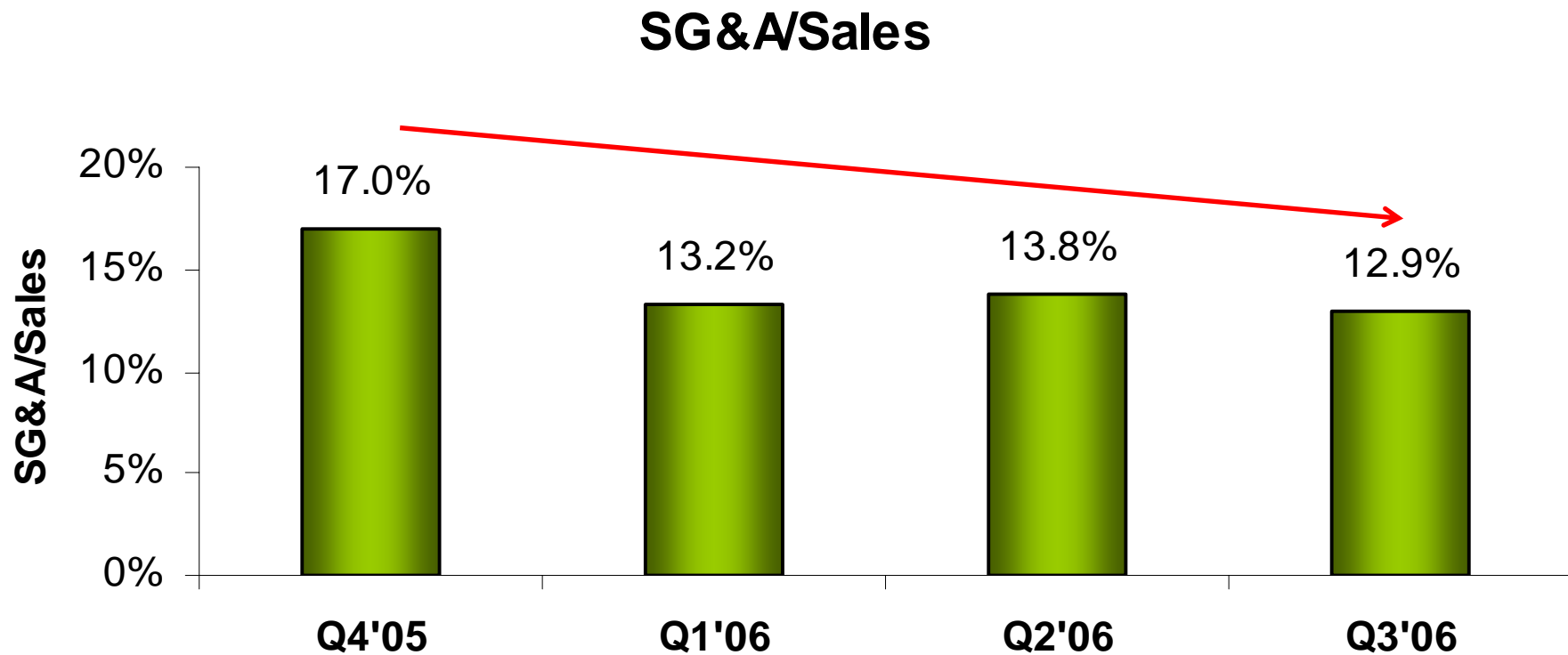


Note: Sales have been annualized.

## Improvements on Performance



- Constant efficiency improvements.

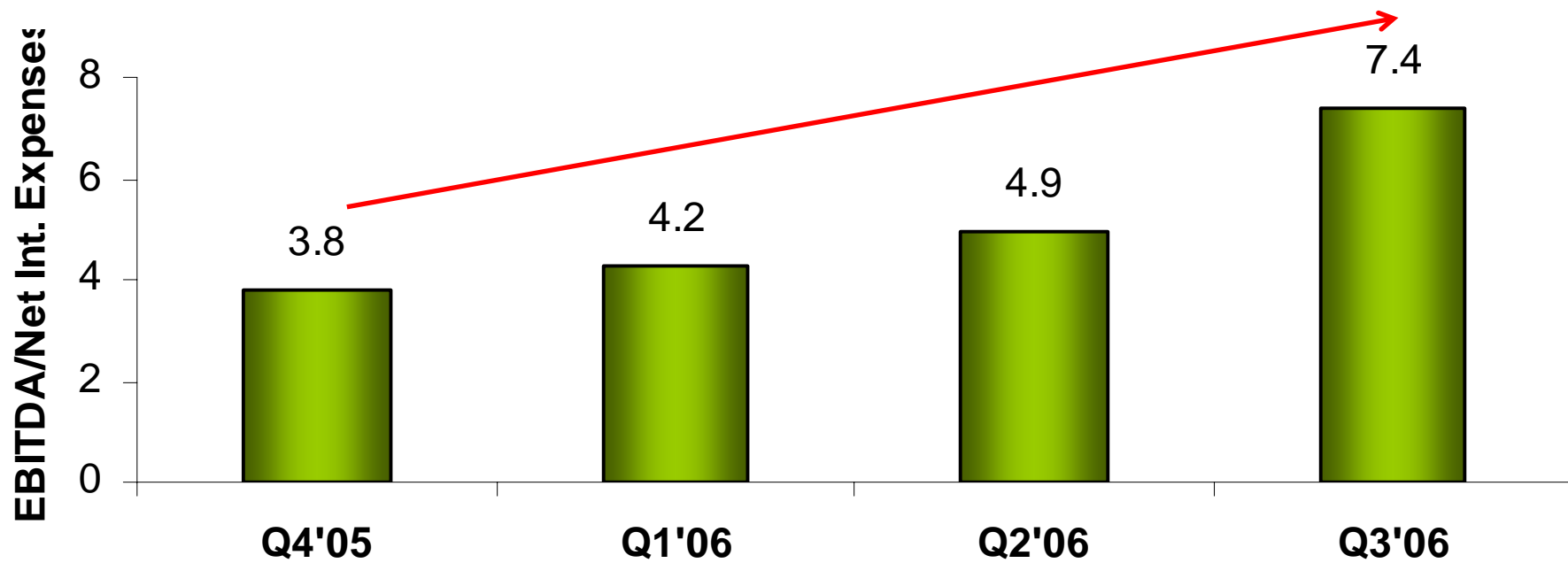




## Improvements on Performance

- Strong growth along with improvements in the Company's financial profile.

### EBITDA/Net Interest Expenses

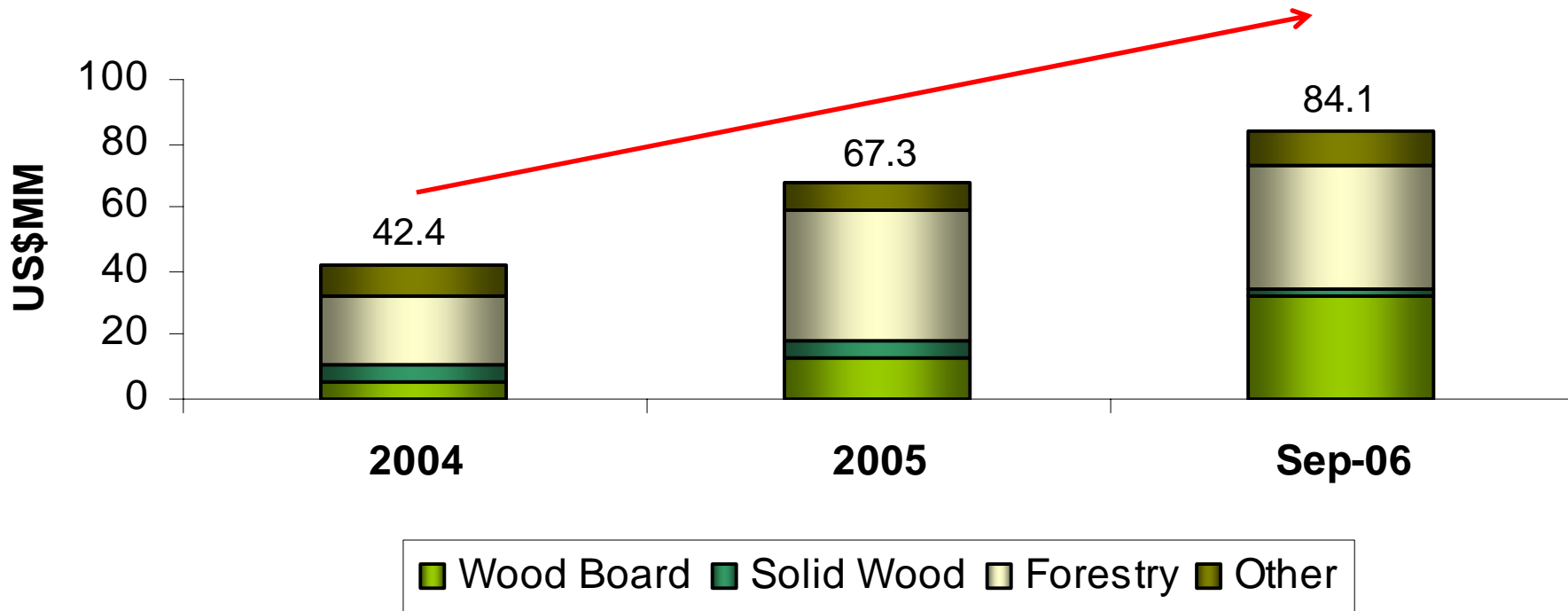




## Improvements on Performance

- Growing Capex in Boards and in securing wood supply (Forestry).
- Capex for 2007: US\$ 140MM approx.

### Capex 2004 - Sept. 2006



## Conclusion: Masisa is a value oriented organization



- Every business unit will be managed by EVA® <sup>(1)</sup> (Economic Value Added) in 2007
- Management's compensation (bonus) linked to EVA ®
- Competitive Strategy – Differentiation (Innovation, Customer intimacy, Commitment to sustainable development)
  - Placacentros (key commercial differentiator)
- Focus on taking advantage of favorable market perspectives (consolidate competitive position)

(1) EVA ® is a registered trademark from Stern Stewart & Co.