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## **FORM 6-K**

**MASISA S.A. - MYSZY**

**Filed: October 31, 2007 (period: October 30, 2007)**

Report of foreign issuer rules 13a-16 and 15d-16 of the Securities Exchange Act

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

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**FORM 6-K**

**Report of Foreign Private Issuer**

**Pursuant to Rule 13a-16 or 15d-16  
of the Securities Exchange Act of 1934**

**For the month of October 2007**

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**Masisa S.A.**  
(Exact name of registrant as specified in its charter)

**Masisa S.A.**  
(Translation of Registrant's name into English)

**Av. Apoquindo 3650, Piso 10, Las Condes  
Santiago, Chile  
(Address of principal executive offices)**

Indicate by check mark whether the registrant files or will file annual reports under cover  
Form 20-F or Form 40-F.

Form 20-F  Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether the registrant by furnishing the information contained in this Form, the registrant is also thereby  
furnishing the information to the Commission pursuant to Rule 12g3-2(b) under Securities Exchange Act of 1934.

Yes  No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):

82- \_\_\_\_\_

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**Item 1. Earnings release issued by Masisa S.A. on October 30, 2007:**

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**PRESS RELEASE**  
**MASISA S.A. POSTS Q3 2007 FINANCIAL RESULTS**

**Santiago, Chile, October 30, 2007 - MASISA S.A. (NYSE: MYS) (hereinafter referred to as “Masisa” or “the Company”),** a leading wood board for furniture manufacturing and marketing company in Latin America, today posted its consolidated financial statements for the third quarter of 2007.

**Q3'07 HIGHLIGHTS**

- Sales in the third quarter of 2007 were 6.3% up on the same period of 2006, amounting to US\$247.7 million, driven by higher prices of wood boards for furniture (MDF and PB), which offset the lower sales of MDF mouldings, finger joint mouldings and sawn wood, products from the solid wood business unit, mainly due to the slowdown of the housing sector in the United States.
- The gross margin on sales improved, increasing from 24.9% to 25.1% compared with the same quarter in 2006, mainly driven by the Company's ability to transfer more than its cost increases into prices, especially in the wood boards business. Also, the Company has been successful in its commercial efforts of opening new markets and re-routing exports that were initially destined to the United States towards other markets, this is especially true for OSB boards' exports.
- The ratio, of sales and administrative expenses to sales, increased in the third quarter of 2007, accounting for 13.5% of sales, which was higher than the third quarter of 2006 when they accounted for 12.9 % of sales. This was mainly due to an increase in commercial activity along with higher logistic costs.
- Operating income increased by US\$0.7 million (+2.6%) when compared to the same quarter in 2006, amounting to US\$28.8 million, boosted by a higher sales margin (on account of the successful commercial efforts), thus offsetting the higher sales and administrative expenses.
- Third quarter net income was US\$7.0 million, which was a 49.5% decrease on the same quarter of 2006. This lower net income is explained by (i) lower non-operating results and (ii) higher income taxes due to increased deferred taxes, especially in Brazil. Regarding income taxes, it is worth noting that from the total income tax expenses accounted during the third quarter of 2007 (US\$ 10.9 million), less than 25% of such expenses correspond to cash payments (US\$ 2.4 million).
- The Company had a sound operating performance, which was reflected by an operating working capital to sales ratio for the last trailing twelve month period ended on September 30 of 2007, of 31.8%, thus exhibiting an improvement when compared with the same period ended on September 30, 2006 when it was 36.1%.
- In September 2007, Masisa's Board approved the construction of an MDP plant (Medium Density Particleboard) in the city of Montenegro, in the state of Rio Grande do Sul in Brazil. This investment includes (i) a 550,000 annual cubic meter production plant and (ii) a melamine line with a capacity of 220,000 annual cubic meters. The total amount of the investment is approximately US\$ 119 millions. Beginning of operations is scheduled for late 2009. With this new investment, Masisa consolidates its market leadership in the wood boards for furniture industry in Latin America and completes its product mix in the Brazilian market.
- In October 2007, the new MDF plant in Cabrero (Chile) initiated the commercial production of boards. The plant will add an additional production capacity of 340,000 annual cubic meters, which represents a 15% of additional wood boards total production capacity. This plant will positively impact the cash flow generation capacity and Masisa's results by benefiting from the current good market momentum that is experiencing the wood boards for furniture industry in the Latin American region, both in terms of price and demand.

|  | Quarter ended   |                 |                 |                 |                 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
|  | Sep 30,<br>2006 | Dic 31,<br>2006 | Mar 31,<br>2007 | Jun 30,<br>2007 | Sep 30,<br>2007 |

(in millions of US\$, except per share information in %)

|  |             |             |             |             |             |
|--|-------------|-------------|-------------|-------------|-------------|
| <b>Sales</b>                               | 233.0       | 222.7       | 216.5       | 241.9       | 247.7       |
| <b>Gross margin</b>                        | 58.1        | 53.9        | 53.5        | 57.7        | 62.2        |
| % over sales (2)                           | 24.9%       | 24.2%       | 24.7%       | 23.9%       | 25.1%       |
| <b>Selling and Administrative Expenses</b> | (30.1)      | (35.8)      | (30.8)      | (32.6)      | (33.4)      |
| % over sales (2)                           | -12.9%      | -16.1%      | -14.2%      | -13.5%      | -13.5%      |
| <b>Operating Income</b>                    | 28.0        | 18.1        | 22.7        | 25.1        | 28.8        |
| %over sales (2)                            | 12.0%       | 8.1%        | 10.5%       | 10.4%       | 11.6%       |
| <b>EBITDA(3)</b>                           | <b>44.9</b> | <b>35.4</b> | <b>39.0</b> | <b>43.5</b> | <b>46.2</b> |
| %over sales                                | 19.3%       | 15.9%       | 18.0%       | 18.0%       | 18.7%       |
| <b>Net Income for the Period</b>           | 13.8        | 10.4        | 3.2         | 16.3        | 7.0         |
| <b>Earnings per Share (US\$)</b>           | 0.0024      | 0.0018      | 0.0006      | 0.0029      | 0.0012      |
| <b>Earnings per ADS (US\$) (1)</b>         | 0.12        | 0.09        | 0.03        | 0.14        | 0.06        |

(1): An ADS equals 50 common shares.

(2): As % of Sales for the quarter.

(3): EBITDA represents Operating Income + Depreciation + Amortization + Depletion.

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**Masisa S.A Announces Conference Call to Discuss Q3 2007 Results**

Masisa S.A. (NYSE:MYS) a leading Latin American producer of wood boards for furniture, will hold its quarterly conference call on Thursday, November 8, 2007 at 9:00 a.m. Eastern Time. The Company will discuss results for the quarter ended September 30, 2007.

To participate on the conference call, please dial 866-510-0711 (domestic) or 617-597-5379 (international) five to ten minutes before the call and reference the pass code 12546756. A simultaneous live Webcast of the call will be available over the Internet at <http://www.masisa.com>, under the Investor Relations heading.

A replay of the call will be available beginning on Thursday, November 8, 2007 at 11:00 a.m. (ET) by dialing 888-286-8010 (domestic) or 617-801-6888 (international) and providing the following replay code: 96282225. In addition, the Webcast will be available on the Company's web site at <http://www.masisa.com>.

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**CONSOLIDATED INCOME STATEMENT****NET SALES****Q3'07 versus Q3'06**

The Company had sales of US\$247.7 million in the third quarter of 2007, thus representing a US\$14.6 million (+6.3%) increase compared to the third quarter of 2006.

The following are the main factors explaining this sales increase in the third quarter of 2007 compared with the same quarter in 2006:

**Boards**

- MDF board sales were up US\$16.9 million (+19.6%), mainly driven by the price increase across all markets (consolidated increase of 19.8%), except in Mexico where prices dropped slightly (-3.5%) due to higher competition coming from the United States. The commercialized volume keeps steady at approximately 255,000 cubic meters, given that the Company is operating at full capacity. However, we note that the MDF production mix has been partially modified as a result of the lower production of boards for mouldings. This change in the production mix from ultra-light boards (mouldings) towards thin and ultra-thin boards has resulted in a reduction in the production capacity in terms of cubic meters, however, these products exhibit a higher commercialization margin.
- Particleboard (PB) sales were also up and increased by US\$ 2.5 million (+5.2%), largely due to a 15.5% price increase (equivalent to US\$7.5 million), on account of a price increase across most of the markets, mainly in Brazil, Colombia, Argentina, Chile and Venezuela with rises of 25.5%, 24.5%, 21.7%, 17.2% and 13.1% respectively, which reflects the strong demand for PB in the region. The increase in prices offsets the lower volumes sold (-8.9%). The lower volume of PB sales is mainly explained by: (i) a decrease of 4,100 m<sup>3</sup> (-6.0%) in Chile because of non programmed plant stoppages; (ii) a decrease of 8,200 m<sup>3</sup> (-20.9%) in Mexico due to lower product availability and to higher competition from wood boards coming from the United States and; (iii) a decrease of 3,900 m<sup>3</sup> (-22.9%) in Venezuela.
- OSB board sales continues to show a recovery with an increase in sales of US\$3.4 million (+32.4%), which is mainly explained by the successful re-routing of exports that were initially destined the United States, to other markets, mainly to China, and to other markets outside the Latin American region for US\$4.9 million (+460.7%). Additionally, OSB sales in Brazil increased in 64.0% compared with the third quarter of 2006, amounting total sales to US\$6.8 million, being the most important market for Masisa's OSB. It is also worth noting that the OSB plant in Brazil is operating at levels close to full capacity.

**Solid Wood**

- Sales of finger joint mouldings were down US\$11.4 million (-39.5%), mainly due to a 22.9% drop in price in the United States along with a decrease in volume of 21.6% in that market. This reflects the contraction in the construction sector in the United States. Sales of MDF mouldings were down US\$2.9 million (-18.2%). The drop in the sales volume of MDF mouldings is part of the Company's commercial strategy to focus on the profitability of its exports, thereby sacrificing volume by maintaining relatively high prices. This volume was marketed as boards in Latin American markets, where demand remains strong.
- Solid wood doors had a recovery, increasing sales by US\$0.8 million (+8.2%), explained by a 2.3% increase in the volume sold, and an increase of 5.8% in price. The volume increase is mainly explained by: (i) a normalization in the level of inventories in the United States; (ii) a better product mix and; (iii) diversification of distribution channels.
- Sawn lumber sales were down in US\$1.2 million (-6.0%), which is explained by a 17.3% drop in volume, which offsets a 13.7% price increase. This drop is mainly explained by the lower green sawn lumber exports to Mexico, which due to regulatory changes announced in the first quarter of 2007, have not been able to stabilize at normal levels. Green lumber can now no longer be exported to Mexico, and the Company has therefore partially and increasingly replaced such exports with dry lumber

**Forestry**

- Higher saw log sales of US\$2.9 million (+29.8%), due to a 14.2% price increase along with a 14.2% increase in volume.

**Q3'07 versus Q2'07**

The Company had sales of US\$247.7 million in the third quarter of 2007, which were US\$5.8 million (+2.4%) higher than the sales during the second quarter of 2007

The following were the main changes in sales in the third quarter of 2007 compared with the second quarter of 2007:

**Boards**

- MDF sales were up by US\$5.4 million (+5.5%). This increase is mainly explained by the higher sales volumes in the period (+2.0%), along with a consolidated price increase of 3.5%. This increase is mainly explained by the excellent commercial conditions in all Latin American markets which are facing strong demand, specially in: (i) Argentina, with higher sales by US\$3.2 million (+31.9%), due to an important increase in volume (+19.3%), explained by improved inventory management and due to stronger demand in the local market, and; (ii) Venezuela, with higher sales by US\$2.3 million (+9.6%), mainly explained by a higher price of 5.6%.
- Particleboard (PB) sales slightly decrease by US\$1.0 million (-1.9%). This is explained by lower volume (-4.4%), that could not be offset by an increase of price (+2.6%). The slightly lower sales are mainly explained by: (i) the lower commercialized volume in Colombia due to higher competition from an Ecuadorian producer, namely Cotopaxi, whose PB plant just began operations, and to the lack of melaminated boards, which affected prices.
- OSB sales were up US\$1.3 million (+10.0%), which is mainly explained by higher volumes (+11.4%). The Company has continued with the successful strategy of re-routing OSB exports that were initially destined to the United States, to other markets, mainly to the local Brazilian market. Brazil had an increase in OSB sales of US\$1.2 million (+20.9%), with higher volume (+27.5%) that was partially offset by a decrease in price (-5.1%). There was a slight decrease in OSB sales to other markets outside the region, especially to China, by US\$0.2 million (-3.8%). However, we continue observing favorable commercial conditions, which are reflected in a price increase of 2.7%.

**Solid Wood**

- MDF mouldings sales showed some signs of recovery increasing by US\$0.4 million (+2.8%). Finger joint mouldings sales decreased in US\$1.4 million (-7.2%), mainly explained by the lower demand for these kind of products in the United States.
- There were higher sales of solid wood doors by US\$0.6 million (+5.5%), due to an increase in prices in (+6.0%). This increase in prices is explained by (i) the commercial efforts made by the Company, (ii) approximately, 70% of the sales go to the house improvement market (a less affected sector by the housing downturn in the United States) and (iii) this product is oriented to medium-high income consumers.
- Sawn lumber sales increased in US\$4.9 million (+36.4%), due to an increase in the volume (+27.6%), which an increase in price of 6.9%. This is mainly explained by the higher commercialized volume in Venezuela due to the higher availability of internally produced wood, and a slight increase in the exported volume of dry sawn lumber to Mexico.

**Forestry**

- Higher saw log sales of US\$0.2 million (+1.7%), due to a 2.0% price increase.



**OPERATING INCOME****Q3'07 versus Q3'06**

The operating income amounted to US\$28.8 million in the third quarter of 2007, which was an increase of US\$0.8 million (+2.6%) when compared to the third quarter of 2006.

The consolidated gross margin was US\$62.2 million in the third quarter of 2007, which was an increase of US\$4.1million (+7.0%) on the same quarter of the previous year. As a percentage of the Company's total sales, the gross margin was higher, increasing from 24.9% in the third quarter of 2006 to 25.1% in the third quarter of 2007.

The following are the main factors explaining this higher operating income in the third quarter of 2007 compared with the same quarter in 2006:

**Boards**

- Operating income increased due to higher MDF and PB prices (+19.8% and 15.5%, respectively), coupled with stable MDF volume sales (-0.1%) which offset the lower volume sales of PB (-8.9%). OSB sales have recovered, showing a considerable increase of 32.4% in sales. The successful commercial efforts carried out by the Company, have enabled it to do a pass through from costs to prices and to diversify end markets (especially in OSB). All these actions have allowed the Company to face and offset the more difficult price and demand scenario of the solid wood business, due to the slowdown in the construction industry in the United States. The Company has been successful in transferring cost pressures to prices, especially resins, wood and energy, which jointly account for approximately 66.6% of the total consolidated board manufacturing cost. This has enabled the Company to recover its consolidated gross margin as a percentage of the total consolidated sales.

**Solid Wood**

- Drop in sales of all the solid wood products (MDF mouldings, fingerjoint mouldings and sawn lumber) except in solid wood doors, which showed a sales increase of 8.3%. This is explained by the slowdown in the United States construction sector, the main end market for Masisa's solid wood products. Despite of the Company's commercial efforts, cost pressures related to an increase in the price of wood, greater logistical costs due to the higher oil price, the appreciation of the Brazilian real and the Chilean peso, and changes in phytosanitary regulations affecting green lumber exports to Mexico, all these factors have reduced the contribution to the operational margin of the solid wood business unit.

The sales and administrative expenses to sales ratio increased from 12.9% in the third quarter of 2006 to 13.5% in the third quarter of 2007.

Sales and administrative expenses amounted to US\$33.4 million, and were US\$3.4 million (+11.2%) higher than the third quarter of the previous year. The increase in sales and administrative expenses in the third quarter of 2007 are mainly explained by higher consolidated sales, thus, higher commercial costs and also due to higher costs regarding the rerouting of exports.

**Q3'07 versus Q2'07**

The Company's operating income amounted to US\$28.8 million in the third quarter of 2007, which was an increase of US\$3.6 million (+14.4%) on the second quarter of 2007.

The consolidated gross margin was US\$62.2 million in the third quarter of 2007, which was an increase of US\$4.4 million (+7.7%) on the second quarter of the actual year. As a percentage of the Company's total sales, the gross margin increases to 25.1%, higher than the 23.9% in the second quarter of 2007.

The following are the main factors explaining this higher operating income in the third quarter of 2007 compared with the second quarter of 2007:

**Boards**

- Both PB and MDF benefited from a price increase (+2.6% and 3.5% respectively), which enabled the Company to continue with a healthy consolidated gross margin. This more than offset the higher board production costs, mainly in energy (accounting for approximately 11.5% of the total board cost) and in wood (24.5% of the total board cost).

**Solid Wood**

- There was a slight drop in the margins of both finger joint and MDF mouldings business and in solid wood doors in the period, due to an appreciation of the Brazilian real (+4,5%) and the Chilean peso (+3.0%) against the US dollar. Along with these appreciations, there were also some cost pressures especially in the cost of wood and energy. The Company, in order to minimize the effect of such cost pressures, increased prices in all the solid wood products between 5.8% and 6.9%.

The sales and administrative expenses to sales ratio, remains stable at 13.5% during the third quarter of 2007.

Sales and administrative expenses amounted to US\$33.4 million, and were US\$0.8 million (+2.5%) up on the second quarter of 2007. The increase in sales and administrative expenses in the third quarter of 2007 are mainly explained by higher consolidated sales, thus, higher commercial costs and also due to the associated costs of re-routing exports.

**EBITDA****Q3'07 versus Q3'06**

In line with the increase in sales, mainly driven by the furniture board business (MDF and PB) and despite raw material cost pressures, the Company's EBITDA was up US\$1.3 million (+2.9%), amounting to US\$46.2 million. The EBITDA margin on sales decreased from 19.3% on the third quarter of 2006 to 18.7% on this period.

**Q3'07 versus Q2'07**

In keeping with the better operating income, the Company had a higher operating cash flow generation (EBITDA) than that in the second quarter of 2007. The third quarter EBITDA was US\$46.2 million, which was an increase of US\$2.7 million (+6.1%). The EBITDA margin on sales increased from 18.0% to 18.7%.

**NON-OPERATING INCOME****Q3'07 versus Q3'06**

Non-operating income decreased by US\$3.5 million (-32.7%) against the third quarter of 2006 amounting to -US\$14.2 million. This is mainly explained by exchange differences, which increased by US\$2.4 million (+75.2%) from -US\$3.2 million in the third quarter of 2006 to -US\$5.7 million in the third quarter of 2007. This increase is added to the increase in financial expenses, which were up US\$1.4 million (+20.6%) due to the higher costs associated with the increased amount of short-term bank loans.

**Q3'07 versus Q2'07**

Non-operating income amounted to -US\$14.2 million, which was a decrease of US\$4.5 million on the -US\$9.7 million of the second quarter of 2007. This is mainly explained by exchange differences, which decreased by US\$7.9 million, from US\$2.2 million in the second quarter to -US\$5.7 million on the third quarter. This negative effect is partially offset by lower financial expenses during the third quarter of 2007 which were down US\$3.9 million (-31.8%) from US\$12.3 million in the second quarter to US\$8.4 million in the third quarter of 2007. This is explained by: (i) financial expenses during the second quarter of 2007 incorporate additional US\$2.5 million for extraordinary financial expenses due to the bond refinancing. (ii) decrease in the Libor rate and (iii) better financing conditions obtained in the bond refinancing that occurred on June 2007.

***NET INCOME******Q3'07 versus Q3'06***

Net income amounted to US\$7.0 million which was down on US\$6.9 million (-49.5%). This decrease is mainly explained by the lower non operational results along with a higher income tax (-US\$4.5 million). Regarding income taxes, it is worth noting that from the total income tax expenses accounted during the third quarter of 2007 (US\$ 10.9 million), less than 25% of such expenses correspond to cash payments (US\$ 2.4 million).

***Q3'07 versus Q2'07***

Net income was US\$7.0 million and was down US\$9.3 million (-57.0%). This decrease is mainly explained by the lower non operating results along with a higher income tax (-US\$10.1 million). Regarding income taxes, it is worth noting that from the total income tax expenses accounted during the third quarter of 2007 (US\$ 10.9 million), less than 25% of such expenses correspond to cash payments (US\$ 2.4 million).

## CONSOLIDATED BALANCE SHEET

### *ASSETS (September 30, 2007 versus September 30, 2006)*

The Company's total assets amount to US\$2,094.3 million as of September 30, 2007, which is a 7.1% year-on-year increase.

#### Current Assets

These amount to US\$508.7 million, which is a US\$10.0 million (+2.0%) increase on September 30, 2006. This increase is mainly explained by higher recoverable taxes (+US\$7.6 million), inventories (+US\$5.4 million) and cash (+US\$3.1 million), that offset the decrease in time deposits (-US\$8.5 million). Current assets mainly consist of cash and cash equivalents (time deposits and marketable securities) amounting to US\$57.7 million, account receivables of US\$144.7 million, inventories of US\$193.3 million and recoverable taxes of US\$55.1 million.

As of September 30, 2007, the Company had a suitable operating performance, compared with the same period in 2006:

|   | Q3'07 | Q3'06 |
|---|-------|-------|
| (i) Accounts Receivable Turnover (times) (*)    | 6.74  | 7.01  |
| (ii) Inventory Turnover (times) (**)            | 3.63  | 3.23  |
| (iii) Operating Working Capital/Sales (%) (***) | 31.8  | 36.1  |

(\*) Accounts Receivable Turnover corresponds to (TTM Sales / TTM Average Accounts Receivable).

(\*\*) Inventory Turnover corresponds to (TTM Sales / TTM Average Inventories).

(\*\*\*) Operating Working Capital/Sales corresponds to ((Accounts receivable + Documents receivable + Sundry debtors + Doc. & Accts. Receivable from related companies - Accounts payable - Documents payable - Sundry creditors - Doc. & Acct. Payable to related companies) / TTM Sales).

#### Fixed Assets

These amount to US\$1,578.9 million, which was a US\$112.4 million (+7.6%) increase on September 30, 2006. This increase is mainly explained by the higher other fixed assets net of depreciation (+US\$120.7 million), which is largely explained by the higher forestry asset appraisal (+US\$66.1 million) and construction works of the new MDF plant (+US\$59.4 million). This increase offset the drop in machinery and equipment net of depreciation (-US\$23.0 million). Fixed assets mainly consist of machinery and equipment net of depreciation amounting to US\$527.1 million and plantations (stated in other fixed assets) of US\$626.6 million.

The investment in fixed assets in the nine-month period ending September 30, 2007, amounted to US\$99.2 million, accounting for 164.0% of the depreciation in the period.

#### Other Assets

These amount to -US\$2.3 million, and improved on the -US\$19.4 million of the third quarter of 2006.

### *LIABILITIES (September 30, 2007 versus September 30, 2006)*

Total liabilities amounted to US\$896.4 million, which was an increase of US\$88.6 million (+11.0%) on the total liabilities as of September 30, 2006.

#### Banks

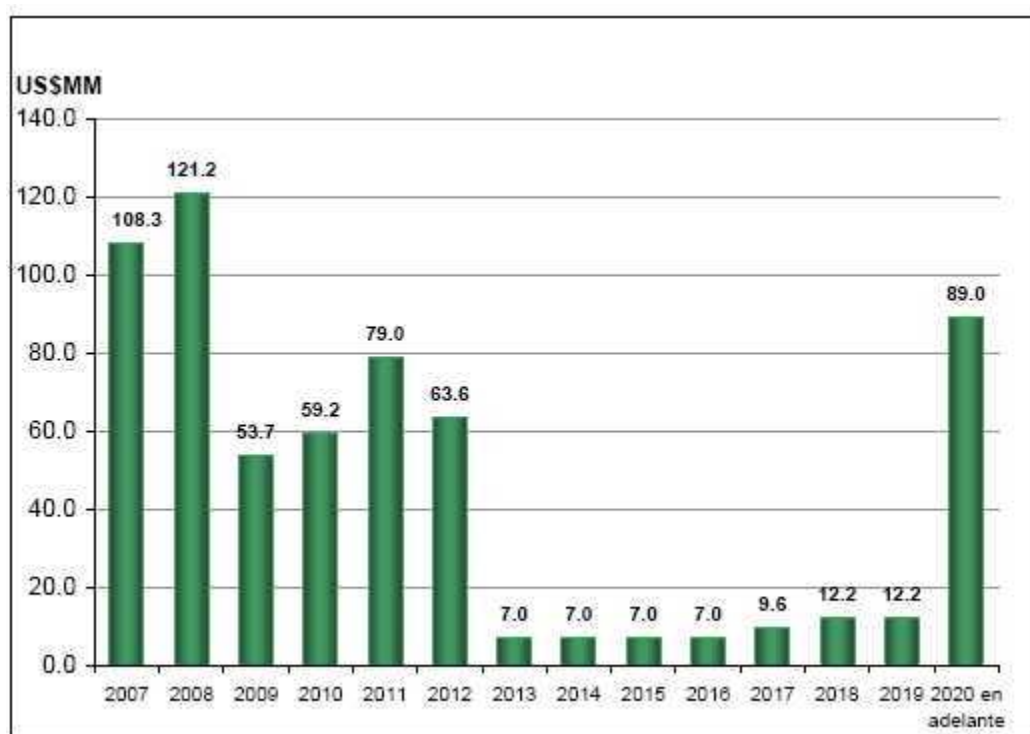
Masisa S.A.'s debt with financial institutions amounts to US\$306.5 million, which was a US\$1.8 million (+0.6%) increase on September 30, 2006. This is mainly explained by an increase in short term debt in (i) Chile of US\$7.6 million, (ii) Brazil of US\$2.8 million and (iii) Venezuela of US\$2.3 million, due to increased working capital requirements and the temporary refinancing of long term debt maturities. This increase was partially offset by a debt reduction in Argentina of US\$10.9 million which was financed with internally generated cash flows.

#### Bonds

Masisa S.A.'s bonds amount to US\$341.6 million, which was a US\$24.0 million (+7.6%) increase on September 30, 2006. This is mainly explained by (i) monetary correction of US\$26.1 million and (ii) the emission of new bond series F, G and H, for a total of UF

(Unidad de Fomento) 2.5 million (approx. US\$88.8 million). These funds were used for the refinancing of the Series A bond for UF 2.0 million (approx. US\$71.0 million), and the down payment of short term debt in Chile. The latter was partially offset by the payment of (i) US\$8.6 million corresponding to maturities of the series A bonds in December 2006, (ii) US\$2.3 million related to series E bonds and (iii) US\$9.0 million from the Private Placement occurred during May 2007.

Masisa S.A.'s Financial Debt Maturity Structure as of September 30, 2007



**Note:** The amounts may differ from the information submitted in the Uniformly Coded Statistical Record (FECU), due to the book appreciation of the bonds and to accrued and unpaid interest, which are included in the FECU.

The 2007 debt maturities include local loan payments of US\$85.3 million in Venezuela, which have a 1-year term and which the Company has been systematically refinancing since last year, steadily improving the conditions.

***SHAREHOLDERS' EQUITY (September 30, 2007 versus September 30, 2006)***

Masisa S.A.'s shareholders' equity amounts to US\$1,187.6 million as of September 30, 2007, which is an increase of US\$57.9 million (+5.1%) on September 30, 2006.

**Paid-in Capital**

The paid-in capital amounts to US\$812.9 million, unchanged when compared to that at September 30, 2006.

**Other Reserves**

These are US\$206.7 million, which is an increase of US\$33.5 million (+19.4%). This account is mainly the forestry reserve, which amounts to US\$193.3 million. This increase is explained by a higher difference between the appraisal value of forestry plantations and their respective historical cost.

**Retained Net Income**

This amounts to US\$168.0 million, which is an increase of US\$24.4 million (+17.0%). This increase is explained by the higher accumulated net income, which rose by US\$17.0 million (+23.3%). Such increase went hand in hand with a higher net income for the 9-month period ending on September 30, 2007, amounting to US\$26.5 million against the US\$19.1 million at September 30, 2006, i.e., an increase of US\$7.4 million (+38.7%).

## FINANCIAL OVERVIEW

### Second quarter ended September 30, 2007:

The table below shows the Company's main consolidated financial figures in the quarter and the year-on-year percentage change.

|  | Sep 30 <sup>th</sup> ,<br>2007 | Quarter ended<br>Sep 30 <sup>th</sup> ,<br>2006 | Variation<br>% |
|--|--------------------------------|---|----------------|
| (in millions of US\$)                          |                                |   |                |
| <b>Sales</b>                                   | 247.7                          | 233.0   | 6.3%           |
| <b>Gross Margin</b>                            | 62.2                           | 58.1  | 7.0%           |
| <b>Selling and Administrative Expenses</b>     | (33.4)                         | (30.1)  | 11.2%          |
| <b>Operating Income</b>                        | 28.8                           | 28.0  | 2.6%           |
| <b>Net Income for the Period</b>               | 7.0                            | 13.8  | -49.5%         |
| <b>Depreciation + Amortization</b>             | 12.70                          | 12.37   | 2.7%           |
| <b>Depletion<sup>(1)</sup></b>                 | 4.7                            | 4.5   | 5.5%           |
| <b>EBITDA</b>                                  | 46.2                           | 44.9  | 2.9%           |
| <b>Earnings per Share (US\$)<sup>(2)</sup></b> | 0.0012                         | 0.0024  | -49.5%         |
| <b>Earnings per ADS (US\$)<sup>(2)</sup></b>   | 0.06                           | 0.12  | -49.5%         |

(1) Corresponds to the sold/consumed saw log cost in the period which does not represent cash flow.

(2) One ADS is equivalent to 50 common shares. The ADS of Masisa (former Terranova) started to be traded on August 5, 2005.

Note: For rounding-up effects, the sum of the figures stated may differ from the total.

### Six-month period ended September 30, 2007:

The table below shows the Company's main consolidated financial figures for the quarter ended September 30, 2007 and the year-on-year percentage change.

|  | Sep 30 <sup>th</sup> ,<br>2007 | Aggregate<br>Sep 30 <sup>th</sup> ,<br>2006 | Variation<br>% |
|--|--------------------------------|---|----------------|
| (in millions of US\$)                          |                                |   |                |
| <b>Income</b>                                  | 706.1                          | 663.9                                       | 6.4%           |
| <b>Gross Margin</b>                            | 173.4                          | 153.6                                       | 12.9%          |
| <b>Selling and Administrative Expenses</b>     | (96.8)                         | (88.2)                                      | 9.8%           |
| <b>Operating Income</b>                        | 76.6                           | 65.4  | 17.0%          |
| <b>Net Income for the Period</b>               | 26.5                           | 19.1  | 38.7%          |
| <b>Depreciation + Amortization</b>             | 38.3                           | 38.0  | 0.8%           |
| <b>Depletion<sup>(1)</sup></b>                 | 13.9                           | 14.9  | -7.1%          |
| <b>EBITDA</b>                                  | 128.8                          | 118.4                                       | 8.8%           |
| <b>Earnings per Share (US\$)<sup>(2)</sup></b> | 0.0047                         | 0.0034                                      | 38.7%          |
| <b>Earnings per ADS (US\$)<sup>(2)</sup></b>   | 0.23                           | 0.17  | 38.7%          |

- (1) Corresponds to the sold/consumed saw log cost in the period which does not represent cash flow.
- (2) One ADS is equivalent to 50 common shares. The ADS of Masisa (former Terranova) started to be traded on August 5, 2005.

Note: For rounding-up effects, the sum of the figures stated may differ from the total.



**Information by Geographic Segment:**

The table below describes the main company segments, according to the origin of sales for the indicated periods.

|                         | Quarter ended                  |                                | Aggregate                      |                                |
|-------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
|                         | Sep 30 <sup>th</sup> ,<br>2007 | Sep 30 <sup>th</sup> ,<br>2006 | Sep 30 <sup>th</sup> ,<br>2007 | Sep 30 <sup>th</sup> ,<br>2006 |
|                         | (in millions of US\$)          |                                | (in millions of US\$)          |                                |
| <b>Net Sales</b>        |                                |                                |                                |                                |
| Chile                   | 72.7                           | 79.1                           | 243.2                          | 232.3                          |
| Brazil                  | 53.8                           | 48.3                           | 158.7                          | 141.9                          |
| Venezuela               | 38.3                           | 34.3                           | 121.7                          | 91.8                           |
| Mexico                  | 21.0                           | 32.5                           | 66.9                           | 91.5                           |
| USA                     | 43.2                           | 56.7                           | 125.4                          | 163.3                          |
| Argentina               | 39.4                           | 31.9                           | 105.0                          | 90.3                           |
| Colombia                | 7.5                            | 6.9                            | 23.3                           | 18.9                           |
| Peru                    | 6.5                            | 5.9                            | 19.6                           | 15.5                           |
| Ecuador                 | 3.3                            | 2.6                            | 9.0                            | 7.6                            |
| Others (1)              | (38.0)                         | (65.1)                         | (166.7)                        | (189.2)                        |
| <b>Total</b>            | <b>247.7</b>                   | <b>233.0</b>                   | <b>706.1</b>                   | <b>663.9</b>                   |
| <b>Gross Margin</b>     |                                |                                |                                |                                |
| Chile                   | 14.4                           | 21.1                           | 43.5                           | 51.7                           |
| Brazil                  | 14.0                           | 11.8                           | 38.7                           | 30.5                           |
| Venezuela               | 12.8                           | 7.7                            | 32.7                           | 19.1                           |
| Mexico                  | 2.7                            | 5.8                            | 9.7                            | 13.4                           |
| USA                     | 1.9                            | 5.4                            | 5.0                            | 13.8                           |
| Argentina               | 13.0                           | 8.9                            | 31.5                           | 24.6                           |
| Colombia                | 1.1                            | 1.7                            | 4.8                            | 4.3                            |
| Peru                    | 1.6                            | 1.4                            | 5.1                            | 3.9                            |
| Ecuador                 | 0.7                            | 0.9                            | 2.3                            | 2.3                            |
| Others (1)              | 0.0                            | (6.5)                          | 0.0                            | (10.0)                         |
| <b>Total</b>            | <b>62.2</b>                    | <b>58.1</b>                    | <b>173.4</b>                   | <b>153.6</b>                   |
| <b>Operating Income</b> |                                |                                |                                |                                |
| Chile                   | 1.0                            | 10.3                           | 4.6                            | 20.3                           |
| Brazil                  | 8.5                            | 7.4                            | 22.9                           | 18.2                           |
| Venezuela               | 7.3                            | 3.4                            | 17.9                           | 6.1                            |
| Mexico                  | 0.1                            | 2.6                            | 1.8                            | 3.8                            |
| USA                     | 0.4                            | 2.1                            | (0.6)                          | 3.5                            |
| Argentina               | 10.1                           | 6.4                            | 23.3                           | 17.3                           |
| Colombia                | 0.3                            | 1.2                            | 2.5                            | 2.8                            |
| Peru                    | 1.0                            | 0.8                            | 3.2                            | 2.1                            |
| Ecuador                 | 0.2                            | 0.4                            | 0.9                            | 1.0                            |
| Others (1)              | 0.0                            | (6.5)                          | 0.0                            | (9.6)                          |
| <b>Total</b>            | <b>28.8</b>                    | <b>28.0</b>                    | <b>76.6</b>                    | <b>65.4</b>                    |

**Depreciation (2) + Amortization**

|              |             |             |             |             |
|--------------|-------------|-------------|-------------|-------------|
| Chile        | 3.8         | 3.7         | 11.4        | 11.0        |
| Brazil       | 3.4         | 3.2         | 10.0        | 9.6         |
| Venezuela    | 2.8         | 2.9         | 8.0         | 9.5         |
| Mexico       | 0.4         | 0.3         | 1.2         | 1.1         |
| USA          | 0.0         | 0.1         | 0.2         | 0.4         |
| Argentina    | 2.2         | 2.1         | 6.4         | 6.2         |
| Colombia     | 0.1         | 0.0         | 0.2         | 0.1         |
| Peru         | 0.0         | 0.0         | 0.0         | 0.0         |
| Ecuador      | 0.0         | 0.0         | 0.0         | 0.0         |
| Others (1)   | 0.0         | 0.0         | 0.0         | 0.0         |
| <b>Total</b> | <b>12.7</b> | <b>12.4</b> | <b>37.4</b> | <b>38.0</b> |

**Depletion**

|              |            |            |             |             |
|--------------|------------|------------|-------------|-------------|
| Chile        | 2.2        | 1.9        | 7.1         | 6.9         |
| Brazil       | 1.4        | 1.4        | 3.7         | 4.4         |
| Venezuela    | 0.9        | 0.9        | 2.4         | 2.7         |
| Mexico       | 0.0        | 0.0        | 0.0         | 0.0         |
| USA          | 0.0        | 0.0        | 0.0         | 0.0         |
| Argentina    | 0.2        | 0.3        | 0.6         | 0.9         |
| Colombia     | 0.0        | 0.0        | 0.0         | 0.0         |
| Peru         | 0.0        | 0.0        | 0.0         | 0.0         |
| Ecuador      | 0.0        | 0.0        | 0.0         | 0.0         |
| Others (1)   | 0.0        | 0.0        | 0.0         | 0.0         |
| <b>Total</b> | <b>4.7</b> | <b>4.5</b> | <b>13.9</b> | <b>14.9</b> |

(1): Inter-Company sales adjustments.

(2): Includes only operational depreciation. Note: For rounding-up effects, the sum of the figures stated may differ from the total.

### Sales by Country:

The table below shows the breakdown of consolidated sales by product export market for the periods indicated.

**Note:** The amounts differ from income by geographical segment outlined on page 12, due to inter-company sales and exports.

|                  | Quarter ended                  |                                |                | Aggregate                      |                                |                |
|------------------|--------------------------------|--------------------------------|----------------|--------------------------------|--------------------------------|----------------|
|                  | Sep 30 <sup>th</sup> ,<br>2007 | Sep 30 <sup>th</sup> ,<br>2006 | Variation<br>% | Sep 30 <sup>th</sup> ,<br>2007 | Sep 30 <sup>th</sup> ,<br>2006 | Variation<br>% |
|                  | (in millions of US\$)          |                                |                | (in millions of US\$)          |                                |                |
| <b>Brazil</b>    | 48.3                           | 39.7                           | 21.70%         | 137.1                          | 106.8                          | 28.40%         |
| <b>USA</b>       | 44.5                           | 59.8                           | -25.60%        | 131.4                          | 179.5                          | -26.80%        |
| <b>Venezuela</b> | 39.1                           | 25.5                           | 53.30%         | 100.4                          | 63.0                           | 59.30%         |
| <b>Chile</b>     | 35.7                           | 34.8                           | 2.40%          | 107.2                          | 109.6                          | -2.20%         |
| <b>Argentina</b> | 25.5                           | 18.2                           | 39.60%         | 64.1                           | 49.9                           | 28.50%         |
| <b>Mexico</b>    | 25.0                           | 32.1                           | -21.90%        | 77.3                           | 90.8                           | -14.90%        |
| <b>Colombia</b>  | 7.5                            | 6.9                            | 9.00%          | 23.3                           | 18.9                           | 23.10%         |
| <b>Peru</b>      | 6.5                            | 5.9                            | 9.80%          | 19.6                           | 15.5                           | 26.60%         |
| <b>Ecuador</b>   | 3.3                            | 2.6                            | 29.00%         | 9.0                            | 7.6                            | 18.90%         |
| <b>Others</b>    | 12.2                           | 7.5                            | 64.10%         | 36.7                           | 22.2                           | 65.00%         |
| <b>Total</b>     | <b>247.7</b>                   | <b>233.0</b>                   | <b>6.30%</b>   | <b>706.1</b>                   | <b>663.8</b>                   | <b>6.40%</b>   |

Note: For rounding-up effects, the sum of the figures stated may differ from the total.

The table below shows the percentage breakdown of consolidated sales by product export market for the periods indicated.

|                  | Quarter ended                  |                                | Aggregate                      |                                |
|------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
|                  | Sep 30 <sup>th</sup> ,<br>2007 | Sep 30 <sup>th</sup> ,<br>2006 | Sep 30 <sup>th</sup> ,<br>2007 | Sep 30 <sup>th</sup> ,<br>2006 |
| <b>Brazil</b>    | 19.50%                         | 17.00%                         | 19.40%                         | 16.10%                         |
| <b>USA</b>       | 18.00%                         | 25.70%                         | 18.60%                         | 27.00%                         |
| <b>Venezuela</b> | 15.80%                         | 11.00%                         | 14.20%                         | 9.50%                          |
| <b>Chile</b>     | 14.40%                         | 14.90%                         | 15.20%                         | 16.50%                         |
| <b>Argentina</b> | 10.30%                         | 7.80%                          | 9.10%                          | 7.50%                          |
| <b>Mexico</b>    | 10.10%                         | 13.80%                         | 10.90%                         | 13.70%                         |
| <b>Colombia</b>  | 3.00%                          | 3.00%                          | 3.30%                          | 2.90%                          |
| <b>Peru</b>      | 2.60%                          | 2.50%                          | 2.80%                          | 2.30%                          |
| <b>Ecuador</b>   | 1.30%                          | 1.10%                          | 1.30%                          | 1.10%                          |
| <b>Others</b>    | 4.90%                          | 3.20%                          | 5.20%                          | 3.30%                          |
| <b>Total</b>     | <b>100%</b>                    | <b>100%</b>                    | <b>100%</b>                    | <b>100%</b>                    |

Note: For rounding-up effects, the sum of the figures stated may differ from the total.

### Sales by Product:

The table below shows a breakdown of the Company's consolidated sales by type of product for the periods indicated.

|                               | Quarter ended                  |                                |                | Aggregate                      |                                |                |
|-------------------------------|--------------------------------|--------------------------------|----------------|--------------------------------|--------------------------------|----------------|
|                               | Sep 30 <sup>th</sup> ,<br>2007 | Sep 30 <sup>th</sup> ,<br>2006 | Variation<br>% | Sep 30 <sup>th</sup> ,<br>2007 | Sep 30 <sup>th</sup> ,<br>2006 | Variation<br>% |
|                               | (in millions of US\$)          |                                |                | (in millions of US\$)          |                                |                |
| <b>MDF</b>                    | 102.9                          | 86.0                           | 19.60%         | 286.7                          | 231.9                          | 23.70%         |
| <b>Particle Boards</b>        | 51.0                           | 48.5                           | 5.20%          | 151.9                          | 138.2                          | 9.90%          |
| <b>Sawn Lumber</b>            | 18.5                           | 19.7                           | -6.00%         | 46.1                           | 58.9                           | -21.80%        |
| <b>Finger-joint mouldings</b> | 17.5                           | 28.9                           | -39.50%        | 55.0                           | 74.2                           | -25.80%        |
| <b>OSB</b>                    | 14.1                           | 10.6                           | 32.40%         | 37.0                           | 39.8                           | -7.10%         |
| <b>MDF mouldings</b>          | 13.2                           | 16.1                           | -18.20%        | 37.1                           | 48.4                           | -23.20%        |
| <b>Saw Logs</b>               | 12.5                           | 9.6                            | 29.80%         | 36.5                           | 31.2                           | 16.90%         |
| <b>Solid Wood Doors</b>       | 11.1                           | 10.3                           | 8.20%          | 30.1                           | 28.9                           | 4.40%          |
| <b>Others Products</b>        | 6.9                            | 3.3                            | 108.70%        | 25.5                           | 12.3                           | 107.30%        |
| <b>Total</b>                  | <b>247.7</b>                   | <b>233.0</b>                   | <b>6.30%</b>   | <b>706.1</b>                   | <b>663.8</b>                   | <b>6.40%</b>   |

Note: For rounding-up effects, the sum of the figures stated may differ from the total.

The table below shows a breakdown of the cubic meters sold by type of product, related to the consolidated sales of the Company's main products for the periods indicated.

|                               | Quarter ended                  |                                |                | Aggregate                      |                                |                |
|-------------------------------|--------------------------------|--------------------------------|----------------|--------------------------------|--------------------------------|----------------|
|                               | Sep 30 <sup>th</sup> ,<br>2007 | Sep 30 <sup>th</sup> ,<br>2006 | Variation<br>% | Sep 30 <sup>th</sup> ,<br>2007 | Sep 30 <sup>th</sup> ,<br>2006 | Variation<br>% |
|                               | (thousands of m <sup>3</sup> ) |                                |                | (thousands of m <sup>3</sup> ) |                                |                |
| <b>Saw Logs</b>               | 347.5                          | 305.7                          | 13.70%         | 1,071.30                       | 1,045.00                       | 2.50%          |
| <b>MDF</b>                    | 254.6                          | 255.0                          | -0.10%         | 734.3                          | 731.6                          | 0.40%          |
| <b>Particle Boards</b>        | 175.1                          | 192.2                          | -8.90%         | 537.7                          | 572.9                          | -6.10%         |
| <b>Sawn Lumber</b>            | 75.4                           | 91.1                           | -17.30%        | 197.2                          | 282.1                          | -30.10%        |
| <b>OSB</b>                    | 59.2                           | 51.6                           | 14.70%         | 158.1                          | 179.4                          | -11.90%        |
| <b>Finger-joint mouldings</b> | 42.3                           | 53.8                           | -21.50%        | 135.4                          | 150.8                          | -10.20%        |
| <b>MDF mouldings</b>          | 30.7                           | 38.2                           | -19.60%        | 90.0                           | 121.0                          | -25.70%        |
| <b>Solid Wood Doors</b>       | 11.1                           | 10.9                           | 2.30%          | 31.0                           | 31.4                           | -1.30%         |
| <b>Others Products</b>        | 127.7                          | 254.2                          | -49.80%        | 587.2                          | 739.0                          | -20.50%        |
| <b>Total</b>                  | <b>1,123.6</b>                 | <b>1,252.6</b>                 | <b>-10.30%</b> | <b>3,542.0</b>                 | <b>3,853.2</b>                 | <b>-8.10%</b>  |

Note: For rounding-up effects, the sum of the figures stated may differ from the total.

### Breakdown of Production Costs:

The table below shows a percentage breakdown of the average consolidated production costs for bare (without melamine) particleboards, MDF and OSB, for the periods indicated.

|                     | Quarter ended  |                | Aggregate      |                |
|---------------------|----------------|----------------|----------------|----------------|
|                     | Sep-30<br>2007 | Sep-30<br>2006 | Sep-30<br>2007 | Sep-30<br>2006 |
| <b>Chemicals</b>    | 30.60%         | 34.10%         | 32.60%         | 35.20%         |
| <b>Wood</b>         | 24.50%         | 23.40%         | 23.90%         | 23.30%         |
| <b>Energy</b>       | 11.50%         | 8.50%          | 10.50%         | 8.50%          |
| <b>Personnel</b>    | 8.20%          | 8.40%          | 8.00%          | 7.90%          |
| <b>Depreciation</b> | 8.10%          | 10.10%         | 8.40%          | 10.70%         |
| <b>Others*</b>      | 17.00%         | 15.50%         | 16.50%         | 14.50%         |
| <b>Total</b>        | <b>100%</b>    | <b>100%</b>    | <b>100%</b>    | <b>100%</b>    |

Note: For rounding-up effects, the sum of the figures stated may differ from the total.

\*Others include mainly: maintenance, spare parts and materials and packaging expenses.

The table below shows a percentage breakdown of the average consolidated production costs for doors, finger-joint mouldings and sawn lumber, for the periods indicated.

|                               | Quarter ended                  |                                | Aggregate                      |                                |
|-------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
|                               | Sep 30 <sup>th</sup> ,<br>2007 | Sep 30 <sup>th</sup> ,<br>2006 | Sep 30 <sup>th</sup> ,<br>2007 | Sep 30 <sup>th</sup> ,<br>2006 |
| <b>Personnel</b>              | 28.90%                         | 25.10%                         | 25.80%                         | 24.30%                         |
| <b>Wood</b>                   | 27.70%                         | 32.90%                         | 31.70%                         | 34.30%                         |
| <b>Services</b>               | 15.70%                         | 14.30%                         | 14.20%                         | 13.90%                         |
| <b>Energy</b>                 | 7.60%                          | 3.20%                          | 6.50%                          | 3.20%                          |
| <b>Materials and Supplies</b> | 7.00%                          | 9.00%                          | 8.10%                          | 9.40%                          |
| <b>Depreciation</b>           | 6.30%                          | 7.10%                          | 6.70%                          | 7.40%                          |
| <b>Others*</b>                | 6.70%                          | 8.40%                          | 7.10%                          | 7.50%                          |
| <b>Total</b>                  | <b>100%</b>                    | <b>100%</b>                    | <b>100%</b>                    | <b>100%</b>                    |

Note: For rounding-up effects, the sum of the figures stated may differ from the total.

\*Others include mainly: maintenance, spare parts and materials and packaging expenses.

**MASISA S.A. AND SUBSIDIARIES**  
**CONSOLIDATED FINANCIAL STATEMENTS**

| CONSOLIDATED INCOME STATEMENTS                     | Aggregate                      |                                |
|--|--------------------------------|--------------------------------|
|  | Sep 30 <sup>th</sup> ,<br>2007 | Sep 30 <sup>th</sup> ,<br>2006 |
|  | (in thousands of US\$)         |                                |
| Operating Income                                   | 706,109                        | 663,850                        |
| Operating Costs (less)                             | (532,718)                      | (510,207)                      |
| <b>OPERATING MARGIN</b>                            | <b>173,391</b>                 | <b>153,643</b>                 |
| Selling and Administrative Expenses (less)         | (96,827)                       | (88,197)                       |
| <b>OPERATING INCOME</b>                            | <b>76,564</b>                  | <b>65,446</b>                  |
| Financial Income                                   | 3,204                          | 3,808                          |
| Financial expenses (less)                          | (29,237)                       | (26,037)                       |
| <b>Net financial expenses</b>                      | <b>(26,033)</b>                | <b>(22,229)</b>                |
| Net income related company investments             | 0                              | 573                            |
| Loss related company investments (less)            | (47)                           | 0                              |
| <b>Net earnings related company investments</b>    | <b>(47)</b>                    | <b>573</b>                     |
| Other non-operating income                         | 1,305                          | 2,711                          |
| Other non-operating expenses (less)                | (13,479)                       | (7,837)                        |
| Amortization of goodwill (less)                    | (85)                           | (64)                           |
| Currency correction                                | 2,834                          | 1,093                          |
| Exchange differences                               | (5,252)                        | (10,137)                       |
| <b>NON-OPERATING INCOME</b>                        | <b>(40,757)</b>                | <b>(35,890)</b>                |
| Income before income taxes and extraordinary items | 35,807                         | 29,556                         |
| Income tax   | (20,072)                       | (21,403)                       |
| Extraordinary items                                | 0                              | 0                              |
| Net Income (loss) before minority interest         | 15,735                         | 8,153                          |
| Minority interest                                  | 7,324                          | 7,532                          |
| Net Income (loss)                                  | 23,059                         | 15,685                         |
| Amortization of negative goodwill                  | 3,429                          | 3,411                          |
| <b>NET INCOME (LOSS) FOR THE PERIOD</b>            | <b>26,488</b>                  | <b>19,096</b>                  |

Note: For rounding-up effects, the sum of the figures stated may differ from the total.

**MASISA S.A. AND SUBSIDIARIES**  
**CONSOLIDATED FINANCIAL STATEMENTS**

| CONSOLIDATED BALANCE   | Aggregate                      |                                |
|--|--------------------------------|--------------------------------|
|  | Sep 30 <sup>th</sup> ,<br>2007 | Sep 30 <sup>th</sup> ,<br>2006 |
|  | (in thousands of US\$)         |                                |
| <b>ASSETS</b>  |                                |                                |
| <b>CURRENT ASSETS:</b>   |                                |                                |
| Cash and equivalents   | 14,275                         | 11,148                         |
| Time deposits  | 42,315                         | 50,846                         |
| Negotiable securities (net)                                      | 1,154                          | 201                            |
| Sales debtors (net)  | 144,674                        | 141,052                        |
| Documents receivables (net)                                      | 9,052                          | 10,968                         |
| Sundry debtors (net)   | 24,611                         | 27,491                         |
| Documents and accounts receivables to related companies          | 7,619                          | 7,694                          |
| Inventories (net)  | 193,320                        | 187,953                        |
| Recoverable taxes  | 55,065                         | 47,437                         |
| Anticipated paid expenses  | 9,190                          | 7,794                          |
| Differed taxes   | 5,324                          | 3,551                          |
| Other current assets   | 2,116                          | 2,562                          |
| <b>Total Current assets</b>                                      | <b>508,715</b>                 | <b>498,697</b>                 |
| <b>FIXED ASSETS:</b>   |                                |                                |
| Lands  | 157,868                        | 135,386                        |
| Construction and infrastructure works                            | 214,345                        | 212,511                        |
| Machinery and equipments   | 853,011                        | 843,304                        |
| Others fixed assets  | 808,551                        | 689,044                        |
| Higher value for technical reappraisal of fixed assets           | 7,390                          | 7,390                          |
| Depreciation (less)  | -453,279                       | -412,141                       |
| <b>Total Fixed assets</b>  | <b>1,587,886</b>               | <b>1,475,494</b>               |
| <b>OTHERS ASSETS:</b>  |                                |                                |
| Related company investments                                      | 4,319                          | 4,633                          |
| Other company investments  | 217                            | 205                            |
| Lower value of investments                                       | 2,345                          | 1,186                          |
| Higher value of investments (less)                               | -55,295                        | -59,412                        |
| Long term debtors  | 5,385                          | 4,661                          |
| Long term documents and accounts receivable to related companies | 0                              | 1,556                          |
| Long term differed taxes   | 0                              | 0                              |
| Intangibles  | 11,498                         | 10,637                         |
| Amortization (less)  | -680                           | -28                            |
| Others   | 29,903                         | 17,165                         |
| <b>Total Others Assets</b>                                       | <b>(2,308)</b>                 | <b>(19,397)</b>                |
| <b>TOTAL ASSETS</b>  | <b>2,094,293</b>               | <b>1,954,794</b>               |

Note: For rounding-up effects, the sum of the figures stated may differ from the total.





**MASISA S.A. AND SUBSIDIARIES**  
**CONSOLIDATED FINANCIAL STATEMENTS**

| CONSOLIDATED BALANCE   | Aggregate                      |                                |
|--|--------------------------------|--------------------------------|
|  | Sep 30 <sup>th</sup> ,<br>2007 | Sep 30 <sup>th</sup> ,<br>2006 |
|  | (in thousands of US\$)         |                                |
| <b>LIABILITIES</b>   |                                |                                |
| <b>CURRENT LIABILITIES:</b>  |                                |                                |
| Short term obligations with banks and financial institutions                     | 117,691                        | 65,904                         |
| Long term obligations with banks and financial institutions - short term portion | 42,358                         | 57,741                         |
| Obligations to the public - short term portion (bonds)                           | 57,848                         | 34,359                         |
| Long term obligations with one-year maturity                                     | 0                              | 4                              |
| Dividends payable  | 451                            | 504                            |
| Accounts payable   | 70,800                         | 57,760                         |
| Documents payable  | 997                            | 719                            |
| Sundry creditors   | 1,373                          | 2,192                          |
| Documents and accounts payable to related companies                              | 10,718                         | 4,948                          |
| Provisions   | 40,293                         | 26,164                         |
| Retentions   | 15,628                         | 18,166                         |
| Income tax   | 11,871                         | 7,801                          |
| Incomes received in advance  | 230                            | 866                            |
| Others current liabilities   | 260                            | 314                            |
| <b>Total Current Liabilities</b>   | <b>370,518</b>                 | <b>277,442</b>                 |
| <b>LONG TERM LIABILITIES:</b>  |                                |                                |
| Obligations with banks and financial institutions                                | 146,423                        | 181,051                        |
| Long term obligations to the public (bonds)                                      | 283,769                        | 283,264                        |
| Long term sundry creditors   | 67                             | 130                            |
| Long term provisions   | 1,657                          | 1,426                          |
| Long term differed taxes   | 76,450                         | 46,828                         |
| Others long term liabilities   | 17,543                         | 17,651                         |
| <b>Total Long Term Liabilities</b>   | <b>525,909</b>                 | <b>530,350</b>                 |
| <b>MINORITY INTEREST:</b>  | <b>10,277</b>                  | <b>17,354</b>                  |
| <b>NET WORTH:</b>  |                                |                                |
| Paid in capital  | 812,880                        | 812,880                        |
| Capital revalorization reserve   | 0                              | 0                              |
| Overpricing in sale of treasury shares   | 0                              | 0                              |
| Other reserves   | 206,708                        | 173,176                        |
| Retained earnings  | 168,001                        | 143,592                        |
| Future dividend reserves   | 51,424                         | 51,424                         |
| Earnings aggregate   | 90,089                         | 73,072                         |
| Loss aggregate (less)  | 0                              | 0                              |
| Net income (loss) for the period   | 26,488                         | 19,096                         |
| Provisory Dividends (less)   | 0                              | 0                              |
| Aggregate deficit for development period   | 0                              | 0                              |
| <b>Total Net Worth</b>   | <b>1,187,589</b>               | <b>1,129,648</b>               |

**TOTAL LIABILITIES****2,094,293****1,954,794**

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Note: For rounding-up effects, the sum of the figures stated may differ from the total.

**MASISA S.A. AND SUBSIDIARIES**  
**CONSOLIDATED FINANCIAL STATEMENTS**

**CASH FLOW STATEMENT - DIRECT**

|  | Aggregate                      |                                |
|--|--------------------------------|--------------------------------|
|  | Sep 30 <sup>th</sup> ,<br>2007 | Sep 30 <sup>th</sup> ,<br>2006 |
| (in thousands of US\$)   |                                |                                |
| <b>FLOW ORIGINATED BY OPERATING ACTIVITIES:</b>                          |                                |                                |
| Sales debtors collection   | 989,075                        | 824,231                        |
| Financial income received  | 4,742                          | 7,165                          |
| Dividends and other distributions received                               | 0                              | 0                              |
| Other incomes received   | 32,930                         | 19,885                         |
| Supplier and personnel payment (less)                                    | (876,602)                      | (694,340)                      |
| Interests paid (less)  | (25,804)                       | (32,418)                       |
| Income tax paid (less)   | (11,415)                       | (9,710)                        |
| Other expenses paid (less)   | (2,643)                        | (2,772)                        |
| VAT and similar others paid (less)                                       | (38,654)                       | (11,375)                       |
| <b>Net Flow Originated by Operating Activities</b>                       | <b>71,629</b>                  | <b>100,666</b>                 |
| <b>FLOW ORIGINATED BY FINANCING ACTIVITIES:</b>                          |                                |                                |
| Payment shares placement   | 0                              | 44,012                         |
| Loans granted  | 160,383                        | 219,368                        |
| Obligations to the public  | 87,842                         | 162,965                        |
| Documented loans to related companies                                    | 0                              | 0                              |
| Others loans granted to related companies                                | 0                              | 0                              |
| Other financing sources  | 7,786                          | 0                              |
| Dividend payment (less)  | (12,433)                       | (11,491)                       |
| Capital distribution (less)  | 0                              | 0                              |
| Loan payment (less)  | (151,739)                      | (266,445)                      |
| Obligations to the public payment(less)                                  | (81,502)                       | (169,605)                      |
| Documented loans to related companies payment (less)                     | 0                              | 0                              |
| Others loans granted to related companies payment (less)                 | 0                              | 0                              |
| Emission and share placement expenses payment (less)                     | 0                              | (903)                          |
| Emission and obligations to the public placement expenses payment (less) | 0                              | 0                              |
| Others financing disbursements (less)                                    | 0                              | 0                              |
| <b>Net Flow Originated by Financing Activities</b>                       | <b>10,337</b>                  | <b>(22,099)</b>                |
| <b>FLOW ORIGINATED BY INVESTMENT ACTIVITIES:</b>                         |                                |                                |
| Fixed asset sales  | 1,441                          | 38                             |
| Permanent investment sales   | 0                              | 0                              |
| Other investment sales   | 16,677                         | 0                              |
| Documented loans to related companies collection                         | 3,952                          | 0                              |
| Other loans to related companies collection                              | 32,672                         | 0                              |
| Others investment income   | 0                              | 0                              |
| Fixed assets incorporation (less)  | (99,176)                       | (84,086)                       |
| Capitalized interests payment (less)                                     | (6,573)                        | (5,149)                        |
| Permanent investments (less)   | (2,371)                        | (24,340)                       |
| Financial instrument investments (less)                                  | (18,497)                       | 0                              |

|   |                 |                  |
|---|-----------------|------------------|
| Documented loans to related companies (less)        | 0               | (709)            |
| Others loans to related companies (less)            | 0               | 0                |
| Others investment disbursements (less)              | 0               | 0                |
| <b>Net Flow Originated by Investment Activities</b> | <b>(71,875)</b> | <b>(114,246)</b> |
| <b>TOTAL NET FLOW FOR THE PERIOD:</b>               | <b>10,091</b>   | <b>(35,679)</b>  |
| Inflation effect over cash and cash equivalents     | (32)            | 17               |
| Net variation of cash and cash equivalents          | 10,059          | (35,662)         |
| Initial balance of cash and cash equivalents        | 47,049          | 97,857           |
| <b>FINAL BALANCE OF CASH AND CASH EQUIVALENTS</b>   | <b>57,108</b>   | <b>62,195</b>    |

Note: For rounding-up effects, the sum of the figures stated may differ from the total.

**MASISA S.A. AND SUBSIDIARIES**  
**CONSOLIDATED FINANCIAL STATEMENTS**

| FLOW-INCOME CONCILIATION   | Aggregate                      |                                |
|--|--------------------------------|--------------------------------|
|  | Sep 30 <sup>th</sup> ,<br>2007 | Sep 30 <sup>th</sup> ,<br>2006 |
|  | (in thousands of US\$)         |                                |
| <b>Net Income for the period</b>   | <b>26,488</b>                  | <b>19,096</b>                  |
| <b>ASSET SALE INCOME</b>   |                                |                                |
| (Net Income) Loss in fixed asset sales                                     | 28                             | (26)                           |
| Net Income in investment sales (less)                                      | 0                              | 0                              |
| Loss in investment sales   | 0                              | 0                              |
| (Net Income) Loss in others asset sales                                    | 0                              | 0                              |
| <b>Asset sales income</b>  | <b>28</b>                      | <b>(26)</b>                    |
| <b>CHARGES (INCOME) TO INCOME WHICH DOES NOT REPRESENT CASH FLOW</b>       |                                |                                |
| Depreciation for the period  | 37,567                         | 37,664                         |
| Intangibles amortization   | 746                            | 337                            |
| Punishments and provisions   | 5,038                          | 0                              |
| Net income paid for investments in related companies (less)                | 0                              | (573)                          |
| Loss paid for investments in related companies                             | 47                             | 0                              |
| Amortization of goodwill   | 85                             | 64                             |
| Amortization of negative goodwill (less)                                   | (3,429)                        | (3,411)                        |
| Net currency correction  | (2,834)                        | (1,093)                        |
| Net exchange difference  | 5,252                          | 10,137                         |
| Other income to income which does not represent cash flow (less)           | (3,013)                        | 0                              |
| Other charges to income which does not represent cash flow                 | 13,883                         | 14,944                         |
| <b>Cargos (Charges) to income which does not represent cash flow</b>       | <b>53,342</b>                  | <b>58,069</b>                  |
| <b>VARIATION OF ASSET WHICH AFFECT CASH FLOW:</b>                          |                                |                                |
| Sale debtors   | (34,761)                       | (29,977)                       |
| Inventories  | (8,557)                        | 31,868                         |
| Other assets   | (4,829)                        | (1,740)                        |
| <b>Variation of assets which affect cash flow increase (decrease)</b>      | <b>(48,147)</b>                | <b>151</b>                     |
| <b>VARIATION OF LIABILITIES WHICH AFFECT CASH FLOW</b>                     |                                |                                |
| Accounts payable related to operating income                               | 14,914                         | 21,967                         |
| Interests payable  | 9,896                          | (4,880)                        |
| Income tax payable (net)   | 2,985                          | (2,189)                        |
| Other accounts payable related to non operating income                     | 7,734                          | (369)                          |
| VAT and similar others payable (net)                                       | 11,713                         | 16,379                         |
| <b>Variation of liabilities which affect cash flow increase (decrease)</b> | <b>47,242</b>                  | <b>30,908</b>                  |
| <b>Net income (Loss) of minority interest</b>                              | <b>(7,324)</b>                 | <b>(7,532)</b>                 |
| <b>NET FLOW ORIGINATED BY OPERATING ACTIVITIES</b>                         | <b>71,629</b>                  | <b>100,666</b>                 |

Note: For rounding-up effects, the sum of the figures stated may differ from the total.

**Forecasts and Estimates**

This press release may contain forecasts, which are different statements from historical facts or current conditions, and include the management's current vision and estimates of future circumstances, industry conditions and the Company's performance. Some forecasts may be identified by the use of terms such as "may," "should," "anticipates," "believes," "estimates," "expects," "plans," "intends," "forecasts" and other similar expressions. Statements about future market share, projected future competitive strengths, the implementation of significant operating and financial strategies, the direction of future operations, and the factors or trends affecting financial conditions, liquidity, or operating income are examples of forecasts. Such statements reflect the current management vision and are subject to various risks and uncertainties. There is no guarantee that the expected events, trends or results will actually occur. These statements are made based on many assumptions and factors, including general economic and market conditions, industry conditions and operating factors. Any changes in such assumptions or factors could lead to the current results of Masisa, and the projected Company activities, to materially differ from current expectations.

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: October 30, 2007

Masisa S.A.

By: /s/ Patricio Reyes

Patricio Reyes  
General Counsel