

FORUS[®]

brands & retail

FORUS S.A. AND SUBSIDIARIES

FINANCIAL STATEMENTS

As of December 31th 2007 and 2006

Translated from Spanish to English

ThCh\$: Thousand chilean pesos

FORUS S.A. AND SUBSIDIARIES COMPANIES

CONSOLIDATED BALANCE SHEET

as of December 31st

	Note	2007 ThCHS	2006 ThCHS
ASSETS			
Current Assets			
Cash		1.994.210	892.550
Time Deposits		7.603.054	601.440
Marketable securities		12.270.686	23.439.532
Trade account receivables, net	(5)	7.498.538	6.593.383
Notes receivables, net	(5)	7.138.486	5.785.810
Sundry debtors, net	(5)	2.821.725	3.054.770
Notes and accounts receivables from related companies	(6)	1.318.753	736.833
Inventories (net)	(7)	18.206.936	15.701.914
Recoverables taxes	(8)	285.339	297.472
Prepaid expenses, net		1.577.143	1.974.845
Other current assets		11.062	4.574
Deferred income taxes	(8)	428.679	491.403
Total Current Assets		61.154.611	59.574.526
Fixed Assets			
Land	(9)	276.460	276.365
Construction and Infraestructure works	(9)	1.996.918	3.076.804
Machinery and equipment	(9)	17.759.176	17.095.496
Other Fixed assets	(9)	4.150.039	4.002.198
Negative Goodwill fixed asset technical appraisal adjustr	(9)	612.750	612.539
Subtotal		24.795.343	25.063.402
Accumulated depreciation	(9)	(14.423.768)	(14.708.069)
Total fixed assets		10.371.575	10.355.333
Other Assets			
Investment in related companies	(11)	141.444	137.360
Negative Goodwill	(12)	(68.448)	(1.192)
Goodwill	(12)	2.270.647	266.167
Long Term debtors	(5)	4.285	4.300
Intangibles	(13)	1.573.641	1.000.576
Amortization	(13)	(532.328)	(317.619)
Deferred Income Taxes		89.051	-
Others	(14)	138.042	81.638
Total other assets		3.616.334	1.171.230
Total Assets		75.142.520	71.101.089

FORUS S.A. AND SUBSIDIARIES COMPANIES

Consolidated Balance Sheet

as of December 31st

	NOTE	2007 ThCh\$	2006 ThCh\$
LIABILITIES			
Current Liabilities			
Short term obligation with bank and Financial Institutions	(15)	1.192.991	1.126.958
Current portion of long term bank debt	(15)	-	1.190.686
Accounts Payable		4.021.233	4.252.259
Notes Payable		557.375	194.530
Sundry creditors		147.970	52.319
Current accounts with related companies	(6)	137.200	-
Provisions	(17)	2.749.486	2.841.514
Withholdings		1.658.003	1.086.205
Other current liabilities		542	-
Total Current Liabilities		10.464.800	10.744.471
Long Term Liabilities			
Long Term obligations with banks and Financial Instiutio	(16)	-	591.117
Sundry Creditors		61.116	-
Provisions		-	-
Deferred Income Taxes	(8)	-	34.060
Other long term liabilities	(18)	129.148	125.620
Total long-term liabilities		190.264	750.797
Minoritory Interest	(19)	180.398	3.323
Shareholder's Equity			
Paid-in Capital	(20)	22.785.580	22.785.580
Capital revaluation reserve	(20)	-	-
Negative goodwill fixed assest technical appraisal adjustm	(20)	600.661	600.660
Accumulated adjustment exchange rate conversion	(20)	-	-
Accumulated deficit during the subsidiary buildup	(20)	-	-
Own share Sale overprice	(20)	16.341.102	16.341.102
Retained earnings	(20)	16.893.033	12.335.606
Net income for the year	(20)	9.249.040	7.539.550
Temporary dividends	(20)	(1.562.358)	-
Total shareholders equity		64.307.058	59.602.498
Total liabilities and shareholders equity		75.142.520	71.101.089

FORUS S.A. AND SUBSIDIARIES COMPANIES

Statements of Income

For the periods ended as of December 31,

	Note	2007 ThCh\$	2006 ThCh\$
Operating Incomes		90.568.453	68.176.984
Sales Cost		<u>(43.432.726)</u>	<u>(33.213.779)</u>
Operating Gross Income		<u>47.135.727</u>	<u>34.963.205</u>
Administrative and selling expenses		<u>(32.483.932)</u>	<u>(25.094.693)</u>
Operating income result		<u>14.651.795</u>	<u>9.868.512</u>
Financial Income		8.990	229.120
Utilidad inversión empresas relacionadas	(11)	4.891	-
Other non operating income	(21)	706.196	177.748
Loss on investment in related companies		-	(38.095)
Amortization of goodwill	(12)	(199.576)	(20.657)
Financial expenses		(365.188)	(792.601)
Other non operating expenses	(21)	(611.084)	(265.022)
Price level rstatement	(22)	(2.492.734)	(417.628)
Foreign exchange difference	(23)	<u>(501.973)</u>	<u>281.541</u>
Non operating income results		<u>(3.450.478)</u>	<u>(845.594)</u>
Income before income taxes		11.201.317	9.022.918
Income taxes	(8)	(2.047.576)	(1.485.363)
Minority interest	(19)	89.754	1.912
Amortization of negative goodwill	(12)	<u>5.545</u>	<u>83</u>
Net income		<u>9.249.040</u>	<u>7.539.550</u>

FORUS S.A. AND SUBSIDIARIES

CONSOLIDATED CASH FLOWS STATEMENT

AS OF DECEMBER 31st

	Note	2007 ThCH\$	2006 ThCH\$
CASH FLOW FROM OPERATING ACTIVITIES			
Net Income		9,249,040	7,539,550
Results of assets sales			
(Profit) Loss on sales of fixed assets		115,034	(197)
Charges (credit) to income no affecting cash flow			
Depreciation	(9)	2,257,487	1,959,308
Amortization of intngibles		261,558	148,952
Writes-off and provisions		824,133	350,888
Related companies accrute profit (less)	(11)	(4,891)	-
Related companies loss accrued during the period		-	38,095
Lower investment value	(12)	199,576	20,657
Amortizacion mayor valor inversiones (menos)	(12)	(5,545)	(79)
Currency Adjustment	(22)	2,491,025	417,628
Net change difference	(23)	499,566	(281,541)
Other charges to income not representing cash flow (less)		-	-
Other charges to income not representing cash flow		2,190,320	1,471,394
Assets variation affecting cash and bank flow (increase - decrease)			
Sales debtos		(1,693,941)	(4,528,568)
Inventory		(3,686,376)	342,736
Other Assests		(4,038,536)	(1,693,841)
Liability variation affecting cash and bank flow (increase - decrease)			
Accounts payable from operating acctivities		(268,521)	1,589,264
Increase (decrease) taxes		(41,120)	(36,163)
Net increase (decrease) of outstanding income taxes		(111,090)	1,185
Other accounts payable from non operating results		4,458,595	237,164
Value added tax and other taxes payable		1,337,114	(211,010)
Profit (loss) minority interest		(89,755)	(1,912)
NET CASH FLOW FROM OPERATING ACTIVITIES		13,943,673	7,363,510

FORUS S.A. AND SUBSIDIARIES

CONSOLIDATED CASH FLOWS STATEMENT

AS OF DECEMBER 31st

	2007	2006
	ThCh\$	ThCh\$
CASH FLOW FROM FINANCING ACTIVITIES		
Cash charge placement	1.208.423	25.261.209
Loans	20.293.553	15.169.686
Dividend payments (less)	(4.562.222)	(1.873.074)
Loan payment (less)	(26.235.227)	(22.275.257)
Payment of share issuance and offering expenses (less)	-	(314.640)
Other financing disbursement (less)	(1.076.259)	-
NET FLOW PROFIT (LOSS) FROM FINANCING ACTIVITIES	<u>(10.371.732)</u>	<u>15.967.924</u>
CASH FLOW FROM INVESTMENT ACTIVITIES		
Sales Fixed Assets	312.853	13.970
Sales permanent investment	-	-
Sales other investments	5.346.974	-
Collection of loans to related companies	1.698.440	3.105.085
Other investment income	41.668	313.085
Addition of fixed assets (loss)	(2.891.416)	(2.465.023)
Loan payments (loss)	-	(1.088)
Permanent investments (loss)	(2.051.598)	-
Investment in Financial Instruments (loss)	(1.391.219)	(21.803.306)
Documented loans to related companies (loss)	(2.470.378)	(2.279.634)
Other investment disbursements (loss)	(825.645)	(36.382)
NET CASH FLOW FROM INVESTMENT ACTIVITIES	<u>(2.230.321)</u>	<u>(23.153.293)</u>
NET CASH FLOW OF THE YEAR	<u>1.341.620</u>	<u>178.141</u>
Inflation Effect on cash and cash equivalent	<u>(239.960)</u>	<u>(7.638)</u>
NET VARIATION ON CASH AND CASH EQUIVALENT	1.101.660	170.503
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	892.550	722.047
NET CASH AND CASH EQUIVALENTS FOR THE YEAR	<u>1.994.210</u>	<u>892.550</u>

FORUS S.A. AND SUBSIDIARIES

Notes to the consolidated Financial Statements December 31th, 2007 and 2006

Note 1. Company Registration

Forus S.A. was founded under the trade name of Comercial Hush Puppies Chile Ltda., as per recorded deed of August 29th, 1980 at Enrique Morgan Torres Notary Office in the city of Santiago, register of the Superintendence of Securities and Insurances (Superintendencia de Valores y Seguros) N° 649 of October 30th, 1998 hence compliance of the Society by laws and subsequent monitoring is ruled by the aforesaid entity.

Forus S.A. line of business is the manufacture, imports and commercialization of shoes, sportive articles, clothing, textile and other products.

Note 2. Summary of Principal Accounting Policies

a. Accounting Period

The consolidated financial statements comprise the period between January 1st and December 31st, 2007 and 2006, respectively.

b. Basis of preparation

The present financial statements have been prepared in accordance with the accounting principles generally accepted in Chile and the standards issued by the Superintendence of Securities and Insurance, which will prevail over the former in case of discrepancies

c. Basis of submittal

The consolidated financial statements as of December 31st, 2006 and its respective notes have been updated in a 7,4%, in order to allow a proper comparison with the consolidated financial statement of the present period.

FORUS S.A. AND SUBSIDIARIES

Notes to the consolidated Financial Statements December 31th, 2007 and 2006

Note 2. Generally accepted Accounting Principales (continued)

d. Basis of consolidation

The consolidated financial statements include all the balances of Forus S.A. and its affiliate companies

The affiliate companies included in the present consolidated financial statements are detailed below showing their respective percentage of investment:

Tax Payer N°	Commercial Name	2007			2006
		Direct	Indirect	Total	Total
		%	%	%	%
Foreign	Uruforus S.A. (*)	100,00	-	100,00	100,00
96.583.940-2	Topsafety S.A.	99,35	-	99,35	99,00
Foreign	ArgForus S.A. (**)	97,00	-	97,00	97,00
Foreign	Perú Forus S.A. (***)	99,97	-	99,97	0,00
Foreign	Forus Colombia S.A. (****)	95,02	-	95,02	0,00
Foreign	Pasqualini S.A. (*)	100,00	-	100,00	0,00

(*) Company founded in Uruguay.

(**) Company founded in Argentina.

(***) Company founded in Peru

(****) Company founded in Colombia.

e. Price -level restatement

The consolidated financial statements as of December 31st 2006 and 2007 respectively have been restated in order to reflect the effect of price-level changes of the Chilean Peso for each accounting period as indicated in Note 21 herein

Below please find the respective upgrading indexes for the two excercises

Year 2007	7,40%
Year 2006	2,10%

FORUS S.A. AND SUBSIDIARIES

Notes to the consolidated Financial Statements December 31th, 2007 and 2006

Note 2. Generally accepted Accounting Principales (continued)

f. Basis of Conversion

Foreign currency assets and liabilities and those expressed in UF (Index Link Units) are represented by the following rates of exchange and closing values

	2007	2006
	ThCh\$	ThCh\$
US Dollar	496,89	532,39
Index-Link Unit	19.622,66	18.336,38

g. Negotiable Instruments

This heading shows the mutual or investment fund quotas and shares listed on stock exchange valued at the lowest price between, the cost restated and stock exchange values

h. Inventories

Inventories are valued at its acquisition value (finished products and raw material) or production (in process or finished products in accordance with price level restatement standards. Hence, the values so defined do not exceed its net realization value.

At present, the Company applies the average weighed price for good cost determination purposes. Likewise, the Society has constituted a good valuation provision for an amount of ThCh\$870.430 in 2007 and ThCh\$1.068.263 in 2006.

i. Doubtful debtors

The company has created a doubtful debtors provision based on a time and uncollectability risk of accounts and document receivables.

j. Fixed Assets

Fixed assets goods are valued at its acquisition cost plus the price adjustment for price level restatement purposes at the year-end, with the exception of the lands that were revalued in December 1995 whose effect is explained in Note 9 letter d) below).

FORUS S.A. AND SUBSIDIARIES

Notes to the consolidated Financial Statements December 31th, 2007 and 2006

Note 2. Generally accepted Accounting Principales (continued)

k. Fixed Asset Depreciation

Fixed asset depreciation has been calculated by the straight-line method, considering the good estimated useful life. In 2007, depreciation charges reached to ThCh\$2.212.551 and ThCH\$1.959.308 in 2006.

l. Leased Assets

Company leased assets are shown under "Other fixed assets" heading. Note that these goods are owned by the leasing institution until their respective purchase options are fully paid.

m. Intangible Assets

The Society values the intangible assets pursuant to their acquisition costs and these are liquidated in accordance with the provisions set forth under technical bulletin N° 5 of Colegio de Contadores de Chile A.G. (Chile's Association of Accountants). Results for 2007 exercise reached to ThCh\$ 261.558 (ThCh\$ 148.952 in 2006).

n. Investment in related companies

Investments in related companies as of December 31st, 2003 show a significant capacity of influence and are valued in accordance to the Average Capital Value (in Spanish VPP – Valor Patrimonial Proporcional) indicated in the respective financial statement basis prepared by the Societies at each year end.

Permanent investments as of December 31st, 2003 are valued at the Average Capital Value (ACV) in accordance with the provisions set forth in circular letter N° 1697 of the Superintendence of Value and Insurances and the Technical Bulleting N° 72 of Colegio de Contadores de Chile A.G.

Related Companies foreign investments are recorded as assets expressed in Chilean pesos, pursuant to generally accepted accounting principles, considering the instructions of Circular Letters N° 368, and N° 5294 of the Superintendence of Values and Insurances and Technical Bulletin N° 72 of Colegio de Contadores de Chile A.G.

o. Decrease / increase of investment value

Lower and higher value balances are determined in accordance with the provisions set forth in Circular Letter N° 1.697 of the Superintendence of Values and Insurances. Effect on the amortization of higher and lower investment values is stated with the straight-line method which considers amongst other, the nature and feature of each investment, the estimated business useful life and return of investment currently not exceeding the 20 year term.

FORUS S.A. AND SUBSIDIARIES

Notes to the consolidated Financial Statements December 31th, 2007 and 2006

Note 2. Generally accepted Accounting Principales (continued)

p. Income taxes and deferred taxes

As of December 31st, 2007 and 2006, the Society has a provision for income taxes in accordance with the tax provisions currently in effect.

The Society has calculated the deferred taxes pursuant to the standards set forth in the technical bulletin N° 60, and complementary bulletins issued by Colegio de Contadores de Chile A.G. and the standards stated in circular letter N° 1466 of the Superintendence of Securities and Insurances.

The Society has recorded the effects of deferred taxes generated from temporary differences, tax benefits, tax loss and other events that create difference between accountable and tax results.

q. Severance indemnties

The Society does not have an agreement with employees for serverence indemnties payment .

r. Income Recongnition

The operating incomes of the Society namely refer to its line of business and are currently recognized and valued on an accrued basis, a condition that requires exceeding the custody risk of the sold inventories. In the case of retail sales, the income accrual agrees with the exercise effective invoicing.

s. Swap Contracts

The Society has some purchase sale forward contracts with financial institutions. In accordance with the provisions set forth by Technical Bulletin N° 57 of Colegio de Contadores A.G the latter have been defined and recorded as investment contracts, pursuant to the provisions stated in Note 26.

t. Software

The corporate software was purchased as computer package, the disbursement for such packages have been made in accordance with the provisions set forth in the different contracts or purchase orders. These are registrated under heading "Other Assets"

FORUS S.A. AND SUBSIDIARIES

Notes to the consolidated Financial Statements December 31th, 2007 and 2006

Note 2. Generally accepted Accounting Principales (continued)

u. Cash Flow Statement

The Society has considered as equivalent cash the values included under "Cash in Banks" heading for preparation purposes of the Cash flow statement pursuant to the provisions set forth in technical bulletin N° 50 of Colegio de Contadores de Chile and circular letter N°. 1312 of the Superintendence of Securities and Insurances.

The heading "Flow arising from operational activities" include those cash flows related with the society line of business, paid interests, perceived consolidated financial incomes and all those not currently defined as investment or funding incomes

v. Legal Vacations

The annual cost of vacations and staff benefits are recognized on the accrued basis, pursuant to the provisions set forth in technical bulletin N° 47 of Colegio de Contadores de Chile A.G.

Note 3. Accounting Changes

As of December 31st, 2007 the Society has not effected any changes in the application of generally accepted accounting principles in Chile with regard to the same period of the previous year.

FORUS S.A. AND SUBSIDIARIES

Notes to the consolidated Financial Statements December 31th, 2007 and 2006

Note 4. Marketable Securities

Negotiable instruments heading at each year end is composed as follows:

a) Balance Composition

Instruments	Accounting Value	
	2007	2006
Shares	3.576.960	2.989.004
Bonds	2.085.594	97.152
Investment Fund Quota	6.608.132	20.353.376
Total Negotiable Instruments	12.270.686	23.439.532

b) Share detail

Tax Payer Identification N°	Commercial Name	Number of Shares	Participation Percentage	Unit Stock Exchange Value	Investment Stock Exchange Value	ThCH\$
						Restated Cost
96.524.320-8	Chilectra S.A.	1.134	0,0001%	1.230,00	1.395	1.334
92.723.000-3	Coresa	18.079.750	4,7428%	26,00	470.074	470.074
90.320.000-6	Elecmetal S.A.	517.873	1,1824%	6.350,00	3.288.494	2.896.870
96.640.360-8	Quemchi S.A.	95.538	0,1643%	2.538,00	242.475	164.173
90.331.000-6	Cristalerias S.A.	7.665	0,0120%	6.000,00	45.990	44.421
96.542.120-3	Emelari SA	186	0,0001%	145,00	27	17
88.006.900-4	Edelnor SA	186	0,0000%	720,70	134	3
96.541.920-9	Elecda SA	186	0,0001%	279,90	52	42
96.541.870-9	Eliqsa SA	186	0,0001%	200,00	37	26
Investment portfolio value					4.048.678	3.576.960
Adjustment provision						
Investment portfolio accounting value						3.576.960

The bonds and investments funds are managed by Celfin y Capital S.A. (brokers) whom also is responsible for custody of such values.

FORUS S.A. AND SUBSIDIARIES

Notes to the consolidated Financial Statements December 31th, 2007 and 2006

Note 4. Marketable Securities (continued)

Instrument	Nominal	Date		Par Value	Accounting Value		Market Value
		Purchase	Due Date		Amount	Rate	
GENER	191.489				40.199.286		40.199.286
BBICS-FB	1.000		21-Ene-08	100,48	995.465	0,01	4.824.345
BCGBK-A	500		15-Mar-12	100,71	10.152.337	3,57	10.152.337
BCIN650197	260		1-Ene-12	105,68	2.071.360	4,07	2.071.360
BCIN651097	170		1-Oct-12	105,16	1.569.560	4,14	1.569.560
BHIFM20197	220		1-Ene-12	105,59	1.796.867	4,24	1.796.867
BOT45C0103	960		1-Ene-11	101,57	8.687.397	3,36	8.687.397
BSDAL-A	2.000		1-Jun-08	102,62	3.254.132	2,64	3.254.132
CERO011108	0		1-Nov-08	-	769	2,43	769
COR79C0604	890		1-Jun-09	100,80	5.648.856	3,62	5.648.856
DES5200106	260		1-Ene-26	96,57	5.148.800	4,29	5.148.800
DES7510198	290		1-Ene-10	104,47	1.559.144	4,57	1.559.144
EST0300102	400		1-Ene-14	105,80	5.279.853	3,73	5.279.853
EST0910105	320		1-Ene-20	107,68	5.882.226	3,77	5.882.226
EST2030106	1.060		1-Ene-18	91,16	19.306.343	3,67	19.306.343
SAN07L0196	180		1-Ene-08	101,16	103.851	(1,61)	103.851
STGCD10195	2.020		1-Ene-10	102,24	8.835.707	3,70	8.835.707
STGDD10194	360		1-Ene-09	101,84	889.183	6,57	889.183
UDES-B0793	2.000		1-Jul-08	101,80	4.824.345	2,78	4.824.345
AMXLMM 4 1/8 03/01/09	500.000		1-Mar-09		499.845	98,61	499.845
CDEL 7 3/8 05/01/09	400.000		1-May-09		418.148	103,33	418.148
ENDESA 7 3/4 07/15/08	500.000		15-Jul-08		522.753	101,00	522.753
LEH 3,5 7-8-2008	500.000		7-Ago-08		498.699	98,35	498.699
ROSEVR 9 13/10/08	150.000		13-Oct-08		146.513	95,75	146.513
SKANDIA-US TOTAL RTN BOND-A	77.326				1.008.181	13,04	1.008.181
TFONY 4 1/2 11/19/08	500.000		19-Nov-08		498.630	99,21	498.630
ANDINA-A	27.129	4-Sep-07			36.352.860	1.340,00	36.352.860
BSANTANDER	1.730.194	4-Sep-07			42.372.451	24,49	42.372.451
CENCOSUD	19.542	4-Sep-07			39.076.183	1.999,60	39.076.183
COPEC	5.060	7-Nov-07			45.034.000	8.900,00	45.034.000
ENERSIS	216.658	4-Sep-07			34.632.781	159,85	34.632.781
ENTEL	2.506	21-Ago-07			19.496.680	7.780,00	19.496.680
LAN	5.442	21-Ago-07			38.150.053	7.010,30	38.150.053
NAVIERA	1.500.000	6-Nov-07			40.650.000	27,10	40.650.000
SQM-B	4.860	4-Sep-07			43.601.490	8.971,50	43.601.490
BBIC420105	1.000	5-Mar-07	1-Ene-10	100,12	19.766.673	3,42	19.766.673
BBICS-CA	2.000	1-Mar-07	19-Jul-08	103,77	41.079.063	3,98	41.079.063
BBICS-EA	1.000	1-Mar-07	19-Jul-08	101,81	18.432.249	3,99	18.432.249
BBICS-FB	1.000	22-Feb-07	21-Ene-08	100,48	995.465	0,01	995.465
BBICS-WA	200.000.000	26-Ene-07	1-Feb-10	100,14	91.267.777	6,99	91.267.777
BCGEI-BI	10.000	5-Mar-07	1-Jun-09	100,32	59.132.205	4,06	59.132.205
BCIN650197	310	23-Ene-07	1-Ene-12	105,68	2.469.698	4,07	2.469.698
BCIN651097	170	23-Ene-07	1-Oct-12	105,16	1.569.560	4,14	1.569.560
BCOOA10304	10.000.000	22-Feb-07	1-Mar-08	99,51	3.290.064	7,54	3.290.064
BD&SS-C	9.000	19-Ene-07	1-Dic-09	102,18	100.242.602	3,37	100.242.602
BDES-E0605	3.000	5-Mar-07	1-Jun-10	99,44	58.356.070	3,49	58.356.070
BFALA-C	11.000	1-Feb-07	1-Dic-09	100,63	215.226.831	3,55	215.226.831
BFORU-C2	10.000.000	5-Mar-07	1-Mar-08	100,65	1.214.614	6,85	1.214.614
BFORU-E	25.000.000	22-Feb-07	1-Ago-11	99,47	16.883.870	6,95	16.883.870
BFORU-F	10.000.000	25-Ene-07	15-Jul-12	102,91	9.959.633	6,99	9.959.633
BFORU-G	130.000.000	22-Feb-07	15-Dic-09	99,54	128.854.619	7,05	128.854.619
BHIFM20197	230	23-Ene-07	1-Ene-12	105,59	1.878.542	4,24	1.878.542
BLQIF-A	8.000	5-Mar-07	15-May-10	99,98	-	3,40	159.736.429
BOT45C0103	960	23-Ene-07	1-Ene-11	101,57	-	3,36	8.687.397
BRPLC-A	20.000.000	22-Feb-07	10-Ene-12	98,58	-	6,98	20.057.087
BRPLY-A	16.000	23-Ene-07	1-Oct-11	101,99	-	4,16	182.491.686

FORUS S.A. AND SUBSIDIARIES

Notes to the consolidated Financial Statements December 31th, 2007 and 2006

Note 4. Marketable Securities (continued)

Instrument	Nominal	Date		Par	Accounting Value		Market
		Purchase	Due Date	Value	Amount	Rate	Value
BSDAL-A	2.000	5-Mar-07	1-Jun-08	102,62	-	2,64	3.254.132
BSDAL-B	15.000	19-Ene-07	1-Abr-09	102,90	69.554.383	3,50	69.554.383
BSECB10705	2.000	7-Mar-07	1-Jul-10	98,91	39.294.277	3,61	39.294.277
BSTGL-SFB	2.000	22-Feb-07	15-Oct-11	104,24	14.381.289	3,55	14.381.289
COR79C0604	1.000	5-Mar-07	1-Jun-09	100,80	6.347.028	3,62	6.347.028
DES5200106	260	28-Sep-07	1-Ene-26	96,57	5.148.800	4,29	5.148.800
DES7510198	290	26-Ene-07	1-Ene-10	104,47	1.559.144	4,57	1.559.144
EST0180197	4.130	1-Mar-07	1-Ene-09	101,93	11.626.012	3,38	11.626.012
EST0190197	6.240	1-Mar-07	1-Ene-12	104,78	48.453.495	3,85	48.453.495
EST0300102	410	30-Mar-07	1-Ene-14	105,80	5.411.849	3,73	5.411.849
EST0600100	1.040	5-Mar-07	1-Ene-12	106,25	10.167.140	3,92	10.167.140
EST2030106	1.080	28-Sep-07	1-Ene-18	91,16	19.670.614	3,67	19.670.614
FNCOO-170309	565.833.335	13-Sep-07	17-Mar-09	-	519.876.272	7,20	519.876.272
PRC-6B0395	3.000	15-Ene-07	1-Mar-09	103,94	10.312.032	2,34	10.312.032
SAN07L0196	190	26-Ene-07	1-Ene-08	101,16	109.620	(1,61)	109.620
STD65L0197	1.790	12-Ene-07	1-Ene-09	101,43	5.187.162	5,05	5.187.162
STGCD10195	2.150	12-Ene-07	1-Ene-10	102,24	9.404.340	3,70	9.404.340
STGDD10194	370	12-Ene-07	1-Ene-09	101,84	913.882	6,57	913.882
SUD0270801	1.710	5-Mar-07	1-Ago-09	102,53	8.943.014	3,90	8.943.014
UDES-B0793	3.000	5-Mar-07	1-Jul-08	101,80	7.236.519	2,78	7.236.519
UDES10497	5.000	22-Feb-07	1-Abr-12	106,54	52.122.948	3,71	52.122.948
SKANDIA-US TOTAL RTN BOND-A	6.867	14-Sep-07			89.532	13,04	89.532
Totals					2.085.593.635		2.463.649.246

FORUS S.A. AND SUBSIDIARIES

Notes to the consolidated Financial Statements December 31th, 2007 and 2006

Note 6. Related Companies Balances and Transactions

Related companies transactions at the closing date do not accrue interests. Since October 2006 interest has been accrued from Inmobiliaria Costanera S.A. and the current rate applied to that debt reached to 4.5% per annum

No terms are stipulated for collecting the related companies' loans

The presente note records all related companies transactions.

Accounts receivables refer to the following detail as of December 31st 2007, and 2006

a. Documents and Accounts Receivables

Tax Identification N°	Commercial Name	Short Term	
		2007 ThCh\$	2006 ThCh\$
80.708.000-8	Norseg Chile S.A.C.I.	40.024	29.517
Extranjera	Coast Sport Perú S.A.	-	360.660
95.819.000-K	Costanera S.A.C.I.	170.915	30.935
78.627.460-5	Ases. E Inversiones Sta. Francisca Ltda.	37.872	36.711
96.684.830-8	Inmobiliaria Costanera S.A.	-	106.791
96.623.680-9	Inmobiliaria Parque del Sol S.A.	-	9.755
Extranjera	PeruForus S.A.	-	162.464
Extranjera	La Maravilla S.A.	609.070	-
96.957.470-5	Vicsa S.A.	460.872	-
	Totals	1.318.753	736.833

b. Documents and Accounts Payable

	Short Term	2007	2006
		ThCh\$	ThCh\$
76.682.230-4	Inmobiliaria F S.A.	137.200	-
	Totals	137.200	-

FORUS S.A. AND SUBSIDIARIES

Notes to the consolidated Financial Statements
December 31th, 2007 and 2006

Note 6 - Related Companies transactions (continued)

b. Transaction with related companies.

The movements made between January and December 2006 and 2007 refers to the following concepts:

SOCIETY	TAX IDENTIFICATION N°	RELATIONSHIP	DESCRIPTION OF TRANSACTION	2007		2006	
				AMOUNT ThCh\$	PROFIT & LOSS EFFECT (CHARGE AND DEBIT) ThCh\$	AMOUNT ThCh\$	PROFIT & LOSS EFFECT (CHARGE AND DEBIT)
INVERSIONES COSTANERA S.A.	86475500-3	PARENT COMPANY	DEBT READJUSTMENT AND INTERESTS	-	-	2.082	(2.082)
			CONSULTANT CONTRACT	89.581	(89.581)	-	-
			DISTRIBUTION OF DIVIDENDS	2.933.053	-	3.872.667	-
			SALES	63.083	-	-	-
			CURRENT ACCOUNT FUND TRANSFER	40.978	-	58.237	-
			EXPENSES REIMBURSEMENT	30.651	-	-	-
			DEBT READJUSTMENT AND INTERESTS	27.074	(27.074)	-	-
			ACCEPTANCE OF CURRENT ACCOUNT FUND	351.092	-	-	-
			PURCHASE OF ADMINISTRATION SERVICES	92.355	(92.355)	-	-
			STA. MARIA OFFICE RENT	18.556	(18.556)	52.510	52.510
COSTANERA S.A.C.I.	9581000-K	INDIRECT PARENT COMPANY	ADVERTISMENT REIMBURSEMENT	21.016	-	-	-
			CURRENT ACCOUNT FUND TRANSFER	-	-	1.430.178	-
			DEBT READJUSTMENT AND INTERESTS	-	-	55.537	55.537
			FUND ACCEPTANCE	-	-	3.750.383	-
			PURCHASE OF COMPUTER OR IT SERVICES	-	-	111.275	(111.275)
			PURCHASE MARKETING SERVICES	-	-	56.128	(56.128)
			ADVERTISMENT REIMBURSEMENT	-	-	14.509	-
			EQUITY PAYMENT	53.907	-	-	-
			SALARIES	67.188	-	-	-
			DIRECTOR IN COMMON	-	-	2.595	2.595
INMOBILIARIA COSTANERA S.A. ESORÍAS E INV. STA. FRANCISCA LT	96684830-8 78627460-5	DIRECTOR IN COMMON	DEBT READJUSTMENT AND INTERESTS	-	-	-	-
			CURRENT ACCOUNT FUND TRANSFER	-	-	11.741	-
			CURRENT ACCOUNT FUND TRANSFER	3.690	-	-	-
			DISTRIBUTION OF DIVIDENDS	78.694	-	62.052	-
			RELATED COMPANIES DEBT SWAP	9.082	-	-	-
			STA. MARIA OFFICE RENT	427.716	-	-	-
			FUND TRANSFER	46.332	-	-	-
			FIXED ASSET SALES	406.044	(956)	-	-
			RELATED COMPANIES SWAP	14.416	-	-	-
			WAREHOUSE RENT	275.709	(275.709)	-	-
INMOBILIARIA PARQUE DEL SOL INMOBILIARIA F.S.A.	96623680-9 76682230-4	INDIRECT SUBSIDIARY	-	-	-	-	
			DIRECTOR IN COMMON	-	-	-	-

FORUS S.A. AND SUBSIDIARIES

Notes to the consolidated Financial Statements
December 31th, 2007 and 2006

Note 6 - Related Companies transactions (continued)

b. Transaction with related companies

SOCIETY	TAX IDENTIFICATION N°	RELATIONSHIP	DESCRIPTION OF TRANSACTION	2007		2006	
				AMOUNT ThCh\$	PROFIT & LOSS EFFECT (CHARGE AND DEBIT) ThCh\$	AMOUNT ThCh\$	PROFIT & LOSS EFFECT (CHARGE AND DEBIT) ThCh\$
ALFONSO SWETT SAAVEDRA	4431932-2	DIRECTOR	EQUITY	15.795	-	-	-
JOHN STEVENSON	Extranjero	DIRECTOR	ADVISORY SERVICES	58.121	(58.121)	70.016	(70.016)
PEDRO JULIAN SANCHEZ	3958417-4	DIRECTOR	ADVISORY SERVICES	270	(270)	8.807	(8.807)
RICARDO SWETT SAAVEDRA	4336224-0	DIRECTOR	EQUITY	8.775	-	-	-
			ADVISORY SERVICES	25.536	(25.536)	36.062	(26.062)
EDUARDO ANINAT URETA	5892294-3	DIRECTOR	EQUITY	8.775	-	-	-
ALFONSO SWETT OFAZO	7016281-4	DIRECTOR	ADVISORY SERVICES	243	(243)	-	-
HERIBERTO URZUA SANCHEZ	6666825-8	DIRECTOR	ADVISORY SERVICES	270	(270)	-	-
RENATO FIGUEROA	80708000-8	DIRECTOR	EQUITY	7.898	-	-	-
TRENDS S.A.	80708000-8	DIRECTOR	EQUITY	7.898	-	-	-
BAYSIDE S.A.	96642000-6	SHAREHOLDER	ADVISORY SERVICES	-	-	1.632	(1.632)
COMERCIAL SPAC LTDA.	96814480-4	SHAREHOLDER	DISTRIBUTION OF DIVIDENDS	126.519	-	165.663	-
INVERSIONES INTEGRADAS S.A.	79924450-0	SHAREHOLDER	DISTRIBUTION OF DIVIDENDS	163.379	-	215.718	-
NORSEG CHILE S.A.C.I.	99576770-8	SHAREHOLDER	DISTRIBUTION OF DIVIDENDS	13.343	-	17.617	-
ASES, E INV. PACIFIC TRUST LTDA.	80708000-8	COMMON	DISTRIBUTION OF DIVIDENDS	172.121	-	270.449	-
			RAW MATERIAL SALES	-	-	47.913	-
			PURCHASE OF GOODS, EXPENSES AND SERVICES	-	-	289.184	-
			PURCHASE FIXED ASSET	-	-	385.566	-
		COMMON	DISTRIBUTION OF DIVIDENDS	-	-	37.669	-
VICSA S.A.	96957470-5	INDIRECT PARENT COMPANY	SALE OF GOODS - REINVOICING	188.727	-	-	-

FORUS S.A. AND SUBSIDIARIES

Notes to the consolidated Financial Statements December 31th, 2007 and 2006

Note 7. Inventories

Composition of inventories as of December 31st, 2007 and 2006, valued as per description in note 2 h) above is as follows:

	2007 ThCh\$	2006 ThCh\$
Finished products	16.921.303	14.263.056
In transit goods	1.457.597	1.170.142
In Process products	71.082	124.480
Raw Materiales	594.689	1.172.175
Others	32.695	40.324
Sub-total	<u>19.077.366</u>	<u>16.770.177</u>
Less:		
Inventory obsolescence provision	(870.430)	(1.068.263)
Total	<u>18.206.936</u>	<u>15.701.914</u>

FORUS S.A. AND SUBSIDIARIES

Notes to the consolidated Financial Statements December 31th, 2007 and 2006

Note 8. Deferred and Income Taxes

a. The Society records the following allocable tax profits as of December 31st, 2007 and 2006:

	2007	2006
	M\$	M\$
Credit 17,0%	27.544.031	18.177.430
Credit 16,5%	1.010.452	1.008.940
Credit 16,0%	5.057.556	4.991.189
Credit 15,0%	1.291.658	5.442.603
Credit 10,0%	43.578	-
Without Credit	85.845	-
Total	<u>35.033.120</u>	<u>29.620.162</u>

In 2004 Tax Profit Fund was modified due to an audit conducted by the Chilean Revenue Service in light of the merge of Forus S.A. with their affiliate companies Macs S.A. and Comercial Forushop Ltda.

FORUS S.A. AND SUBSIDIARIES

Notes to the consolidated Financial Statements December 31th, 2007 and 2006

Note 8. Deferred and Income Taxes (continued)

b. The society has constituted a provision for income tax (first category tax) on an accrued basis. Besides, it recognizes the unique tax obligation of 35% applicable to certain disbursements stated in Article 21 of the Income Tax Law

Above mentioned provision is shown net of credits, stating for the present exercise a record of ThCh\$ 285.339 (ThCh\$ 297,472 on the "Recoverable Income Tax account" as of December 31st, 2006) as per the following breakdown:

	2007 ThCh\$	2006 ThCh\$
First Category Income Tax Provision	1.958.085	1.762.203
Less:		
Monthly Provisional Payment (MPP)	(1.928.480)	(1.957.433)
Training Expenses	(74.407)	(76.790)
Fixed Asset Loan	(9.893)	(14.633)
Other Loans	(230.644)	(10.819)
Payable (recoverable) Income Tax	<u>(285.339)</u>	<u>(297.472)</u>

As a result of recording the deferred taxes in accordance with the provisions set forth in such law, a profit & loss credit of ThCH\$89.491 was recognized for year 2007 (M\$ 276.840 in 2006)

FORUS S.A. AND SUBSIDIARIES

Notes to the consolidated Financial Statements
December 31th, 2007 and 2006

Note 8. Deferred and Income Taxes, continued

c. Impuestos Diferidos

CONCEPTS	2007				2006				
	Deferred Taxes - Assets		Deferred Taxes - liabilities		Deferred Taxes - Assets		Deferred Taxes - liabilities		
	Short Term ThCh\$	Long Term ThCh\$	Short Term ThCh\$	Long Term ThCh\$	Short Term ThCh\$	Long Term ThCh\$	Short Term ThCh\$	Long Term ThCh\$	
Temporary differences									
Bad debt provision	154.636	-	-	-	167.582	-	-	-	-
Vacation Provision	104.415	-	-	-	103.209	-	-	-	-
Leased Assets	-	-	-	40.277	-	-	-	-	47.617
Severance payment	8.605	-	-	-	18.058	-	-	-	-
Non- realized profits	-	-	-	-	7.298	-	-	-	-
Fixed Assets valuation difference	-	1	-	-	-	-	-	-	-
Inventory valuation Provision	125.518	-	-	-	178.180	-	-	-	-
Other deferred expenses	-	-	29.929	-	-	-	-	-	-
Other Events	2.406	-	-	-	-	-	39.025	-	-
Deferred profits	2.540	-	-	-	-	178.680	-	-	-
Stock valuation difference	59.395	-	-	-	55.007	-	-	-	-
Undocumented write-offs	1.093	-	-	-	1.094	-	-	-	4.622
Reclassified leased assets	-	-	-	4.623	-	-	-	-	-
Accumulated tax loss	-	248.636	-	-	-	-	-	-	-
Trademark rights	-	31.989	-	-	-	9.995	-	-	-
Goodwill	-	-	-	-	-	-	-	-	12.967
Sub-total	458.608	280.626	29.929	44.900	530.428	188.675	39.025	65.206	-
Off balance sheet accounts net of amortization	-	(146.675)	-	-	-	(157.529)	-	-	-
Totals	458.608	133.951	29.929	44.900	530.428	31.146	39.025	65.206	-

Note 8. Deferred and Income Taxes (continued)

Item	2007 M\$	2006 M\$
Current tax expense (Income tax provision)	(1.958.085)	(1.762.203)
Effect of Assets or Liabilities - Deferred Income tax of the exercise	(47.753)	276.840
Amortization effect of complementary deferred assets and liabilities accounts	-	-
Other Charges and debit	(41.738)	-
Totals	(2.047.576)	(1.485.363)

FORUS S.A. AND SUBSIDIARIES

Notes to the consolidated Financial Statements December 31th, 2007 and 2006

Note 9. Fixed Assets

a) Land and Buildings

	Lands		Buildings and Works		Accumulated Depreciation	
	2007 ThCh\$	2006 ThCh\$	2007 ThCh\$	2006 ThCh\$	2007 ThCh\$	2006 ThCh\$
Froilan Roa - Departamental Rental Maipu Property	276.460	276.365	1.207.117	1.206.702	(317.886)	(296.323)
Santa Maria Office Building	-	-	3.514	689.087	-	(246.580)
Vespucio Shed 3	-	-	3.630	3.629	(535)	(475)
La Serena Buisness Promiscs / stores	-	-	219.692	219.617	(40.531)	(36.504)
Norseg - Los Tres Antonios	-	-	562.965	562.772	(128.009)	(118.212)
	-	-	-	394.997	-	(9.869)
Totals	276.460	276.365	1.996.918	3.076.804	(486.961)	(707.963)

b) Machinery and Equipment

	2007 ThCh\$	2006 ThCh\$	Accumulated Depreciation	
			2007 ThCh\$	2006 ThCh\$
Office Machinery	218.915	52.530	(169.537)	(50.277)
Computer Equipment	1.567.832	1.911.873	(1.149.278)	(1.649.655)
Furniture and Fixture	1.581.529	1.415.414	(964.868)	(966.075)
Facilities	10.332.446	9.030.483	(6.054.100)	(5.517.097)
Vehicles	46.970	30.157	(32.031)	(11.006)
Molds	-	132.285	-	(52.923)
Machinery	3.553.306	4.055.044	(2.497.696)	(2.749.812)
Factory equipment	114.154	111.501	(77.159)	(70.667)
Other equipment	328.071	334.571	(280.349)	(283.548)
Tools	15.953	21.638	(15.925)	(21.557)
Totals	17.759.176	17.095.496	(11.240.943)	(11.372.617)

c) Other Fixed Assets

	2007 ThCh\$	2006 ThCh\$	Accumulated Depreciation	
			2007 ThCh\$	2006 ThCh\$
Facilities	1.545.749	999.607	(738.494)	(582.584)
Leased assets	1.081.180	1.329.567	(844.258)	(1.049.467)
Software	1.325.520	1.153.377	(1.026.207)	(908.253)
IT Projects	3.082	3.043	(8)	-
Store Opening Projects	99.489	412.620	-	-
Telephone apparatus and lines	95.019	103.984	(86.897)	(87.185)
Total	4.150.039	4.002.198	(2.695.864)	(2.627.489)

FORUS S.A. AND SUBSIDIARIES

Notes to the consolidated Financial Statements December 31th, 2007 and 2006

d) Technical Reappraisal increased value

	2007 ThCh\$	2006 ThCh\$
Lands (Departmental and Froilan Roa property)	<u>612.750</u>	<u>612.539</u>
Totals	<u>612.750</u>	<u>612.539</u>

e) Depreciations

	Fiscal Year		Accumulated Depreciation	
	2007 ThCh\$	2006 ThCh\$	2007 ThCh\$	2006 ThCh\$
Fixed Assets	<u>(2.584.113)</u>	<u>(2.290.215)</u>	<u>(14.423.768)</u>	<u>(14.708.069)</u>

e.1) Depreciation of the exercise has been distributed at the following headings

	2007 ThCh\$	2006 ThCh\$
a) Sales and Administrative expenses	(2.584.113)	(2.290.215)
b) Activated as in process product	<u>326.626</u>	<u>330.907</u>
Total depreciation for the year	<u>(2.257.487)</u>	<u>(1.959.308)</u>

FORUS S.A. AND SUBSIDIARIES

Notes to the consolidated Financial Statements

December 31th, 2007 and 2006

Note 10 – Lease back sale transactions

Obligations emerging from the leaseback sale of the building located in Av. Santa Maria N° 2880, with Insurance Company Seguros de Vida Santander S.A. is registered at current contract value as established in the Technical Bulletin N° 49 of Colegio de Contadores de Chile A.G.

The Society has included (buildings and lands) under the Fixed Asset heading. Lease back sale operation profit (ThCh\$ 94,653) will be recognized as credit to results during the useful life of the goods (55 years). Amortization of the 2006 fiscal year for the above concept reached to ThCh\$ 1,696, currently shown under “Other non-operational incomes”.

As of September 29th, 2000 the Society entered in a leasing agreement between Santander S.A. Life Insurance Company for the land and buildings located at 1789 Vespucio Norte Avenue, previously sold to this Insurance Company by its affiliate company Macs S.A.(at present merged with Forus S.A.). Such transaction generated a profit for this affiliate company of ThCh\$ 216,427, which will be recognized as credit (charge) to results during the effectiveness of long-term contract (20 years). In 2006 the amortization for this concept reached to ThCh\$ 7,711, which is shown under the item “Other non-operational incomes”.

The Tenth Extraordinary Shareholders meeting celebrated on September 7th, 2006 agreed amongst others issues to split the Society with the further transfer of the lease-back operation balances to Sociedad Inmobiliaria F.S.A.

FORUS S.A. AND SUBSIDIARIES

Notes to the consolidated Financial Statements December 31th, 2007 and 2006

Note 11. Investment in related companies

Detail of investment as follow

Tax N°	SOCIETY	COUNTRY OF ORIGIN	INVESTMENT CONTROL CURRENCY	N° OF SHARES	PARTICIPATION PERCENTAGE		SOCIETY LIABILITIES		RESULTS OF THE EXERCISE		ACCRUED RESULTS		EQUITY VALUE / PROPORTIONAL EQUITY VALUE		NOT REALIZED RESULTS		INVESTMENT BOOK VALUE	
					2007 %	2006 %	2007 TCh\$	2006 TCh\$	2007 TCh\$	2006 TCh\$	2007 TCh\$	2006 TCh\$	2007 TCh\$	2006 TCh\$	2007 TCh\$	2006 TCh\$	2007 TCh\$	2006 TCh\$
96.623.680-9	Inmobiliaria Parque del Sol S.A Chile		-	11463	4,09	4,09	3.458.289	3.358.412	119.584	(931.418)	4.891	(38.095)	141.444	137.360	-	-	141.444	137.360
	Total												141.444	137.360	-	-	141.444	137.360

Pursuant to the provisions set forth under final clause of paragraph 4.1. of Circular Letter N° 1697 of December 30th, 2003, the Company presented the investment in Sociedad Inmobiliaria Parque del Sol S.A. under the heading "Related Company Investments", although only a 4.09 market share is held by the Company, taking into account that Forus S.A. belongs to the group who controls in total a 99% of this Society.

As of January 16th, 2008 the Company purchased the license for the Azaleia and Djjean trademarks in MNUSSS 5.5 through the acquisition of the 100% of ownership equity of Azzacalados Society. By the same proceeding it was materialized the above mentioned company takeover merger. A lower investment value of M\$ 1.627.710 was generated as a result of this transaction; said amount will be amortized in a 10 year term and the 2007 fiscal year depreciation amounted to M\$ 162.771.-

FORUS S.A. AND SUBSIDIARIES

Notes to the consolidated Financial Statements December 31th, 2007 and 2006

Note 12. Higher / lower value of investment

a. Lower value of investments

Tax N°	Commercial Name	2007		2006	
		Amortization Period Amount ThCh\$	Lower Value Balance ThCh\$	Amortization Period Amount ThCh\$	Lower Value Balance ThCh\$
Forgein	Uruforus S.A.	2.405	28.860	2.233	31.265
96623680-9	Inm. Parque del Sol S.A.	19.992	214.911	18.424	234.902
76772630-9	Azacalzados S.A.	162.771	1.464.939	-	-
Forgein	Pasqualini S.A.	14.408	561.937	-	-
		<u>199.576</u>	<u>2.270.647</u>	<u>20.657</u>	<u>266.167</u>

b. Higher value of investment

Tax N°	Commercial Name	2007		2006	
		Amortization Period Amount ThCh\$	Lower Value Balance ThCh\$	Amortization Period Amount ThCh\$	Lower Value Balance ThCh\$
96.583.940-2	Topsafety S.A.	85	(1.107)	83	(1.192)
Foregein	Forus Colombia S.A.	5.460	(67.341)	-	-
		<u>5.545</u>	<u>(68.448)</u>	<u>83</u>	<u>(1.192)</u>

Note 13. Intangibles

Composition of this heading as of September 30th, 2007 and 2006 valued as description provided in Note 2 m) is as follows

	2007 ThCh\$	2006 ThCh\$
Trademarks	813.819	626.822
Goodwill	759.705	373.461
Internet Website	117	293
In-working stores	-	-
Sub-total	<u>1.573.641</u>	<u>1.000.576</u>
Less		
Amortizations	(532.328)	(317.619)
Total	<u>1.041.313</u>	<u>682.957</u>

FORUS S.A. AND SUBSIDIARIES

Notes to the consolidated Financial Statements
December 31th, 2007 and 2006

Note 14. Other Assets

This heading mainly describes effectively paid rental guarantees for sale stores, distributed along the country from Arica to Punta Arenas. Detail as follows:

	2007	2006
	ThCh\$	ThCh\$
Rental Guarantees	138.042	81.638
Total	<u>138.042</u>	<u>81.638</u>

FORUS S.A. AND SUBSIDIARIES

Notes to the consolidated Financial Statements
December 31th, 2007 and 2006

Note 15. Short Term Obligations with banks and Financial Institutions

Tax N°	Bank and Financial Institutions	CURRENCY AND READJUSTMENT INDEX				TOTALS	
		US\$		INDEX-LINK UNIT (UF)		2007	2006
		2007	2006	2007	2006	2007	2006
	Short Term						
97.036.000-K	Banco Santander-Santiago	356.327	442.864	-	-	356.327	442.864
97.018.000-1	Banco Scotiabank	205.071	2.024	-	-	205.071	2.024
97.004.000-5	Banco Chile	19.374	-	-	-	19.374	-
97.053.000-2	Banco Security	16.968	140.442	-	-	16.968	140.442
97.032.000-8	Banco BBVA Chile	590.593	267.250	-	-	590.593	267.250
97.041.000-7	Banco Boston	-	55.771	-	-	-	55.771
97.051.000-1	Banco del Desarrollo	-	4.564	-	-	-	4.564
97.018.000-1	Banco Crédito e Inversiones	4.658	33.045	-	-	4.658	33.045
97.008.000-7	Banco Citibank	-	169.541	-	-	-	169.541
97.030.000-7	BancoEstado	-	11.457	-	-	-	11.457
	Total	1.192.991	1.126.958	-	-	1.192.991	1.126.958
	Financial Indebtness	1.192.170	1.126.819	-	-	1.192.170	1.126.819
	Average annual interest rate	5,04%	2,40%	0,00%	-	-	-
	Long-Term Short Term Portion						
97.023.000-9	Banco Corp Banca	-	-	-	1.190.686	-	1.190.686
	Totals	-	-	-	1.190.686	-	1.190.686
	Financial Indebtness	-	-	-	1.181.942	-	1.181.942
	Average annual interest rate	0,00%	0,00%	0,00%	2,69%	-	-
	Percentage in foreign currency (%)		100,0000				
	Percentage in local currency (%)		0,0000				

FORUS S.A. AND SUBSIDIARIES

Notes to the consolidated Financial Statements December 31th, 2007 and 2006

Note 17. Provisions

Provisions

Provisions as of December 31st 2006 – 2007 detailed as follows

a. Short Term

	2007	2006
	ThCh\$	ThCh\$
Royalties	69.194	224.941
Personnel bonuses, gratifications and incentives	124.737	117.835
Provision for bonuses and other events	231.519	404.715
Monthly provisional payments	234.786	185.254
Vacations	614.281	583.903
Credit Card Commissions	76.158	35.763
Advisorship	381.277	214.905
Publicity	116.245	171.979
In transit imports Expenses	62.392	218.445
Travel Expenses	33.126	75.233
Packing Material	79.389	52.085
Communication expenses	24.090	14.793
Welfare	57.071	79.951
Product development	22.902	52.906
Charters	35.255	11.109
Storage	68.752	84.327
Electrical Power	20.012	9.517
IT Expenses	3.899	233
Courrier	4.928	34.507
Security	17.846	11.446
Maintenaunace	10.820	15.471
Copier	15.048	14.272
Water	3.310	-
Office support materials	8.176	-
Subscriptions	2.155	-
Minimal Rent	311.108	69.390
Others	121.010	158.534
Total Short Term	<u>2.749.486</u>	<u>2.841.514</u>

FORUS S.A. AND SUBSIDIARIES

Notes to the consolidated Financial Statements
December 31th, 2007 and 2006

Note 18. Other long term debts / liabilities

Composed by third parties bonds, in addition to advance income from agreement with the National Soccer Association (ANFP).

	2007	2006
	M\$	M\$
Sale Stores	6.686	8.322
Santa Maria Office	3.238	2.166
Advance Incomes	107.199	115.132
Others	12.025	-
	<u>129.148</u>	<u>125.620</u>

FORUS S.A. AND SUBSIDIARIES

Notes to the consolidated Financial Statements
December 31th, 2007 and 2006

Note 19. Minority Interest

Subsidiary companies generating minority interests as of December 31st, 2007 and 2006, are as follows

Tax Id N°	Company	Share		Equity		Results	
		2007 %	2006 %	2007 ThCh\$	2006 ThCh\$	2007 ThCh\$	2006 ThCh\$
96.583.940-2	Topsafety S.A.	0,65	0,65	2.645	3.209	856	1.578
Extranjera	Argforus S.A.	3,00	3,00	136	114	153	334
Extranjera	Perúforus S.A.	1,00	0,00	(166)	-	746	-
Extranjera	Forus Colombia S.A	5,01	0,00	72.948	-	33.104	-
76.807.960-9	Forus Safety S.A.	49,90	0,00	104.835	-	54.895	-
				180.398	3.323	89.754	1.912

FORUS S.A. AND SUBSIDIARIES

Notes to the consolidated Financial Statements December 31st, 2007 and 2006

NOTE 20. Equity Changes

Variations in the Capital and reserve accounts during the exercises 2007 and 2006 are as follows:

CONCEPT	Technical						Total ThCh\$
	Paid in Capital ThCh\$	Overprice Share Sale ThCh\$	Appraisal Fixed Assets ThCh\$	Accumulated Profit ThCh\$	Provisory Dividends ThCh\$	Exercise Result ThCh\$	
Balance as January 1st, 2006	16.110.184	-	671.634	11.236.766	-	4.316.874	32.335.458
Year 2005 Profit Distribution	-	-	-	4.316.874	-	(4.316.874)	-
Increase capital from share emission	8.012.539	15.215.179	-	-	-	-	23.227.718
Paid Dividends	-	-	-	(4.286.934)	-	-	(4.286.934)
Capital decrease	(3.241.896)	-	(126.145)	(93.537)	-	-	(3.461.578)
Stockholders Equity Revaluation	334.797	-	13.785	312.498	-	-	661.080
Exercise Profit	-	-	-	-	-	7.020.065	7.020.065
Balance as of december 31st, 2006 (history)	21.215.624	15.215.179	559.274	11.485.667	-	7.020.065	55.495.809
Balance as of december 31st, 2006 adjusted in 7,4% for comparative effects	22.785.580	16.341.102	600.661	12.335.605	-	7.539.550	59.602.497
Balance as January 2007	21.215.624	15.215.179	559.274	11.485.667	-	7.020.065	55.495.809
Year 2006 Profit distribution	-	-	-	7.020.065	-	(7.020.065)	-
Provisory dividends	-	-	-	-	(1.549.959)	-	(1.549.959)
Dividends	-	-	-	(2.808.025)	-	-	(2.808.025)
Stockholders Equity Revaluation	1.569.956	1.125.923	41.387	1.195.326	(12.399)	-	3.920.193
Profit for year exercise	-	-	-	-	-	9.249.040	9.249.040
Balance as of december 31st, 2007	22.785.580	16.341.102	600.661	16.893.033	(1.562.358)	9.249.040	64.307.058

a) As of december 31st, 2007, increase of Forus S.A. equity capital in ThCh\$ 22.785.580 by means of the emission of 258.469.000 payment shares.

Heading "Other reservations", composed by the technical reappraisal value made in 1995 of the property located in Av. Departmental (MS612.750) as detailed in note 9 "Fixed assets". Including adjustment for change rate difference of branch Argforus ThCh\$ 12.089.

ThCh\$ 600.601 were recorded during period 2006, explained by the technical reappraisal value of the property located in Av. Departmental (ThCh\$ 612.539) as detailed in note 9 "Fixed assets", in addition to adjustments for change rate difference of branch Argforus for ThCh\$ 11.879.

c) On September 7th, 2006 the Forus S.A. tenth General Extraordinary Shareholder Meeting was celebrated, where the following agreements were made

- Divide the company in two, where as the division Forus S.A. will remain, this process implies the decrease of its equity as of December 31, 2006 in ThCh\$3.461.578 (history value) corresponding to a clear effect of the of the assets and debits decrease, as described below:

FORUS S.A. AND SUBSIDIARIES

Notes to the consolidated Financial Statements December 31st, 2007 and 2006

NOTE 20. Equity Changes

Variations in the Capital and reserve accounts during the exercises 2007 and 2006 area as follows:

CONCEPT	Paid in Capital ThCh\$	Overprice Share Sale ThCh\$	Technical		Accumulated Profit ThCh\$	Provisory Dividends ThCh\$	Exercise Result ThCh\$	Total ThCh\$
			Appraisal Fixed Assets ThCh\$	Appraisal Fixed Assets ThCh\$				
Balance as January 1st, 2006	16.110.184	-	671.634	-	11.236.766	-	4.316.874	32.335.458
Year 2005 Profit Distribution	-	-	-	-	4.316.874	-	(4.316.874)	-
Increase capital from share emission	8.012.539	15.215.179	-	-	-	-	-	23.227.718
Paid Dividends	-	-	-	-	(4.286.934)	-	-	(4.286.934)
Capital decrease	(3.241.896)	-	(126.145)	-	(93.537)	-	-	(3.461.578)
Stockholders Equity Revaluation	334.797	-	13.785	-	312.498	-	-	661.080
Exercise Profit	-	-	-	-	-	-	7.020.065	7.020.065
Balance as of december 31st, 2006 (history)	21.215.624	15.215.179	559.274	-	11.485.667	-	7.020.065	55.495.809
Balance as of december 31st, 2006 adjusted in 7,4% for comparative effects	22.785.580	16.341.102	600.661	-	12.335.605	-	7.539.550	59.602.497
Balance as January 2007	21.215.624	15.215.179	559.274	-	11.485.667	-	7.020.065	55.495.809
Year 2006 Profit distribution	-	-	-	-	7.020.065	-	(7.020.065)	-
Provisory dividends	-	-	-	-	-	(1.549.959)	-	(1.549.959)
Dividends	-	-	-	-	(2.808.025)	-	-	(2.808.025)
Stockholders Equity Revaluation	1.569.956	1.125.923	41.387	-	1.195.326	(12.399)	-	3.920.193
Profit for year exercise	-	-	-	-	-	-	9.249.040	9.249.040
Balance as of december 31st, 2007	22.785.580	16.341.102	600.661	-	16.893.033	(1.562.358)	9.249.040	64.307.058

a) As of december 31st, 2007, increase of Forus S.A. equity capital in ThCh\$ 22.785.580 by means of the emission of 258.469.000 payment shares.

Heading "Other reservations", composed by the technical reappraisal value made in 1995 of the property located in Av. Departmental (M\$612.750) as detailed in note 9 "Fixed assets". Including adjustment for change rate difference of branch Argforus ThCh\$ 12.089.

ThCh\$ 600.601 were recorded during period 2006, explained by the technical reappraisal value of the property located in Av. Departmental (ThCh\$ 612.539) as detailed in note 9 "Fixed assets", in addition to adjustments for change rate difference of branch Argforus for ThCh\$ 11.879.

c) On September 7th, 2006 the Forus S.A. tenth General Extraordinary Shareholder Meeting was celebrated, where the following agreements were made

- Divide the company in two, where as the division Forus S.A. will remain, this process implies the decrease of its equity as of December 31, 2006 in ThCh\$3.461.578 (history value) corresponding to a clear effect of the of the assets and debits decrease, as described below:

FORUS S.A. AND SUBSIDIARIES

Notes to the consolidated Financial Statements December 31th, 2007 and 2006

NOTE 20. Equity Changes, continued

	Th Ch\$
Accounts receivable related companies	2.424.408
Fixed Assets	3.257.959
Leasing creditors	(2.220.789)
Equity	
Share Capital	(3.187.705)
Revaluation Share Capital	(54.191)
Other allowance	(126.145)
Retained Earnings	(93.537)
Total Equity	(3.461.578)

- Divide or dilute the number of shares that represent Forus S.A. remaining equity capital, after the division, in a major number of shares, as of 800 new shares for every old share, therefore remaining 206,775,200 issued shares

- Increase Forus S.A. equity capital in ThCh\$ 8,012,539 by means of the emission of 51,693,800 payment shares

b) The equity increase generated a net overprice of ThCh\$ 15,215,179 (history), as of December 31st, 2006 of an issuance expense of ThCh\$ 292,961, as described below in note 24.

FORUS S.A. AND SUBSIDIARIES

Notes to the consolidated Financial Statements December 31th, 2007 and 2006

Note 21. Other incomes and expenses from non operating activities

As of December 31st, 2007 and 2006, these headings are composed as follows:

a. Other income from non operating activities :

	2007 ThCh\$	2006 ThCh\$
Fixed assets sale profit	52.463	197
Santa Maria offices rent	-	70.748
Machinery rent	3.298	-
Dividends per share	73.591	49.586
Differed amortization leaseback	-	9.407
Sale store rent	6.159	5.867
Compensation for rental agreement closure	-	23.613
Mall Plaza Compensation	561.795	-
Others	8.890	18.330
Total	706.196	177.748

b. Other expenses from non operating activities

	2007 M\$	2006 M\$
Fixed assets sale costs	(168.760)	-
Difference income taxes payment	(11)	-
Commercial Store Closure	(28.767)	(226.995)
Argforus S.A. Valuation difference	-	-
Market value share adjustment	(26.148)	-
Provision royalty Barbie 2003-2004	(6.839)	-
Share purchase - sale expenses committee	(46.753)	(8.424)
Cost of indemnification for transporters Loss	(1.934)	-
Investment valuation effect	(331.012)	(6.728)
Others	(860)	(22.875)
Total	(611.084)	(265.022)

FORUS S.A. AND SUBSIDIARIES

Notes to the consolidated Financial Statements December 31th, 2007 and 2006

Note 22. Monetary Correction

Assets / Credit	Adjustment Index	2007 ThCh\$	2006 ThCh\$
Inventory / Stock	IPC	102.926	63.830
Fixed Asset	IPC	726.100	304.538
Investment in related companies	IPC	298.237	16.013
Other non monetary assets	IPC	937.064	104.419
Other non monetary assets	UF	68.319	123.030
Expense account	IPC	3.066.809	509.638
Total Credits		5.199.455	1.121.468
Liabilities - Equity / (Charges)	Adjustment Index	2007 ThCh\$	2006 ThCh\$
Equity	IPC	(3.920.193)	(710.000)
Non Monetary liabilities	IPC	(98.141)	(55.110)
Short Term bank liabilities	UF	(141)	(48.182)
Long Term Bank Liabilities	UF	(106)	(52.233)
Non Monetary liabilities	UF	97.564	(47.664)
Income accounts	IPC	(3.771.172)	(625.907)
Total (debits)		(7.692.189)	(1.539.096)
Balance of the Price -level changes		(2.492.734)	(417.628)

FORUS S.A. AND SUBSIDIARIES

Notes to the consolidated Financial Statements December 31th, 2007 and 2006

Note 23. Exchange Difference

Assets (charges) / credit	Currency	2007 M\$	2006 M\$
Cash in bank	Dollar	(94.701)	26.788
Time deposits	Dollar	(23.815)	-
Sales Debtors (net) for sale (clear)	Dollar	-	81.671
Sundry debtors (net)	Dollar	(58)	(297)
Accounts Payable / related companies	Dollar	52.980	(68.573)
Inventories (net)	Dollar	(262.237)	1.989
Pre paid Expenses	Dollar	(93.184)	47.817
Investments related companies	Dollar	3.172	-
Total Credits		(417.843)	89.395
Liabilities (charge) / credits	Currency	2007 M\$	2006 M\$
Short Term obligations with banks and financial inst	Dollar	(2.861)	248.105
Accounts Payable	Dollar	(81.269)	(55.959)
Total (Charges)		(84.130)	192.146
Losses on exchange rate difference		(501.973)	281.541

FORUS S.A. AND SUBSIDIARIES

Notes to the consolidated Financial Statements December 31th, 2007 and 2006

Note 24. Expenses originated from Share certificate issuance and placement

As of December 31st 2006, due to share certificate issuance and placement the following expenses were made:

	ThCh\$
Risk Classification	1.653
Advisory services	135.622
Registration of emerging market exchange at the Chilean Superintendence of Securities and Insurance	4.107
Stock exchange incorporation fee	2.036
Print out	34.733
Commissions	109.542
Opening Expenses (Stock exchange)	4.943
Publications	325
Total	292.961
Update	21.679
Update Total	314.640

FORUS S.A. AND SUBSIDIARIES

Notes to the consolidated Financial Statements December 31th, 2007 and 2006

Note 25. Cash Flow Statement

The heading "Other investments income" for the 2007 and 2006 exercise is described as follows:

	2007	2006
	ThCh\$	ThCh\$
Forward Income	41.668	302.248
Rental guarantee recover	-	9.656
Others	-	1.181
	<u>41.668</u>	<u>313.085</u>

FORUS S.A. AND SUBSIDIARIES

Notes to the consolidated Financial Statements
December 31th, 2007 and 2006

Note 26.- Derivative Contract

Year 2007

a. Coverage agreement for the exiting entries

Type of Derivate	Type of Contract	Contract Value US\$	Due date	Item	Contract description		Protected transaction or item		Amount TrCh\$	Account involved affecting		Efecto en resultado	
					Trading Condition P/S	Name	Amount TrCh\$	Name		Amount TrCh\$	Realized (charge) / credit TrCh\$	Un realized TrCh\$	
													Assets / liabilities
FR	CCPE	2.000.000	10-Abr-08	Dólar	P	Letter of credit	Letter of credit	1.059.680	Future Currencies contract	62.349	(62.349)		
FR	CCPE	2.000.000	10-Abr-08	Dólar	S	Letter of credit	Letter of credit	1.055.300	Future Currencies contract	58.057	58.057		
FR	CCPE	2.000.000	17-Sep-08	Dólar	P	Letter of credit	Letter of credit	1.018.440	Future Currencies contract	17.458	(17.458)		
FR	CCPE	2.000.000	17-Sep-08	Dólar	S	Letter of credit	Letter of credit	1.019.100	Future Currencies contract	18.088	18.088		
FR	CCPE	2.000.000	10-Oct-08	Dólar	P	Letter of credit	Letter of credit	1.013.500	Future Currencies contract	12.092	(12.092)		
FR	CCPE	2.000.000	02-Oct-08	Dólar	P	Letter of credit	Letter of credit	1.008.020	Future Currencies contract	7.104	(7.104)		
FR	CCPE	2.000.000	13-Oct-08	Dólar	P	Letter of credit	Letter of credit	1.006.600	Future Currencies contract	5.446	(5.446)		
FR	CCPE	2.000.000	03-Oct-08	Dólar	P	Letter of credit	Letter of credit	1.001.020	Future Currencies contract	412	(412)		
FR	CCPE	2.000.000	15-Oct-08	Dólar	P	Letter of credit	Letter of credit	991.100	Future Currencies contract	9.341	9.341		

FORUS S.A. AND SUBSIDIARIES

Notes to the consolidated Financial Statements December 31th, 2007 and 2006

Note 27. Contingency and Restrictions

a) On March 16th, 2007 the Society received a notice on an arbitral claim filed against us by the Chilean National Association of Professional Soccer (ANFP) – Asociación Nacional de Fútbol

Chilean National Association of Professional Soccer (ANFP) in its claim pretends to ignore the validity of the sport implementation agreement of the Chilean National Selection subscribed with Forus S.A. on February 23rd, 2000, in virtue of which the football national team shall wear in "Brooks" sportswear in all football games. The process in on a provisory commercial state propose by the arbitrator Mr. Fernando Barros Tocornal, until april 2008, renewable.

b) Direct Guarantee

Bank	Debtor		Type of Guarantee	Committed assets		Outstanding Balance			Release of Guarantee		
	Commercial Name	Relations		Type	Accountable Value	2007 ThCh\$	2006 ThCh\$	2008	2009	2010	Assets
Banco Crédito e Inversiones	Forus S.A.		Letter of Credit Stand By		10.257						
Banco Crédito e Inversiones	Forus S.A.		Letter of Credit Stand By		8.710						
Banco Crédito e Inversiones	Forus S.A.		Letter of Credit Stand By		7.137						
Banco Crédito e Inversiones	Forus S.A.		Letter of Credit Stand By		12.264						
Banco Itau	Forus S.A.		Letter of Credit Stand By		479.151	343.072					
Banco Itau	Forus S.A.		Letter of Credit Stand By		402.017	325.554					
Banco Itau	Forus S.A.		Letter of Credit Stand By		596.205	791.295					
Banco Itau	Forus S.A.		Letter of Credit Stand By		665.488						
Banco Itau	Forus S.A.		Letter of Credit Stand By		665.488						
BBVA	Forus S.A.		Letter of Credit Stand By		36.298						
BBVA	Forus S.A.		Letter of Credit Stand By		31.943						
BBVA	Forus S.A.		Letter of Credit Stand By		85.182						
BBVA	Forus S.A.		Letter of Credit Stand By		10.169						
BBVA	Forus S.A.		Letter of Credit Stand By		14.375						
Plaza Oeste S.A.	Forus S.A.		Letter of Credit Stand By		154.026	165.424					
Plaza Vespucio S.A.	Forus S.A.		Bid Bond		9.048						
Dirección de Contabilidad de la A	Forus S.A.		Bid Bond		13.000						
Cencosud Shopping Centers S.A.	Forus S.A.		Bid Bond		28.275	30.367					
Parque Arauco S.A.	Forus S.A.		Bid Bond		41.385	44.447					
Parque Arauco S.A.	Forus S.A.		Bid Bond		58.530	62.861					
Parque Arauco S.A.	Forus S.A.		Bid Bond		46.542	49.986					
Parque Arauco S.A.	Forus S.A.		Bid Bond		30.805	33.085					
Parque Arauco S.A.	Forus S.A.		Bid Bond		10.584	11.367					
Parque Arauco S.A.	Forus S.A.		Bid Bond		14.121	15.166					
Parque Arauco S.A.	Forus S.A.		Bid Bond		14.769	15.862					
Parque Arauco S.A.	Forus S.A.		Bid Bond		21.830						

FORUS S.A. AND SUBSIDIARIES

Notes to the consolidated Financial Statements December 31th, 2007 and 2006

Nota 28. Local and Foreign Currency

For this heading Forus S.A. and subsidiary Topsafety S.A. have been considered, excluding foreign subsidiaries.

CURRENT ASSETS

Heading	Currency	Amount 2007	Amount 2006
Total Assets		59.730.046	60.070.304
CASH IN BANK	CH PESOS	1.135.406	524.354
CASH IN BANK	DOLLAR	64.313	58.087
FIXED TERM DEPOSITS	CH PESOS	6.100.000	601.440
NEGOTIABLE NOTES	CH PESOS	12.270.686	23.439.532
SALE DEBTORS	CH PESOS	7.020.656	6.587.767
ACCOUNTS RECEIVABLES	CH PESOS	6.190.020	5.413.342
SUNDRY DEBTORS	CH PESOS	1.601.856	545.418
SUNDRY DEBTORS	DOLLAR	917.448	2.360.106
ACCOUNTS RECEIVABLE RELATED TO	CH PESOS	3.669.014	952.431
ACCOUNTS RECEIVABLE RELATED TO	DOLLAR	2.448.242	1.691.385
RECOVERABLE INCOME TAXES	CH PESOS	337.295	292.836
INVENTORY	CH PESOS	4.516.802	5.267.579
INVENTORY	DOLLAR	11.474.859	9.884.882
PRE PAID EXPENSES	UF	27.132	26.884
PRE PAID EXPENSES	CH PESOS	761.271	926.244
PRE PAID EXPENSES	DOLLAR	768.773	1.006.613
DEFERRED TAXES	CH PESOS	426.273	491.404
TOTAL FIXED ASSET		9.218.164	9.901.419
LAND	CH PESOS	276.460	276.365
BUILDING AND INFRASTRUCTURE	CH PESOS	1.996.918	3.076.804
MACHINERY AND EQUIPMENTS	CH PESOS	16.968.619	16.717.296
OTHER FIXED ASSETS	CH PESOS	2.628.535	3.010.744
FIXED ASSETS TECHNICAL APPRAISAL	CH PESOS	612.750	612.539
ACCUMULATED DEPRECIATION (LESS)	CH PESOS	(13.265.118)	(13.792.329)
TOTAL OTHER ASSETS		6.261.737	2.032.542
INVESTMENT IN RELATED COMPANIES	CH PESOS	3.291.895	1.076.038
HIGHER VALUE INVESTMENT	CH PESOS	(68.448)	(1.192)
LOWER VALUE INVESTMENT	CH PESOS	2.270.647	266.167
SHORT TERM DEBTORS	UF INDEX	4.285	4.300
INTANGIBLES	CH PESOS	692.350	700.080
AMORTIZATION	CH PESOS	(188.321)	(115.640)
DEFERRED TAXES	CH PESOS	121.287	21.151
OTHERS	CH PESOS	138.042	81.638

FORUS S.A. AND SUBSIDIARIES

Notes to the consolidated Financial Statements
December 31th, 2007 and 2006

NOTE 28. LOCAL AND FOREIGN CURRENCY CONTINUED

CURRENT LIABILITIES

HEADING	CURRENCY	UPTO 90 DAYS		90 DAYS UPTO 1 YEAR					
		2007		2006		2007		2006	
		AMOUNT	Annual average interest rate	Amount	Annual average interest rate	Amount	Annual average interest rate	Amount	Annual average interest rate
SHORT TERM BANK AND FINANCIAL OBLIGATIONS	CH PESOS	1.191.255		1.014.420		1.736		112.538	
LONG TERM BANK AND FINANCIAL OBLIGATIONS	UF INDEX LIN	-		-		-		1.190.686	
ACCOUNTS PAYABLE	CH PESOS	2.420.108		3.189.479		-		-	
ACCOUNTS PAYABLE	DOLLAR	-		996.933		-		-	
PAYABLE DOCUMENTS	UF INDEX LIN	2.133		-		-		-	
PAYABLE DOCUMENTS	CH PESOS	174.433		117.713		-		-	
SUNDRY CREDITORS	UF INDEX LIN	120.480		49.549		-		-	
PROVISIONS	CH PESOS	2.145.779		2.151.784		475.253		427.972	
PROVISIONS	DOLLAR	16.342		224.941		-		-	
RETENTIONS	CH PESOS	1.594.038		1.077.169		-		-	
TOTALS		7.664.568		8.821.988		476.989		1.731.196	

FORUS S.A. AND SUBSIDIARIES

Notes to the consolidated Financial Statements
December 31th, 2007 and 2006

Note 28. LOCAL AND FOREIGN CURRENCY CONTINUED

**LONG TERM LIABILITIES
2007**

HEADING	CURRENCY	1 TO 3 YEARS		3 TO 5 YEARS		5 TO 10 YEARS		OVER 10 YEARS	
		AMOUNT ThCh\$	Annual average interest rate	AMOUNT ThCh\$	Annual average interest rate	AMOUNT ThCh\$	Annual average interest rate	AMOUNT ThCh\$	Annual average interest rate
OBLIGATION WITH BANKS AND FINANACIAL INSTITUTIONS	UF INDEX LIN	-	-	-	-	-	-	-	-
SUNDRY CREDITORS	DOLLAR	61.116	-	-	-	-	-	-	-
PROVISIONS	CH PESOS	884	-	-	-	-	-	-	-
LONG TERM DEFERRED TAXES	CH PESOS	-	-	-	-	-	-	47.057	-
OTHER LIABILITIES	CH PESOS	9.700	-	-	-	107.199	-	-	-
TOTALS		71.700		-		107.199		47.057	

**LONG TERM LIABILITIES
2006**

HEADING	CURRENCY	1 TO 3 YEARS		3 TO 5 YEARS		5 TO 10 YEARS		OVER 10 YEARS	
		AMOUNT ThCh\$	Annual average interest rate	AMOUNT ThCh\$	Annual average interest rate	AMOUNT ThCh\$	Annual average interest rate	AMOUNT ThCh\$	Annual average interest rate
OBLIGATIONS WITH BANKS AND FINANACIAL INSTITUTIONS	UF INDEX LIN	1.404.514	-	-	-	-	-	-	-
SUNDRY CREDITORS	UF INDEX LIN	-	-	-	-	-	-	-	-
PROVISIONS	CH PESOS	7.871	-	-	-	-	-	-	-
LONG TERM DEFERRED TAX	CH PESOS	-	-	-	-	-	-	40.919	-
OTHER LIABILITIES	CH PESOS	9.742	-	-	-	-	-	-	-
TOTALS		1.422.127		-		-		40.919	

FORUS S.A. AND SUBSIDIARIES

Notes to the consolidated Financial Statements December 31th, 2007 and 2006

Note 29. Sanctions

During 2007 the company or management managers have not been object of sanctions on behalf of the Chilean Superintendence of Securities and Insurance apply no sanction

Note 30. Subsequent Events

No important events affecting significantly the economic and financial position and/ or there interpretation have occurred between December 31st, 2007 and the date of emission of these financial statements.

Note 31. Environment

As main activity does not affect the environment, the company during the period 2007 and 2006 no expenses related with environmental improvement or protection where made.

Note 32. Shareholders' distribution

As of December 31st 2007 and 2006, company ownership is distributed as follows:

	Percentage		Number of	
	Total participation		Shares	
	2007	2006	2007	2006
	%	%		
Inversiones Costanera Ltda.	67,2898	67,2898	173.923.200	173.923.200
Fondo de Inversion Larrain Vial Beagle	5,4140	2,1501	13.993.617	5.557.368
Inversiones Integradas S.A.	3,9067	3,9720	10.097.600	10.266.400
Bayside S.A.	3,7482	3,7482	9.688.000	9.688.000
Trends S.A.	2,9446	2,8785	7.610.997	7.440.000
F.M.Santander Acciones Retail & Consum	2,2504	0,0000	5.816.620	-
Celfin Capital S.A. Corredores De Bolsa	1,8737	2,8670	4.842.870	7.410.379
Asesorias E Inversiones Santa Francisca L	1,8054	1,8054	4.666.400	4.666.400
AFP Provida S.A. Fondo Tipo A	0,9644	0,0000	2.492.554	-
Others	9,8028	15,2890	25.337.142	39.517.253
	<u>100,0000</u>	<u>100,0000</u>	<u>258.469.000</u>	<u>258.469.000</u>