QUIÑENCO S.A.

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Fourth Quarter 2011

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QUIÑENCO S.A. ANNOUNCES 2011 CONSOLIDATED FOURTH QUARTER AND YEAR END RESULTS

(Santiago, Chile, March 28, 2012) Quiñenco S.A., a leading Chilean business conglomerate, announced today its consolidated financial results under IFRS, for the fourth quarter and year ended December 31, 2011.

Consolidated financial results are prepared in accordance with IFRS and the regulations established by the Superintendency of Securities and Insurance (SVS). All figures are presented in nominal Chilean pesos, unless stated otherwise. Figures in US$ have been converted from Chilean pesos (Ch$) at the observed exchange rate on December 31, 2011 (Ch$519.20 = US$1.00), unless indicated otherwise, and are only provided for the reader's convenience.

2011 HIGHLIGHTS

- **Net income[1] amounted to a gain of Ch$87,966 million in 2011, 69.8% below 2010 net income, primarily due to a gain in 2010 of Ch$169,513 million at the Corporate level, arising from the sale of 8.52% of LQIF, controlling entity of Banco de Chile, to Citigroup.**

- **Consolidated revenues reached Ch$1,055 billion with the incorporation of Enex's revenues as of June 2011.**

- **The contribution of operating companies during 2011 was boosted by the incorporation of Enex as of June 2011, and by growth in net income from Banco de Chile, CCU, and Madeco, primarily attributable to positive operating performance. The equity investment CSAV, however, posted a net loss during the year.**

- **Non-operating results mainly include higher financial income at the Corporate level, reflecting the company's strong cash position and the higher market value of its financial assets, partially offset by the effect of a higher rate of inflation in 2011 on financial obligations and costs denominated in UFs.**

- **Earnings per ordinary share amounted to a gain of Ch$76.85 in 2011.**

[1] Net income corresponds to Net income attributable to Controllers' shareholders.

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GROUP HIGHLIGHTS – FOURTH QUARTER 2011 AND SUBSEQUENT EVENTS

Quiñenco – Raises funds through Bond Issue and Capital Increase

During January 2012, Quiñenco placed a bond issuance of UF 4,650,000 (approximately US$200 million) in the local market. Starting in December 2011 and finishing in February 2012, Quiñenco raised approximately US$500 million in equity through the issuance of 200 million new shares. Funds are primarily to be used in the capital increase of CSAV, as well as in other investments.

Quiñenco – Reaches 37.44% of Compañía Sud Americana de Vapores and SM-SAAM

During January and February 2012, Quiñenco subscribed US$547 million in CSAV's capital increase of US$1.2 billion, thus increasing its share in the company to 37.44%. Consequently with the success of this capital increase, as of February 15, 2012, SAAM (port services) was spun-off from CSAV, and SM-SAAM was established as the controlling entity of SAAM. CSAV shareholders as of February 29 received 1.1168666991 shares of SM-SAAM for each share of CSAV. SM-SAAM shares are traded as of March 1, 2012 on local stock exchanges. Quiñenco's share in SM-SAAM is also 37.44%.

Madeco – New plant starts operations in Peru

During the last quarter of 2011 a new flexible packaging plant started its operations in Lima, Peru. This new plant, with an annual capacity of 30,000 tons/year of flexible packaging, optimizes the production flow of two previously separate plants, and boosts future growth with advanced technology in its processes.

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SEGMENT INFORMATION

In accordance with IFRS requirements, financial information is reported for the four segments defined by Quiñenco for this purpose: Manufacturing, Financial, Energy and Others. However, in order to allow a better understanding of the consolidated financial statements, the latter and the subsequent analysis, have been divided in Banking and Non-banking (industrial) activities, as follows:

- Industrial Sector: includes the following Segments and main companies:
  - i) Manufacturing
    - Madeco
  - ii) Financial
    - LQ Inversiones Financieras (LQIF holding)
  - iii) Energy
    - Enex
  - iv) Other
    - Quiñenco and others (includes CCU, Compañía Sud Americana de Vapores and eliminations)

The companies composing this sector reported their financial statements in accordance with IFRS, with the exception of Banchile Seguros de Vida, included in Quiñenco and others, which prepared its financial statements in accordance with Chilean GAAP. Madeco reports its financial statements in US dollars, and translates them to Chilean pesos for consolidation purposes.

In January 2010, Quiñenco sold its share in Telsur to GTD Grupo Teleductos, through a public offering.

On March 22, 2011, Quiñenco acquired directly a 10% stake in Compañía Sud Americana de Vapores (CSAV) from Maritima de Inversiones (Marinsa) Maritima de Inversiones. On April 6, 2011, Quiñenco acquired, directly and indirectly through its subsidiaries Inversiones Río Bravo and Inmobiliaria Norte Verde, an additional 8% stake. During June and July 2011, Quiñenco and its subsidiaries subscribed an additional 2.6% share from the capital increase carried out by CSAV. Thus, as of December 31, 2011, Quiñenco holds directly and indirectly a 20.6% share in CSAV.

On May 31, 2011, Quiñenco acquired through its indirect subsidiary Inversiones Río Cobre Ltda. the companies Shell Chile S.A.C.I., Inversiones Shell S.A., and Shell Trading Chile S.A., from Royal Dutch Shell Plc for a total amount of US$633 million, including working capital and cash.

In August 2011, Shell Chile S.A.C.I., Inversiones Shell S.A., and Shell Trading Chile S.A. changed their legal names to Enex S.A., Inversiones Enex S.A., and Enex Trading S.A., respectively. The energy sector includes these three companies, as well as Inversiones Río Cobre Ltda., and the latters' holding company Inversiones Río Aurum S.A., a fully-owned indirect subsidiary of Quiñenco. As part of the financing of the acquisition of Enex, Inversiones Río Aurum obtained bank debt amounting to US$155 million, with Quiñenco's guarantee. The energy sector's results correspond to the seven month period starting June 2011, following the acquisition on May 31st.

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Banking Sector: includes the following Segments and main companies:

i) Financial

- Banco de Chile
- SM Chile

These companies reported their financial statements partially in accordance with IFRS, as determined by the Superintendency of Banks and Financial Institutions.

Summarized Consolidated Income Statement

Sector /Segment	Manufacturing		Financial		Energy		Other		Total		Total	
	4Q 10	4Q 11	4Q 10	4Q 11	4Q 10	4Q 11	4Q 10	4Q 11	4Q 10	4Q 11	4Q 10	4Q 11
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MUS$	MUS$
Consolidated Income (Loss) Industrial Sector	(7,803)	**4,552**	(5,668)	**(2,663)**	-	**2,484**	20,116	**(22,778)**	6,645	**(18,404)**	12.8	**(35.4)**
Consolidated Income Banking Sector	-	**-**	49,496	**79,428**	-	**-**	-	**-**	49,496	**79,428**	95.3	**153.0**
Consolidated Net Income (Loss)	(7,803)	**4,552**	43,828	**76,765**	-	**2,484**	20,116	**(22,778)**	56,141	**61,023**	108.1	**117.5**
Net income (loss) attributable to Non-controlling interests	(3,845)	2,757	30,193	54,726	-	-	2,748	148	29,097	57,631	56.0	**111.0**
Net Income (loss) attributable to Controllers' Shareholders	(3,958)	1,795	13,635	22,039	-	2,484	17,368	(22,926)	27,044	3,392	52.1	6.5

Net Income – Full Year 2011

Quiñenco reported net income of Ch$87,966 million in 2011, 69.8%lower than that reported in 2010, primarily due to a non-recurring gain at the Corporate level of Ch$169,513 million, generated by the exercise of Citigroup's first option for an 8.52% additional stake in LQIF, controlling entity of Banco de Chile. In addition, although to a lesser extent, the sale of Telsur at the beginning of 2010 generated a non-recurring gain of Ch$8,725 million. In 2011, Banco de Chile, CCU and Madeco contributed with growth in net income, boosted primarily by positive operating performance, as did the incorporation of the Energy segment with Enex's results. At the corporate level Quiñenco obtained higher financial income based on its strong cash position. The investment in CSAV, however, implied a share of Ch$70,181 million of its loss for the year.

Earnings per ordinary share amounted to Ch$76.85 in 2011.

Net Income – 4Q 2011

Quiñenco reported a net gain of Ch$3,392 million in the fourth quarter of 2011, below the net income reported for the same period in 2010, primarily due to losses posted during the period by Quiñenco's equity investment CSAV. However, 4Q 2011 results also include the positive results of Banco de Chile, Madeco, CCU and the incorporation of Enex's results starting June 2011.

Earnings per ordinary share amounted to a gain of Ch$2.96 in the fourth quarter of 2011.

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Consolidated Income Statement Breakdown

	Quarters				Year to Date			
	4Q 10		4Q 11		Dic-10		Dic-11	
	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$
Industrial Sector								
Revenues	**80,432**	**154.9**	**417,940**	**805.0**	**304,632**	**586.7**	**1,055,401**	**2,032.7**
Manufacturing - Madeco	53,232	102.5	50,917	98.1	212,789	409.8	210,878	406.2
Financial - LQIF holding	-	-	-	-	-	-	-	-
Energy - Enex	-	-	339,191	653.3	-	-	731,728	1,409.3
Other - Quiñenco & others	27,200	52.4	27,832	53.6	91,843	176.9	112,795	217.2
Operating income (loss)[2]	**(1,823)**	**(3.5)**	**8,786**	**16.9**	**(3,354)**	**(6.5)**	**16,748**	**32.3**
Manufacturing - Madeco	952	1.8	2,645	5.1	10,339	19.9	14,255	27.5
Financial - LQIF holding	(2,811)	(5.4)	(2,330)	(4.5)	(9,513)	(18.3)	(9,625)	(18.5)
Energy - Enex	-	-	4,934	9.5	-	-	7,280	14.0
Other - Quiñenco & others	36	0.1	3,537	6.8	(4,180)	(8.1)	4,838	9.3
Non-operating income (loss)[3]	**7,422**	**14.3**	**(29,857)**	**(57.5)**	**193,400**	**372.5**	**(33,176)**	**(63.9)**
Interest income	10,187	19.6	(45)	(0.1)	14,527	28.0	22,618	43.6
Interest expense	(4,109)	(7.9)	(6,665)	(12.8)	(13,849)	(26.7)	(19,966)	(38.5)
Share of net income/loss from related co.	12,015	23.1	(21,877)	(42.1)	35,312	68.0	(29,574)	(57.0)
Foreign exchange gain (loss)	(46)	(0.1)	1,458	2.8	(134)	(0.3)	3,756	7.2
Indexed units of account restatement	(1,550)	(3.0)	(5,155)	(9.9)	(6,451)	(12.4)	(10,981)	(21.2)
Other gains (losses)	(9,074)	(17.5)	2,427	4.7	163,995	315.9	973	1.9
Income (loss) tax	1,045	2.0	2,667	5.1	(8,782)	(16.9)	1,011	1.9
Net income (loss) from discontinued operations	-	-	-	-	-	-	-	-
Consolidated Net Income (Loss) Industrial Sector	**6,645**	**12.8**	**(18,404)**	**(35.4)**	**181,264**	**349.1**	**(15,416)**	**(29.7)**
Banking Sector								
Operating revenues	295,847	569.8	284,878	548.7	1,166,179	2,246.1	1,226,214	2,361.7
Provision for loan losses	(75,427)	(145.3)	(16,453)	(31.7)	(208,590)	(401.8)	(124,841)	(240.4)
Operating expenses	(145,904)	(281.0)	(156,529)	(301.5)	(545,425)	(1,050.5)	(614,102)	(1,182.8)
Operating income (loss)	74,516	143.5	111,896	215.5	412,164	793.8	487,271	938.5
Non-operating income (loss)	(17,643)	(34.0)	(20,312)	(39.1)	(71,052)	(136.8)	(77,995)	(150.2)
Income (loss) tax	(7,377)	(14.2)	(12,156)	(23.4)	(38,551)	(74.3)	(59,664)	(114.9)
Consolidated Net Income (Loss) Banking Sector	**49,496**	**95.3**	**79,428**	**153.0**	**302,561**	**582.7**	**349,612**	**673.4**
Consolidated Net Income (Loss)	56,141	108.1	61,023	117.5	483,825	931.9	334,196	643.7
Net income attributable to Non-controlling interests	29,097	56.0	57,631	111.0	192,219	370.2	246,230	474.2
Net income attributable to Controllers' shareholders	**27,044**	**52.1**	**3,392**	**6.5**	**291,606**	**561.6**	**87,966**	**169.4**

[2] Operating income includes: Gross income (revenues minus cost of sales), Distribution costs, Administrative expenses, Other operating revenue and Other operating expenses.

[3] Non-operating results include the following items: Financial income, Financial costs, Proportionate share of equity method investments, Foreign currency exchange differences, Indexed units of account restatement and Other gains (losses).

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I. Industrial Sector

Revenues – Full Year 2011

Consolidated revenues totaled Ch$1,055,401 million in 2011, more than triple the level of revenues reported in 2010, mainly owing to the consolidation as of June 2011 of Enex's revenues that amounted to Ch$731,728 million in the period, and to a lesser extent to higher revenue from Banchile Seguros de Vida, included in Quiñenco and others. Sales at Madeco decreased a slight 0.9% mainly due to lower sales of brass mills reflecting the closure of the copper sheet production line at the end of 2010, partially offset by higher sales of the flexible packaging unit in Chile, Argentina, and Peru, and also higher sales of the profiles unit boosted by growth in sales volume[4].

Consolidated sales in 2011 can be broken down as follows: Enex (69.3%), Madeco (20.0%), and others (10.7%).

Revenues – 4Q 2011

Consolidated revenues totaled Ch$417,940 million in the fourth quarter of 2011, significantly above those of the same period in 2010, primarily due to the incorporation of Enex as of June 2011, which posted Ch$339,191 million in sales. Revenues from Banchile Seguros de Vida, included in Quiñenco and others, also contributed with growth of 2.3% during the quarter. Madeco's sales, however, dropped 4.3%with respect to 4Q 2010, mainly due to lower revenues from brass mills, based on a lower sales volume due to the closure of the copper sheet production line at the end of 2010. Sales of profiles also fell mainly due to a less favorable sales mix, while sales of flexible packaging increased in terms of Chilean pesos primarily due to higher average prices.

Consolidated sales in the fourth quarter of 2011 can be broken down as follows: Enex (81.2%), Madeco (12.2%), and others (6.6%).

Operating Income - Full Year 2011 [5]

Operating income in 2011 improved from a loss of Ch$3,354 million in 2010 to a gain of Ch$16,748 million in 2011. The variation is mostly attributable to the contribution from Enex, boosted mostly by sales of fuel, and also to Banchile Seguros de Vida, with a 58.3% rise in operating income, and 37.9% growth in Madeco's operating income. The growth at Madeco is explained by the flexible packaging and profiles units, partially offset by lower operating income from brass mills. Also, Madeco received higher dividend income from Nexans (Ch$1,777 million in 2010 vs. Ch$1,946 million in 2011), a non-recurring gain of Ch$947 million from the sale of a site, and Ch$936 million in higher tax recovery.

[4] It is worth noting that since Madeco reports in US dollars and translates its financial statements to Chilean pesos for consolidation purposes, variations analyzed in Chilean pesos vary from those in US dollars. In addition, the classification of some accounts by Quiñenco and Madeco differs. For analysis of Madeco's results in US dollars as reported to the SVS, refer to Segment/Operating company analysis.

[5] Operating income includes: Gross income (revenues minus cost of sales), Distribution costs, Administrative expenses, Other operating revenue and Other operating expenses.

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Operating Income - 4Q 2011

Operating income for the fourth quarter of 2011 reached a gain of Ch$8,786 million, compared to a loss of Ch$1,823 million in the fourth quarter of 2010. The improvement in consolidated operating results is primarily attributable to Enex's results that contributed Ch$4,934 million in operating income. Also, Madeco's operating income increased 177.8% reflecting lower non-recurring expenses as compared to 4Q 2010. Operating income from Madeco's business units diminished during the quarter due to a lower contribution from flexible packaging and profiles, partially offset by higher operating income from brass mills.

EBITDA – Full Year 2011

EBITDA amounted to Ch$38,104 million in 2011, up 203.9% from 2010, generated mainly by Madeco's operations, and to a lesser extent by Enex and Banchile Seguros de Vida.

EBITDA – 4Q 2011

EBITDA amounted to Ch$14,421 million in 4Q 2011, up from Ch$2,160 million in 4Q 2010, generated mainly by Enex's operations and, to a lesser extent, by Madeco and Banchile Seguros de Vida.

Non-Operating Results[6] – Full Year 2011

Non-operating income amounted to a loss of Ch$33,176 million in 2011, compared to a non-operating gain of Ch$193,400 million in 2010. The main items included in non-operating results are discussed below:

Proportionate share of net income of equity method investments (net) – Full Year 2011

Quiñenco's proportionate share of net income from equity method investments (net), which primarily includes the results from CCU and, as of 2011, of CSAV, reached a loss of Ch$29,574 million, compared to a gain of Ch$35,512 million in 2010.

Quiñenco's proportionate share of net income from CCU increased by 11.0% to Ch$39,921 million, reflecting the variation in CCU's net income during the quarter.

Quiñenco's proportionate share of net income in 2011 from CSAV amounted to a loss of Ch$70,181 million.

Interest Income – Full Year 2011

Interest income in 2011 amounted to Ch$22,618 million, up by 55.7% from 2010. This variation is primarily explained by higher financial income at Quiñenco and others, due to the higher cash balance following the sale of stakes in LQIF and Telsur, and the higher market value of these financial assets. It is worth noting that as of the second quarter of 2010, Quiñenco values its financial assets related with its cash position at

[6] Non-operating results include the following items: Financial income, Financial costs, Proportionate share of equity method investments, Foreign currency exchange differences, Indexed units of account restatement and Other gains (losses).

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the Corporate level at fair value, with effect on the income statement. To a lesser extent, LQIF and Banchile also registered higher interest income during the year.

Interest Expense – Full Year 2011

Interest expense in 2011 amounted to Ch$19,966 million, up 44.2% with respect to 2010, mainly due to interest expense at Enex in 2011, reflecting the debt required to finance its acquisition, and at Quiñenco, reflecting its bond issuance carried out in June 2011. Higher interest expense at Madeco was offset by lower interest expense at LQIF.

Foreign currency exchange differences – Full Year 2011

In 2011, the gains/losses specific to foreign currency translation differences amounted to a gain of Ch$3,756 million, compared to a loss of Ch$134 million reported in 2010, primarily attributable to a gain at Quiñenco due to a USD denominated loan granted to CSAV, partially offset by a loss at Madeco due to the company's net asset position in Reales and the depreciation of that currency with respect to the US dollar (Madeco reports in US dollars).

Indexed units of account restatement – Full Year 2011

The gain or loss derived from the restatement of assets and liabilities indexed to units such as the *Unidad de Fomento* or UF (inflation indexed) amounted to a loss of Ch$10,981 million in 2011, compared to a loss of Ch$6,541 million reported in 2010, due to the effect of higher inflation during 2011 on liabilities in UFs in all segments, with the exception of Madeco, and higher liabilities in UFs at Quiñenco and LQIF.

Other gains/losses – Full Year 2011

Other gains/losses amounted to a gain of Ch$973 million in 2011, compared to a gain of Ch$163,995 million in 2010. The variation is almost entirely explained by the non-recurring gain of Ch$169,513 million from the sale of 8.52% of LQIF to Citigroup, and to a lesser extent the gain of Ch$8,725 million on the sale of the stake in Telsur, both in 2010. On the other hand, 2010 includes a downward price adjustment of Ch$7,210 million to the selling price of Madeco's cable unit to Nexans, and 2011 includes a gain of Ch$2,324 million from the sale of Nexans Colombia from Madeco to Nexans; both transactions form part of the settlement reached in the arbitration process with Nexans.

Non-Operating Results – 4Q 2011

Non-operating income amounted to a loss of Ch$29,857 million in the fourth quarter of 2011, compared to non-operating income of Ch$7,422 million in the same quarter of 2010. The variation between the two periods is detailed below:

Proportionate share of net income of equity method investments (net) – 4Q 2011

Quiñenco's proportionate share of net income from equity method investments (net), which primarily includes the results from CCU and CSAV, reached a loss of Ch$21,877 million, compared to a gain of Ch$12,015 million in 4Q 2010.

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Quiñenco's proportionate share of net income from CCU increased by 21.7% to Ch$14,681 million. Quiñenco's proportionate share of net income from CSAV amounted to a loss of Ch$36,973 million.

Interest Income - 4Q 2011

Interest income for the fourth quarter of 2011 amounted to a loss of Ch$45 million, substantially lower than the Ch$10,187 million reported in 4Q 2010. This variation corresponds mainly to lower financial income at Quiñenco, primarily reflecting the lower balance of cash and cash equivalents vis-à-vis the previous quarter. It is worth noting that as of the second quarter of 2010, Quiñenco values its financial assets related with its cash position at the Corporate level at fair value, with effect on the income statement. Banchile Seguros de Vida, however, reported higher financial income, posting 18.5% growth during the quarter.

Interest Expense - 4Q 2011

Interest expense for the fourth quarter of 2011 amounted to Ch$6,665 million, varying by 62.2% with respect to 4Q 2010. The variation is mainly explained by the addition of Enex in 4Q 2011, which includes the interest expense generated by the debt required to finance its acquisition, as well as higher interest expense at Quiñenco reflecting its bond issuance carried out in June 2011, and at Madeco, partially offset by lower interest expense at LQIF during the period.

Foreign currency exchange differences – 4Q 2011

In 4Q 2011, the gains (losses) specific to foreign currency translation differences amounted to a gain of Ch$1,458 million, compared to a loss of Ch$46 million reported in 4Q 2010, primarily attributable to gains at Quiñenco due to accounts receivable denominated in USD and the appreciation of the USD with respect to the Chilean peso during the period, partially offset by losses at Enex.

Indexed units of account restatement – 4Q 2011

The gain or loss derived from the restatement of assets and liabilities indexed to units such as the *Unidad de Fomento* or UF (inflation indexed) amounted to a loss of Ch$5,155 million in the fourth quarter of 2011, compared to a loss of Ch$1,550 million reported in the same period of 2010, due to the higher rate of inflation prevailing in the current quarter and its adjustment effect on liabilities in UFs, and higher liabilities in UFs at Quiñenco and LQIF.

Other gains/losses – 4Q 2011

Other gains/losses amounted to a gain of Ch$2,427 million in 4Q 2011, compared to a loss of Ch$9,074 million in 4Q 2010, primarily due to a non-recurring gain at LQIF on the sale of the options SAOS had in Banco de Chile's capital increase. Also, 2010 losses include the downward adjustment to the selling price of Madeco's cable unit to Nexans.

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Income Taxes – Full Year 2011

The industrial sector reported an income tax credit of Ch$1,011 million, compared to income tax of Ch$8,782 million reported in 2010, mainly due to higher income tax at Quiñenco in 2010, due to the gain on the sale of an 8.52% stake in LQIF, and lower income tax at Madeco in 2011, due to a restructuring of the company's legal ownership structure carried out in 2011, which generated a deferred tax asset.

Income Taxes – 4Q 2011

The industrial sector reported an income tax credit of Ch$2,667 million, compared to an income tax credit of Ch$1,045 million reported in the fourth quarter of 2010, primarily due to lower income tax at Madeco in 2011, due to a restructuring of the company's legal ownership structure carried out in 2011 that generated a deferred tax asset.

Non-controlling Interests – Full Year 2011

In 2011, at a consolidated level (including both industrial and banking net income), net income attributable to non-controlling interests amounted to Ch$246,230 million. Of the total amount reported in 2011, Ch$138,771 million corresponds to minority shareholders' share of Banco de Chile and SM Chile's net income. Remaining net income attributable to non-controlling interest is explained by minority shareholders' share of LQIF's net income, and to a lesser extent by minority shareholders' share of Madeco's net income.

Non-controlling Interests – 4Q 2011

In the fourth quarter of 2011, at a consolidated level (including both industrial and banking net income), net income attributable to non-controlling interests amounted to Ch$57,631 million. Of the total amount reported in 4Q 2011, Ch$31,929 million corresponds to minority shareholders' share of Banco de Chile and SM Chile's net income. Remaining net income attributable to non-controlling interest is explained by minority shareholders' share of LQIF's net income, and to a lesser extent by minority shareholders' share of Madeco's net income.

II. Banking Sector

Operating Revenues – Full Year 2011

Operating revenues in 2011 amounted to Ch$1,226,214 million, 5.1% higher than in 2010. Operating revenues correspond almost entirely to Banco de Chile, which grew 4.7% during the period, mainly due to higher net financial income, reflecting increased income from non-interest bearing liabilities given higher nominal interest rates, strong growth in loans offsetting a drop in lending spreads, and a favorable effect of inflation on the Bank's net asset position in UFs. Fee income also increased derived from higher commercial activity in insurance brokerage, as well as credit and debit cards.

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Operating Revenues - 4Q 2011

Operating revenues for the fourth quarter of 2011 amounted to Ch$284,878 million, 3.7% below the fourth quarter of 2010, mainly due to lower net financial income at Banco de Chile, mostly due to a non-recurring loss of Ch$42 billion from the sale of a non-performing corporate loan portfolio, partially offset by higher net interest income, derived from a higher yield of current accounts and demand deposits, given increasing nominal interest rates and strong loan portfolio growth during the period.

Provision for Credit Risk - Full Year 2011

Provisions for loan losses at Banco de Chile amounted to Ch$124,840 million in 2011 as compared to Ch$208,590 million in 2010, mainly attributable to the release of approximately Ch$45 billion in allowances due to the sale of a non-performing loan portfolio, and contingency provisions established in 2010 for Ch$22 billion. Recurring loan provisions decreased by 11.9% in 2011, reflecting the improved economic situation together with better credit processes.

Provision for Credit Risk - 4Q 2011

Provisions for loan losses at Banco de Chile amounted to Ch$16,452 million in the fourth quarter of 2011, 78.2% less than in the fourth quarter of 2010, mainly attributable to the release of approximately Ch$45 billion in allowances due to the sale of a non-performing loan portfolio in 4Q 2011. However, recurring provisions increased by 20.5%, primarily owing to the wholesale segment due to growth in loans and a slightly higher credit risk.

Operating expenses - Full Year 2011

Operating expenses increased by 12.6% to Ch$614,102 million, explained primarily by growth in Banco de Chile's business activity, leading to higher sales force, distribution, transactional and marketing expenses, as well as non-recurring expenses, such as a special bonus of Ch$28 billion granted to the Bank's staff as part of the collective bargaining agreements.

Operating expenses - 4Q 2011

Operating expenses increased by 7.3% to Ch$156,529 million, mainly explained by an increase of 7.3% in Banco de Chile's operating expenses to Ch$156,478 million, mostly attributable to the Bank's higher commercial activity and the corresponding increase in personnel and administrative expenses, including performance bonuses, increased outsourced sales force expenses, and external advisory expenses.

Non-operating Results - Full Year 2011

During 2011 non-operating results amounted to a loss of Ch$77,995 million as compared to a loss of Ch$71,052 million in 2010, primarily explained by higher accrued interest expense of the Subordinated Debt with the Chilean Central Bank, resulting from the effect of higher inflation during the period on said expenses, partially offset by higher results from Banco de Chile's associates.

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Non-operating Results - 4Q 2011

During the fourth quarter of 2011 non-operating results amounted to a loss of Ch$20,312 million as compared to a loss of Ch$17,643 million in the fourth quarter of 2010, primarily explained by higher accrued interest expense of the Subordinated Debt with the Chilean Central Bank due to a higher rate of inflation in 4Q 2011.

Net Income – Full Year 2011

Net income for the banking sector amounted to Ch$349,612 million up by 15.6% from 2010, resulting from higher operating revenues and lower provisions for loan losses during the year, partially offset by increased operating expenses and lower non-operating results.

Net Income - 4Q 2011

Net income for the banking sector amounted to Ch$79,428 million up 60.5% over the same period in 2010, primarily attributable to higher operating revenues and significantly lower provisions for loan losses, partially offset by higher operating expenses and lower non-operating results.

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CONSOLIDATED BALANCE SHEET ANALYSIS (vis-à-vis the 3rd quarter of 2011)

Condensed Consolidated Balance Sheet

	09-30-2011		12-31-2011	
	MCh$	MUS$	MCh$	MUS$
Current assets industrial sector	467,583	900.6	**532,325**	1,025.3
Non-current assets industrial sector	1,999,231	3,850.6	**1,977,472**	3,808.7
Assets financial sector	21,413,300	41,242.9	**21,740,945**	41,873.9
Total assets	**23,880,115**	**45,994.1**	**24,250,742**	**46,707.9**
Current liabilities industrial sector	258,848	498.6	**253,693**	488.6
Long-term liabilities industrial sector	572,859	1,103.3	**658,223**	1,267.8
Liabilities financial sector	20,009,420	38,538.9	**20,284,941**	39,069.6
Non-controlling interests	1,465,886	2,823.4	**1,493,945**	2,877.4
Shareholders' equity	1,573,101	3,029.9	**1,559,940**	3,004.5
Total liabilities & shareholders' equity	**23,880,115**	**45,994.1**	**24,250,742**	**46,707.9**

Current Assets Industrial Sector

Current assets increased by 13.8% compared to the third quarter of 2011, mainly due to the funds received from LQIF’s bond issuance of UF1,500,000 in October 2011. Also, account receivables and inventories increased during the quarter primarily attributable to Enex.

Non current Assets Industrial Sector

Non current assets decreased by 1.1% compared to the third quarter of 2011. Financial assets decreased with respect to the previous quarter reflecting the lower market value and a negative net conversion effect from euros to Chilean pesos of Madeco´s investment in Nexans. Goodwill decreased due to a reclassification of CSAV’s goodwill to the equity method investment account. Net of this reclassification, equity method investments decreased due to period losses at CSAV. Fixed assets, however, increased mainly due to a revaluation carried out at Enex.

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Assets Banking Sector

Total assets of the banking sector increased by 1.5% compared to the third quarter of 2011. Loans to customers increased by 3.6% with respect to September 2011, reflecting growth in all segments.

Current Liabilities Industrial Sector

Current liabilities decreased by 2.0% with respect to the third quarter of 2011, explained primarily by lower financial liabilities at Madeco, partially offset by higher account payables at Enex.

Long-term Liabilities Industrial Sector

Long-term liabilities increased by 14.9% in comparison to the third quarter of 2011, mostly due to higher financial obligations at Madeco and LQIF. The latter reflects its bond issuance for UF1,500,000 in October, 2011.

Liabilities Banking Sector

Liabilities corresponding to the banking sector increased by 1.4% compared to the third quarter of 2011.

Non-controlling Interests

Non-controlling interests increased by 1.9% with respect to the third quarter of 2011.

Equity

Shareholders' equity decreased by a slight 0.8% compared to the third quarter of 2011 due to the variation in other reserves, partially offset by period profits, net of dividends provisioned.

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Quiñenco Corporate Level Debt and Cash

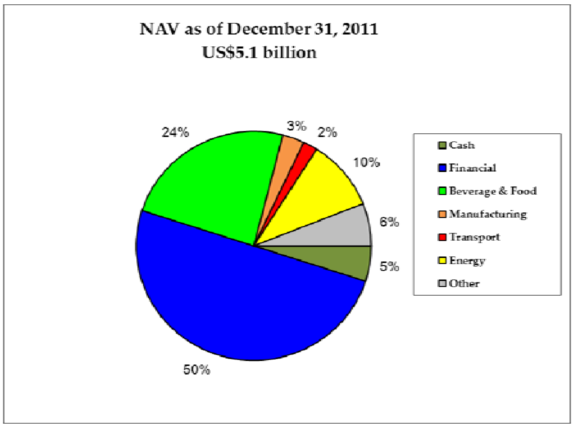
As of December 31, 2011	Debt		Cash & equivalents		Total Net Debt	
	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$
Corporate level	211,476	407.3	153,215	295.1	58,260	112.2
Adjusted for:						
50% interest in LQIF	90,188	173.7	6,711	12.9	83,477	160.8
50% interest in IRSA	7,184	13.8	264	0.5	6,920	13.3
100% interest in Aurum*	71,856	138.4	20	0.0	71,836	138.4
Total	**380,703**	**733.2**	**160,211**	**308.6**	**220,493**	**424.7**

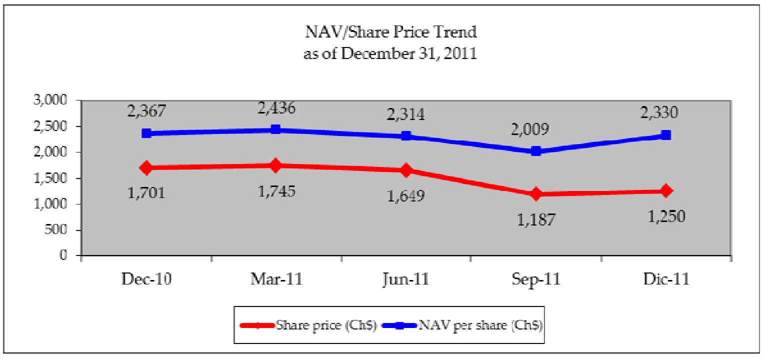
* Parent company of Enex. Debt is currently guaranteed by Quiñenco

The debt to total capitalization ratio at the corporate level (unadjusted) was 11.2% as of December 31, 2011.

NAV

As of December 31, 2011, the estimated net asset value (NAV) of Quiñenco was US$5.1 billion (Ch$2,330 per share) and market capitalization was US$2.8 billion (Ch$1,250 per share). The discount to NAV is estimated at 46.4% as of the same date.





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SEGMENT /OPERATING COMPANY ANALYSIS

Sector /Segment	Manufacturing		Financial		Energy		Other		Total		Total	
	4Q 10	4Q 11	4Q 10	4Q 11	4Q 10	4Q 11	4Q 10	4Q 11	4Q 10	4Q 11	4Q 10	4Q 11
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MUS$	MUS$
Industrial Sector												
Net income (loss) from continued operations before taxes	(6,925)	**1,336**	(6,268)	**(3.,64)**	-	**2,769**	18,793	**(22,112)**	5,600	**(21,071)**	10.8	**(40.6)**
Income (loss) tax	(878)	**3,216**	600	**402**	-	**(285)**	1,323	**(666)**	1,045	**2,667**	2.0	**5.1**
Net loss from discontinued operations	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**
Net income (loss) industrial sector	(7,803)	**4,552**	(5,668)	**(2,663)**	-	**2,484**	20,116	**(22,778)**	6,645	**(18,404)**	12.8	**(35.4)**
Banking Sector												
Net income before taxes	-	**-**	56,873	**91,584**	-	**-**	-	**-**	56,873	**91,584**	109.5	**176.4**
Income (loss) tax	-	**-**	(7,377)	**(12,156)**	-	**-**	-	**-**	(7,377)	**(12,156)**	(14.2)	**(23.4)**
Net income banking sector	-	**-**	49,496	**79,428**	-	**-**	-	**-**	49,496	**79,428**	95.3	**153.0**
Consolidated net income (loss)	(7,803)	**4,552**	43,828	**76,765**	-	**2,484**	20,116	**(22,778)**	56,141	**61,023**	108.1	**117.5**
Net income (loss) attributable to Non-controlling interests	(3,845)	**2,757**	30,193	**54,726**	-	**-**	2,748	**148**	29,097	**57,631**	56.0	**111.0**
Net income (loss) attributable to Controllers' shareholders	(3,958)	1,795	13,635	22,039	-	2,484	17,368	(22,926)	27,044	3,392	52.1	6.5

MANUFACTURING SEGMENT

The following table details consolidated income (loss) from investments in the Manufacturing segment during 2010 and 2011:

	Quarter				Year to Date			
	4Q 10		4Q 11		Dec-2010		Dec-2011	
	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$
Madeco	(3,958)	(7.6)	1,795	3.5	(2,329)	(4.5)	4,656	9.0
Total Manufacturing Segment	(3,958)	(7.6)	1,795	3.5	(2,329)	(4.5)	4,656	9.0

As of December 31, 2011 and 2010, Quiñenco's ownership of Madeco was 54.4% and 47.7%, respectively.

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MADECO

	Quarters				Quarters		Year to Date	
	4Q 10		4Q 11		4Q 10	4Q 11	Dic-10	Dic-11
	MCh$	MUS$	MCh$	MUS$[7]	ThUS$[8]	ThUS$	ThUS$	ThUS$
Sales	53,232	102.5	50,917	98.1	**110,846**	**99,400**	**417,515**	**436,825**
Operating income[9]	952	1.8	2,645	5.1	**1,979**	**5,186**	**19,834**	**29,746**
Net loss discontinued operations	-	-	-	-	**-**	**-**	**-**	**-**
Net income (loss) Controller	(8,307)	(16.0)	3,297	6.3	**(17,538)**	**6,486**	**(11,049)**	**19,157**
Total assets			384,919	741.4			706,548	**741,369**
Shareholders' equity			241,670	465.5			506,461	**465,468**

Madeco reports its financial statements in US dollars, and translates them to Chilean pesos for consolidation purposes based on the US$/Ch$ exchange rate at the end of the period in the case of the Balance Sheet, and the monthly average exchange rate in the case of the Income Statement. Madeco's figures in Chilean pesos are included for reference. However, the following analysis is based on the company's financial statements in US dollars, as filed with the SVS, as shown in the last two columns of the table.

Full Year 2011 Results

Madeco's sales in 2011 increased by 4.6% to US$436,825 thousand, due to higher average prices that offset a 5.8% drop in sales volumes. Sales of flexible packaging grew by 13.5% to US$225,944 thousand, due to higher sales in Chile, Peru and Argentina, boosted by increased average prices as well as growth in sales volumes. Sales of the profiles unit, which were up by 14.2% to US$60,378 thousand, were boosted by increased activity in the construction sector and the consolidation of the commercial strategy implemented in 2010. Sales of brass mills, however, decreased by 9.3% to US$150,167 thousand, due to a drop in sales volumes explained primarily by the shutdown of the copper sheet production line towards the end of 2010, and to a lesser extent to the sale of the coin blanks division in 2Q 2011.

During 2011, sales of the flexible packaging unit accounted for 51.8% of sales, followed by brass mills (34.4%), and profiles (13.8%).

Operating income grew 50.0% to US$29,746 thousand in 2011, mainly due to improved operating income from brass mills and profiles, higher dividend income from Nexans (US$3,389 thousand in 2010 and US$4,072 thousand in 2011), a non-recurring gain of US$1,982 thousand from the sale of a site, and tax recovery. Brass mills posted significant growth in operating income despite lower revenues, due to an improved gross margin in

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7 Converted to US$ at the observed exchange rate on December 31, 2011 (Ch$519.20 = US$1.00).
8 Correspond to Financial Statements in US dollars as reported by Madeco to the Superintendency of Securities and Insurance (SVS).
9 Operating income includes: Gross income minus Distribution Costs, Administrative expenses, other operating revenue and other operating expenses, excluding Directors' participation that has been included in other gains/losses.

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Chile together with lower SG&A expenses, resulting from the divestment of the coin blanks unit. The profiles unit's operating income increased following the growth in sales volumes coupled with a higher gross margin. Operating income from the flexible packaging unit was negatively affected by higher costs related to the start-up of the new production plant in Peru, as well as increased capacity in Chile and Argentina.

Non-operating results amounted to a loss of US$5,076 thousand, compared to a loss of US$22,708 thousand in 2010. This positive variation is mainly explained by a downward adjustment of US$14,885 thousand in 2010 to the selling price of Madeco's cable unit to Nexans, as part of the agreement that settled the arbitration between both companies. In addition, the closure of the copper sheet line implied fixed asset write-offs for US$4,200 thousand also in 2010. On the other hand, during 2011 Madeco reported a non-recurring gain of US$4,750 thousand from the sale of Nexans Colombia, transaction that also formed part of the agreement with Nexans.

Madeco reported a net gain of US$19,157 thousand in 2011, compared to a loss of US$11,049 thousand in 2010, primarily due to improved non-operating results reflecting lower non-recurring charges, and higher operating income primarily from the brass mills and profiles units. Also, in 2011 Madeco registered an income tax credit due to a restructuring of the company's legal ownership structure carried out in 2011, which generated a deferred tax asset in the flexible packaging unit, with a positive effect on results of US$8.6 million.#

4Q 2011 Results

Madeco's sales decreased by 10.3% to US$99,400 thousand in the fourth quarter of 2011 compared to the same period of 2010, mostly due to lower sales of brass mills resulting from a drop in sales volumes, due to the shutdown of the copper sheet line towards the end of 2010, and to a lesser extent due to the sale of the coin blanks unit in 2Q 2011. Sales of profiles decreased by 11.8% with respect to the last quarter of 2010, mainly due to a less favorable sales mix - with a higher portion of imported profiles - together with a stable sales volume. Sales of flexible packaging declined by 2.2% during the quarter, mainly due to lower sales volumes in Chile and Peru, partially offset by higher average prices.

During the fourth quarter of 2011, sales of the flexible packaging unit accounted for 52.9% of sales, followed by brass mills (32.5%), and profiles (14.6%).

Gross income decreased by 8.8% to US$16,636 thousand mostly due to the profiles and flexible packaging units. The profiles unit obtained lower gross income due to lower sales and increased costs reflecting the higher portion of imported products in the sales mix. Gross income from flexible packaging also decreased due to lower sales volumes in Chile and higher costs due to the start-up of the new facility in Peru. Brass mills, on the other hand, posted strong growth in its gross income as a result of an improved sales mix, following the company's focus on its more profitable products.

Operating income increased substantially from US$1,979 thousand in 4Q 2010 to US$5,186 thousand in 4Q 2011, primarily due to higher expenses related to a legal contingency in Brazil and higher restructuring costs reported in 4Q 2010, as well as non-recurring income registered in 4Q 2011 corresponding to a tax recovery generated by

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absorption of profits. Operating income from the business units diminished 27.8% due to a lower contribution from flexible packaging, primarily due to the start-up costs of the new facility in Peru, and from the profiles unit due to the fall in gross income. Growth in operating income from brass mills partially offset these decreases, based on a higher gross margin in Chile together with lower SG&A expenses, following the divestiture of the coin blanks unit.

Non-operating income for the quarter amounted to a loss of US$2,999 thousand, compared to a loss of US$16,646 thousand in 4Q 2010. This variation is mostly explained by a downward adjustment of US$11,521 thousand to the selling price of Madeco's cable unit to Nexans in 4Q 2010 and fixed-asset write-offs of US$4,200 thousand due to the closure of the copper sheet line, also in 4Q 2010.

Madeco reported a net gain of US$6,486 thousand for the fourth quarter of 2011, compared to a loss of US$17,538 thousand registered in 4Q 2010, primarily due to the impact of the settlement reached with Nexans on the selling price of Madeco's cable unit in 2010 results, as well as other non-recurring expenses reported during the previous quarter. Also, in 4Q 2011 Madeco registered an income tax credit due to a restructuring of the company's legal ownership structure carried out in 2011, which generated a deferred tax asset in the flexible packaging unit, with a positive effect on results of US$8.6 million. Operating performance of Madeco's business units fell with respect to 4Q 2010 as explained above.

FINANCIAL SEGMENT

The following table details consolidated income (loss) from investments in the Financial Segment during 2010 and 2011:

	Quarter				Year to Date			
	4Q 10		4Q 11		Dec-2010		Dec-2011	
	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$
LQIF holding	(2,830)	(5.5)	(1,329)	(2.6)	(10,371)	(20.0)	(7,991)	(15.4)
Banking sector	16,465	31.7	23,368	45.0	105,333	202.9	104,178	200.7
Total Financial Segment	**13,635**	**26.3**	**22,039**	**42.4**	**94,962**	**182.9**	**96,187**	**185.3**

As of December 31, 2011 and 2010, Quiñenco's ownership of LQIF was 50.0%. LQIF's economic rights in Banco de Chile were 39.5% as of December 31, 2011 and 40.8% as of December 31, 2010.

LQIF Holding – Full Year 2011

LQIF holding registered a loss of Ch$16,005 million, lower than the loss registered in 2010, mainly due to a non-recurring gain on the sale of the options SAOS had in Banco de Chile's capital increase. Financial income also increased based on higher availability of funds during the period, while financial costs decreased reflecting lower financial obligations. On the other hand, losses arising from the negative effect of inflation on liabilities denominated in UFs (indexed to inflation) were higher than in 2010 due to the higher rate of inflation in 2011.

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LQIF Holding – 4Q 2011 Results

LQIF Holding registered a loss of Ch$2,663 million in 4Q 2011 compared to a loss of Ch$5,668 million in 4Q 2010, mainly due to a non-recurring gain on the sale of the options SAOS had in Banco de Chile's capital increase, partially offset by higher losses from the negative effect of inflation on liabilities denominated in UFs (indexed to inflation) due to a higher rate of inflation in 4Q 2011.

Banking Sector

The Banking sector is comprised of Banco de Chile and SM Chile. The most relevant item included in the income statement in the case of SM Chile, are the interests of the Subordinated Debt with the Chilean Central Bank.

BANCO DE CHILE

	Quarters				Year to Date			
	4Q 10		4Q 11		Dic-10		Dic-11	
	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$
Operating revenues	298,084	574.1	**284,116**	547.2	1,168,782	2,251.1	**1,223,782**	2,357.1
Provision for loan losses	(75,427)	(145.3)	**(16,452)**	(31.7)	(208,590)	(401.8)	**(124,840)**	(240.4)
Operating expenses	(145,818)	(280.9)	**(156,478)**	(301.4)	(545,079)	(1,049.8)	**(613,848)**	(1,182.3)
Net income (loss)	69,896	134.6	**99,587**	191.8	378,529	729.1	**428,805**	825.9
Loan portfolio					14,365,832	27,669.2	**17,377,793**	33,470.3
Total assets					18,235,376	35,122.1	**21,740,947**	41,873.9
Shareholders' equity					1,404,125	2,704.4	**1,739,173**	3,349.7
Net financial margin	5.2%		**4.3%**		5.3%		**4.8%**	
Efficiency ratio	48.9%		**55.1%**		46.6%		**48.7%**	
ROAE	17.2%		**20.2%**		24.7%		**23.7%**	
ROAA	1.6%		**1.8%**		2.2%		**2.1%**	

Full Year 2011 Results

Banco de Chile reported net income of Ch$428,805 million in 2011, 13.3% higher than in 2010, reflecting the strong growth of its commercial business units, lower credit risk and provisions for loan losses given the favorable environment, a higher contribution from the bank's net asset position in UFs within a context of higher inflation, and increased fee income.

Operating revenues, which include net financial income, fee income and other operating income, grew by 4.7% to Ch$1,223,782 million in 2011. This increment in operating revenues is explained by a 4.4% increase in net financial income, and also by a 5.6% growth in fees and commissions.

Net financial income reached Ch$852,936 million, mainly due to higher nominal interest rates, raising income from non-interest bearing liabilities as they replaced more expensive funding sources, and strong growth in total

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loans that offset the drop in lending spreads. The favorable effect of inflation on the Bank's net asset position in UFs also contributed to growth during the year. The above was partially offset by lower net financial operating and foreign exchange income due to the sale of a non-performing corporate loan portfolio that generated a loss of approximately Ch$42 billion.

Fee income increased by 5.6% to Ch$308,773 million, mainly derived from higher commercial activity in insurance brokerage, as well as credit and debit cards, in line with the Bank's initiatives to increase the use of these means of payment.

Provisions for loan losses amounted to Ch$124,840 million as compared to Ch$208,590 million reported in 2010. This significant reduction of 40.2% is mainly attributable to the following non-recurring items: the release of approximately Ch$45 billion in allowances due to the sale of the non-performing portfolio mentioned above, contingency and countercyclical provisions set in 2010 amounting to Ch$22 billion and Ch$20 billion respectively, partially offset by countercyclical provisions established in 2011 for Ch$24 billion. Net of these non-recurring items provisions for loan losses decreased by 11.9%, reflecting the improved economic situation with lower unemployment and higher real salaries fuelling consumption and commercial activity. Also, continuous improvements in credit processes allowed the Bank to reduce credit risk charges despite the growth in total loans.

Operating expenses increased by 12.6% to Ch$613,848 million compared to 2010, mostly due to the growth in the Bank's business activity, as well as non-recurring expenses. The higher level of business activity implied greater outsourced sales force expenses, an addition of 25 branches to the distribution network, higher transactional costs and an increment in marketing expenses. Also, a special bonus of Ch$28 billion was granted during the period to the Bank's staff as part of the collective bargaining agreements. On the other hand, 2010 expenses include Ch$6.4 billion related to write-offs of over-accrued fees, and expenses related to the earthquake amounting to Ch$0.6 billion.

As of December 2011, the Bank's loan portfolio posted a strong annual expansion of 21.0%, placing the Bank as the market leader in total loans. This growth is the result of effective commercial initiatives, including strategic alliances, new products and joint efforts of some of the commercial divisions. Thus, consumer loans grew by 20.7%, residential mortgage loans by 23.3%, and commercial loans by 19.1%.

Banco de Chile is the first ranked bank in the country with a market share of 19.8% of total loans, according to information published by the Chilean Superintendency of Banks for the period ended December 31, 2011. Its return on capital and reserves after taxes (annualized) reached 24.7%, compared to 17.4% for the local financial system, according to the same source.

4Q 2011 Results

Banco de Chile reported net income of Ch$99,587 million in the fourth quarter of 2011, 42.5% higher than that obtained during the fourth quarter of 2011. These positive results mainly reflect strong growth in total loans, higher income from financing a relevant portion of interest earning assets with non-bearing liabilities, a higher

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rate of inflation that implied a higher contribution from the Bank's net asset position in UFs, and lower provisions for loan losses.

Operating revenues, which include net financial income, fee income and other operating income, decreased by 4.7% to Ch$284,116 million in the fourth quarter of 2011. This decline in operating revenues was due to lower net financial income and lower fee income.

Net financial income reached Ch$205,059 million, diminishing 3.0%with respect to that obtained in the fourth quarter of 2010, due to a loss in net financial operating and foreign exchange income mainly derived from a Ch$42 billion loss from the sale of a non-performing corporate loan portfolio. This effect was partially offset by loan portfolio growth of 21.0% that mitigated the decrease in lending spreads, higher net interest income derived from a higher yield of current accounts and demand deposits, given increasing nominal interest rates, and a higher contribution from the Bank's net asset position in UFs given the higher rate of inflation in 4Q 2011. Net financial income comprised 72.2% of operating revenues in 3Q 2011.

Fee income decreased by 7.3% to Ch$73,584 million, mainly due to lower activity in mutual funds, securities brokerage and financial advisory services, following the lower liquidity observed in the local market as compared to 2010.

Provisions for loan losses amounted to Ch$16,452 million as compared to Ch$75,427 million reported in 4Q 2010. This 78.2% decrease is primarily explained by the sale of the corporate loan portfolio mentioned above, releasing allowances for Ch$45 billion, and contingency and countercyclical provisions of Ch$43 billion set in 4Q 2010 as compared to Ch$24 billion of countercyclical provisions set in 4Q 2011. Excluding these non-recurring items, recurring provisions for loan losses posted a 20.5% rise, mainly explained by greater recurring loan provisions in the wholesale banking segment, reflecting the growth in total loans together with a slight increase in credit risk given the moderate economic slowdown observed towards the end of 2011. This was partially offset by lower provisions in the retail segment reflecting improved credit risk profiles.

Operating expenses increased by 7.3% to Ch$156,478 million, mainly explained by the Bank's higher commercial activity and the corresponding increase in personnel and administrative expenses, including performance bonuses, increased outsourced sales force expenses, and external advisory expenses.

As of December 2011, the Bank's loan portfolio posted quarterly growth of 3.6%, based on growth in all types of loans.

Interest Subordinated Debt – Full year 2011

In 2011 accrued interest expense of the Subordinated Debt with the Chilean Central Bank increased by 11.4% with respect to 2010, due to the higher rate of inflation in 2011.

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Interest Subordinated Debt – 4Q 2011

In the fourth quarter of 2011 accrued interest expense of the Subordinated Debt with the Chilean Central Bank increased by 15.4% with respect to the fourth quarter of 2010, due to a higher rate of inflation during 4Q 2011.

ENERGY SEGMENT

The following table details the contribution of the investments in the Energy Segment during 2011 to Quiñenco's net income:

	4Q 10		4Q 11		Dec-2010		Dec-2011	
	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$
Enex	-	-	2,484	4.8	-	-	3,028	5.8
Total Energy Segment	**-**	**-**	**2,484**	**4.8**	**-**	**-**	**3,028**	**5.8**

As of December, 2011, Quiñenco controls 100% of the energy segment. Results correspond to the seven month period from June to December 2011, following the acquisition on May 31, 2011.

ENEX[10]

	Quarters				Year to Date			
	4Q 10		4Q 11		Dic-10		Dic-11	
	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$
Sales	-	-	339,191	653.3	-	-	**731,728**	1,409.3
Operating income (loss)	-	-	4,934	9.5	-	-	**7,280**	14.0
Net income (loss) Controller	-	-	2,484	4.8	-	-	**3,028**	5.8
Total assets							**438,886**	845.3
Shareholders' equity							**229,059**	441.2

Full Year 2011 Results

During the seven month period between June and December 2011, Enex reported sales of Ch$731,728 million, corresponding primarily to sales of fuels, followed by lubricants, asphalts, chemical products and services. The total volume of fuel dispatched amounted to 1,164 thousand cubic meters during the period. Sales during the period were affected by a contraction of the market, in addition to other exceptional factors such as adverse climate conditions in the south of the country, lower volumes related to electric generation, and the temporary stoppage of mining operations in which Enex has an important share.

[10] The energy sector (Enex) includes Enex S.A., Inversiones Enex S.A., and Enex Trading S.A., as well as Inversiones Río Cobre Ltda., and the latters' holding company Inversiones Río Aurum S.A., both fully-owned indirect subsidiaries of Quiñenco. As part of the financing of the acquisition of Enex, Inversiones Río Aurum obtained bank debt amounting to US$155 million, with Quiñenco's guarantee.

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Gross income during the period reached Ch$60,640 million, also primarily attributable to fuels, followed by lubricants, asphalts, chemical products and services. Net operating expenses amounting to Ch$53,360 million, corresponding mainly to administrative expenses of Ch$57,423 million, partially offset by dividend income of Ch$2,127 million from Sonacol. Thus, operating income during the period reached a gain of Ch$7,280 million.

Non-operating income amounted to a loss of Ch$3,986 million, corresponding mainly to the financial costs of the bank debt required to finance the acquisition of Enex. Thus, net income for the seven month period reached Ch$3,028 million.

4Q 2011 Results

During the 4Q 2011, Enex reported sales of Ch$339,191 million, corresponding primarily to sales of fuels, followed by lubricants, asphalts, chemical products and services.

Gross income reached Ch$27,365 million, also primarily attributable to fuels, followed by lubricants, asphalts, chemical products and services. Net operating expenses amounting to Ch$22,431 million, corresponding mainly to administrative expenses of Ch$23,769 million, partially offset by dividend income of Ch$840 million from Sonacol during the quarter. Thus, operating income in 4Q 2011 reached a gain of Ch$4,934 million.

Non-operating income amounted to a loss of Ch$2,165 million, corresponding primarily to the financial costs of the bank debt required to finance the acquisition of Enex. Thus, net income for the 4Q 2011 reached Ch$2,484 million.

OTHER SEGMENT

The following table details consolidated income (loss) from investments in the Segment Other during 2010 and 2011:

	Quarter				Year to Date			
	4Q 10		4Q 11		Dec-2010		Dec-2011	
	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$
IRSA (CCU)[11]	12,065	23.2	14,681	28.3	35,979	69.3	39,921	76.9
CSAV	-	-	(36,973)	(71.2)	-	-	(70,181)	(135.2)
Quiñenco & other	5,303	10.2	(634)	(1.2)	162,994	313.9	14,356	27.7
Total Segment Others	**17,368**	**33.5**	**(22,926)**	**(44.2)**	**198,973**	**383.2**	**(15,904)**	**(30.6)**

As of December 31, 2011 and 2010, Quiñenco's ownership of CCU was 33.1%.
As of December 31, 2011, Quiñenco's ownership of CSAV was 20.6%.

[11] Corresponds to Quiñenco's proportionate share of CCU's net income, prepared in accordance with IFRS.

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CCU

	Quarters				Year to Date			
	4Q 10		4Q 11		Dic-10		Dic-11	
	MCh$	MUS $	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$
Sales	250,725	482.9	315,857	608.4	838,258	1,614.5	**969,551**	1,867.4
Operating income (loss)	50,842	97.9	71,994	138.7	162,049	312.1	**190,760**	367.4
Net income (loss)	36,845	71.0	44,990	86.7	110,700	213.2	**122,752**	236.4
Total assets					1,151,689	2,218.2	**1,298,491**	2,500.9
Shareholders' equity					505,655	973.9	**568,976**	1,095.9

Full Year 2011 Results

CCU's sales in 2011 increased by 15.7% compared to 2010, due to higher consolidated sales volumes together with higher average prices. The 6.4% growth in sales volumes was led by spirits (7.5%) and non-alcoholic beverages (6.1%) followed by the Argentine beer segment (4.9%), the Chilean beer segment (4.6%), and wine (0.6%). Higher average prices of 9.0% were across the board. Revenues by core businesses can be broken down as follows: beer Chile (32.3%), beer Argentina (20.4%), non-alcoholic beverages (25.6%), wine (14.3%), spirits (5.3%) and others (2.1%).

Operating income grew by 17.7% to Ch$190,760 million in 2011, reflecting the growth in sales and a non-recurring gain of Ch$13,289 million due to the positive effect of the insurance settlement related to the 2010 earthquake, partially offset by higher COGS, reflecting higher raw material and energy costs, and increased SG&A expenses . Operating income in 2010 included a non-recurring gain of Ch$6,791 million from the sale of a site in Lima, Peru. The consolidated operating margin was 19.7% of sales, compared to 19.3% in 2010. EBITDA amounted to Ch$238,542 million, increasing 15.1% over 2010.

CCU reported non-operating losses of Ch$11,068 million, 23.4% below the loss reported in 2010, mainly due to gains related to hedges covering foreign exchange variations on taxes, and to a lesser extent due to lower financial costs reflecting a lower debt balance. On the other hand, a higher rate of inflation in 2011 generated increased losses from liabilities indexed to inflation (denominated in UFs).

Net income in 2011 amounted to Ch$122,752 million, 10.9% higher than in 2010, primarily due to the improved operating results together with lower non-operating losses explained above, partially offset by higher income tax during the year due to higher profits and a higher corporate income tax rate in Chile, the effect of foreign exchange variations on taxes, a settlement with the Chilean IRS, higher profits in Argentina and a non-recurring loss at Aguas CCU-Nestle.

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4Q 2011 Results

CCU's consolidated sales grew by 26.0% in the fourth quarter of 2011 compared to the same period in 2010, as a result of 15.0% higher average prices and 10.0% growth in sales volumes. The growth in sales volumes was across the board, led by spirits (19.4%), wine (10.9%), the Chilean beer segment (+8.4%), non-alcoholic beverages (+8.2%), and finally the Argentine beer segment (+2.8%). 3.1 percentage points of growth in volume is explained by non-organic growth in cider and spirits in Argentina and spirits in Chile. Higher average prices are mainly explained by a 37.1% increment of average beer prices in Argentina, followed by a 24.3% increase in spirits mostly due to the distribution of Pernod Ricard products, a 6.1% increase in wine prices, a 4.8% increment in non-alcoholic beverages and a 4.4% rise in beer in Chile.

Gross profit increased by 26.4% to Ch$176,556 million as a result of the above mentioned higher sales level, partially offset by an increment of 25.4% in COGS. However, as a percentage of sales COGS diminished slightly from 44.3% in 4Q 2010 to 44.1% in 4Q 2011. Therefore, the gross margin as a percentage of sales increased from 55.7% in 4Q 2010 to 55.9% in 4Q 2011.

Operating income reached Ch$71,994 million up 41.6% from 4Q 2010, boosted by growth in gross profit, partially offset by higher SG&A expenses, mostly explained by the addition of the cider business acquired towards the end of 2010, inflationary pressures in Argentina and higher distribution costs. However, as a percentage of sales SG&A expenses decreased from 35.9% in 4Q 2010 to 34.7% in 4Q 2011. Thus, the consolidated operating margin reached 22.8% of sales, compared to 20.3% in the same period of 2010. EBITDA amounted to Ch$84,317 million, increasing 33.2% over 4Q 2010.

CCU reported non-operating losses of Ch$4,943 million compared to a loss of Ch$3,930 million in 4Q 2010. The variation is mainly explained by a higher rate of inflation in 2011 that generated increased losses from liabilities indexed to inflation (denominated in UFs).

Net income for the fourth quarter of 2011 amounted to Ch$44,990 million, up from the Ch$36,845 million reported in 4Q 2010, reflecting the improved operating income, partially offset by the higher non-operating losses explained above, higher minority interest due to improved results at Viña San Pedro Tarapacá, Aguas CCU-Nestle and the new cider business in Argentina, and higher income tax. The latter is due to higher profits and a higher corporate income tax rate in Chile, the effect of foreign exchange variations on taxes, a settlement with the Chilean IRS, and higher profits in Argentina.

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CSAV

	Quarters		Year to Date	
	4Q 10	4Q 11	Dic-10	Dic-11
	ThUS$	ThUS$	ThUS$	ThUS$
Sales	1,122,628	801,292	5,214,623	5,151,948
Operating income (loss)	(7,223)	(142,759)	206,473	(1,040,586)
Net income (loss)	(9,034)	(381,822)	170,820	(1,249,775)
Total assets			3,218,159	3,179,509
Shareholders' equity			1,364,042	585,472

Full Year 2011 Results

CSAV's operations in 2011 were negatively affected by negative trends in the containership business. An increasing over supply of vessels led to sharp drops in freight rates along most of the routes operated by the company. In addition, during 2010 and early 2011, CSAV expanded its transport capacity, almost doubling 2009 capacity. However, transported volumes did not increase accordingly, thus reducing vessel usage rates.

CSAV's consolidated sales in 2011 decreased by a slight 1.2% with respect to 2010, primarily due to significant drops in freight rates, that more than offset the 7.5% increase in volumes transported along containership routes, and lower vessel usage rates.

During 2011 gross income amounted to a loss of US$725 million, compared to a gain of US$218 million reported in 2010, mostly due to higher costs derived from the increased operating capacity, the growth in transported volumes, and the important increase in fuel prices.

Operating income was a loss of US$1,041 million in 2011, whereas in 2010 the company reported a gain of US$218 million. This variation is mainly due to an 18.8% increase in administrative expenses due to the growth in the organizational structure from the end of 2010 to mid 2011, the company's increased activities, and higher inflation in most of the markets where the company operates.

Non-operating income for the year amounted to a gain of US$39 thousand, significantly below the gain of US$11 million reported in 2010. This negative variation is primarily due to a loss of US$10.3 million reported in 2011 from the sale of the vessel Maule, and a gain of US$2.3 million in 2010 from the sale of shares of CCNI and negative goodwill of US$6.8 million.

CSAV reported a net loss of US$1,250 million in 2011, due to the lower operating and non-operating results explained above. In addition, the company reported a net loss after taxes of US$280 million from discontinued operations, resulting from the restructuring plan implemented in May 2011. It is worth noting that this restructuring plan and strategic redefinition implied a reduction in the company's operating capacity, lowering

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also the volumes transported, focusing on the most relevant markets, and establishing important joint-operation agreements with other shipping companies. Discontinued operations include the excess installed capacity and the costs derived from restructuring services, such as leasing, storing and redelivering equipment, costs of vessels not in use, and costs related to future losses on ship subleases.

The main objectives of the restructuring plan are to: i) reduce CSAV's exposure to the volatility of the shipping industry; ii) improve efficiency, operating larger sized vessels with strategic associations with industry leaders; iii) increase the portion of owned vessels; and iv) improve the company's organizational structure, information systems and decision making processes.

4Q 2011 Results

During the fourth quarter of 2011 the first effects of the restructuring plan implemented by CSAV towards the middle of the year started to have effects on results with net losses from continuing operations decreasing with respect to the previous quarters.

CSAV's consolidated sales in 4Q 2011 decreased by 28.6% with respect to 2010, primarily due to a 27.7% reduction in transported volume of containership services.

During 4Q 2011 gross income amounted to a loss of US$58 million, compared to a gain of US$71 million reported in 4Q 2010, mostly due to higher prices of fuel that have not been passed on to end-prices given existing vessel overcapacity and intense competition. Operating income was a loss of US$143 million in 4Q 2011 versus a loss of US$7 million in 4Q 2010. This variation is mainly due to the lower gross income coupled with higher administrative expenses.

Non-operating income for the quarter amounted to a loss of US$8 million as compared to a gain of US$6 million reported in 4Q 2010. This negative variation is primarily due to exchange rate losses in 4Q 2011.

CSAV reported a net loss of US$382 million in 4Q 2011, due to the lower operating and non-operating results explained above. In addition, the company reported a net loss after taxes of US$235 million from discontinued operations, resulting from the restructuring plan implemented in May 2011.

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QUIÑENCO and Others

Full Year 2011 Results

The significant decrease of Ch$148,638 million in Quiñenco and others, is primarily explained by the non-recurring pre-tax gain of Ch$169,513 million on the sale of an 8.52% share of LQIF to Citigroup, following the exercise of its first option on April 30, 2010, and a non-recurring gain of Ch$8,725 million from the sale of Telsur, also in 2010. Income taxes, however, decreased mainly reflecting the taxes related to the sale of the 8.52% share in LQIF in 2010 mentioned above. In addition, financial income increased in 2011 reflecting income at the corporate level, and Banchile Seguros de Vida contributed with 42.4% growth in net income.

4Q 2011 Results

Quiñenco and others obtained a loss of Ch$634 million in 4Q 2011, compared to a gain of Ch$5,303 million in 4Q 2010, mainly reflecting lower financial income during the quarter, due to the company's lower net cash position, mostly owing to the use of funds in the investments in Enex and CSAV carried out during 2011. At the corporate level, as of the second quarter of 2011, financial assets related to its current cash position, are valued at fair value with effects on the income statement. During the quarter Banchile Seguros de Vida posted a 3.0% increase in net income.

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All of Quiñenco's Earnings and Press Releases and other relevant information on the Company, including quarterly financial statements, are available for viewing on the Company's website:

www. quinenco.cl
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