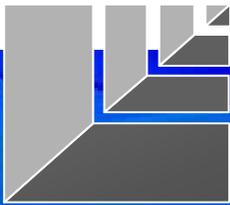




# QUIÑENCO S.A.



**March 2012**



1	<b>Quiñenco Overview</b>
2	Recent Events
3	Financial Overview
4	Main Operating Companies
5	Conclusions



# Quiñenco

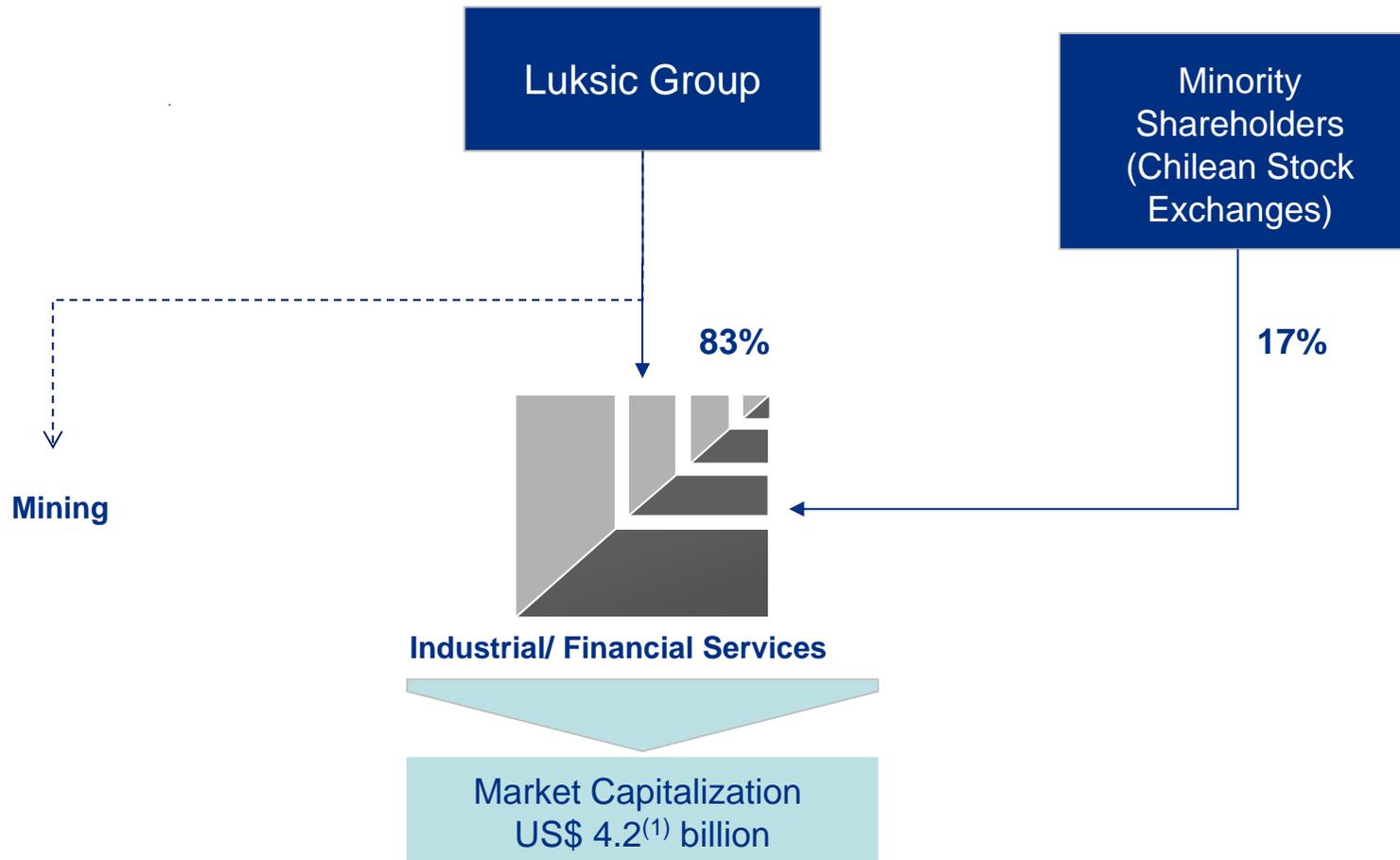


**Banco de Chile**

- Quiñenco is one of Chile's largest business conglomerates with US\$42 billion in assets under management
- Companies managed by Quiñenco generated sales revenue of US\$4.7 billion in 2010
- The Quiñenco group of companies employs over 16,000 people in Chile and abroad

**MADECO**

# Ownership Structure



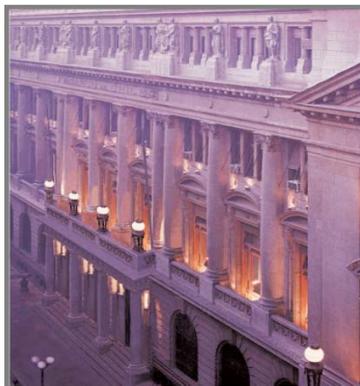
(1): Market Capitalization as of March 14, 2012.

# Quiñenco: Main Operating Companies



% Control as of March 2012

59.3%



**Banco de Chile**

Mkt. Cap<sup>(1)</sup>: US\$ 14.1 bln

- 1st bank in Chile
- Merged with Citibank Chile on January 1<sup>st</sup> 2008
- Jointly controlled with Citigroup

66.1%



**CCU**

Mkt. Cap<sup>(1)</sup>: US\$ 4.5 bln

- N°1 Chilean beer producer with 83% market share
- Main beverage producer in Chile
- 2<sup>nd</sup> largest beer producer in Argentina
- Jointly controlled with Heineken

54.4%



**Madeco**

Mkt. Cap<sup>(1)</sup>: US\$ 352 mln

- Manufacturer of copper, aluminum and flexible packaging products
- Main shareholder of French cable producer Nexans with 19% stake

37.4%



**CSAV + SAAM**

Mkt. Cap<sup>(1)</sup>: US\$ 1.4 bln

- Largest shipping company in America and one of the largest worldwide
- Main businesses are containerized cargo transportation and terminal operations

100%



**Enx**

US\$ 633 mln

- N°2 retail distributor of fuels with 300 service stations
- Transaction closed on May 31, 2011

<sup>(1)</sup> Market Capitalization as of March 14, 2012

# First Class Board and Management



## Board of Directors



Guillermo Luksic  
Craig  
Chairman



Andrónico Luksic  
Craig  
Vice Chairman



Jean-Paul Luksic  
Fontbona  
Director



Gonzalo Menéndez  
Duque  
Director



Hernán Büchi Buc  
Director



Matko Koljatic  
Maroevic  
Director



Fernando Cañas  
Berkowitz  
Director

## Senior Management

- Francisco Pérez Mackenna  
Chief Executive Officer
- Martín Rodríguez Guiraldes  
Manager of Strategy and Performance Appraisal
- Manuel José Noguera Eyzaguirre  
Chief Counsel
- Pilar Rodríguez Alday  
Investor Relations Manager
- Felipe Joannon Vergara  
Manager of Business Development
- Luis Fernando Antúnez Bories  
Chief Financial Officer
- Oscar Henríquez Vignes  
General Accountant
- Davor Domitrovic Grubisic  
Legal Advisor
- Pedro Marín Loyola  
Manager of Performance Appraisal and Internal Auditor

# Over 50 years of history



## 1957-1996

**1957:** Sociedad Forestal Quiñenco S.A is created.

**1960's:** Sociedad Forestal Quiñenco S.A. adds Empresas Lucchetti S.A. and Forestal Colcura S.A. to its scope of activities.



**1970's:** Hoteles Carrera S.A. is added to Quiñenco.

**1980's: Acquisition of shares of** Banco O'Higgins and of Banco Santiago

Controlling share of Madeco and Compañía Cervecerías Unidas is acquired.

**MADECO**



**1993:** The OHCH group is established, to later control Banco de Santiago in 1995.

**1996:** Quiñenco is established as the financial and industrial parent company of the Group.

## 1997-2004

**1997:** Quiñenco's subsidiary VTR sells 100% of mobile phone company, Startel, to CTC.

**1999:** Quiñenco sells stake in OHCH, later acquiring 51.2% of Banco de A. Edwards and 8% of Banco de Chile

**BANCO EDWARDS** **Banco de Chile**

Quiñenco sells its stake in VTR Hipercable. It then buys a 14,3% stake in Entel S.A.



**2001:** Quiñenco becomes the controller of Banco de Chile.

**2002:** Banco de Chile and Banco de A. Edwards are merged. **Banco de Chile**

**2004:** Quiñenco divests Lucchetti Chile, then buys Calaf through a joint venture with CCU.

Quiñenco buys 11.4% of Almacenes París, later sold off with profits.



## 2005-2011

**2008:** Banco de Chile and Citibank Chile merge on January 1st. Historical transaction between Madeco and French cable producer Nexans.



**2009:** Sale of remaining Entel shares (2,9%)

**2010:** Quiñenco divests Telsur.

Citigroup exercises its options for 17.04% of LQIF, controlling entity of Banco de Chile, increasing its share to 50%.

**2011:** Quiñenco acquires a 20.6% stake in shipping company CSAV. In early 2012 this stake reached 37.4%



Madeco signs agreement with Nexans and increases its stake up to 20%.

In March, Quiñenco signs agreement to purchase Shell's assets in Chile. The transaction is closed on May 31.



# Focused Diversification



Food & Beverage  
Hotels

Food & Beverage  
Hotels  
Manufacturing  
Telecom  
Financial Services

Food & Beverage  
Hotels  
Manufacturing  
Telecom  
Financial Services

Food & Beverage  
Manufacturing  
Telecom  
Financial Services

Food & Beverage  
Manufacturing  
Financial Services

Food & Beverage  
Manufacturing  
Financial Services  
Transport  
Energy

1970s

1980s

1990s

2000

2010

2011

# Quiñenco – Investment Criteria



→ Brand & consumer franchise development potential

→ Sufficient critical mass

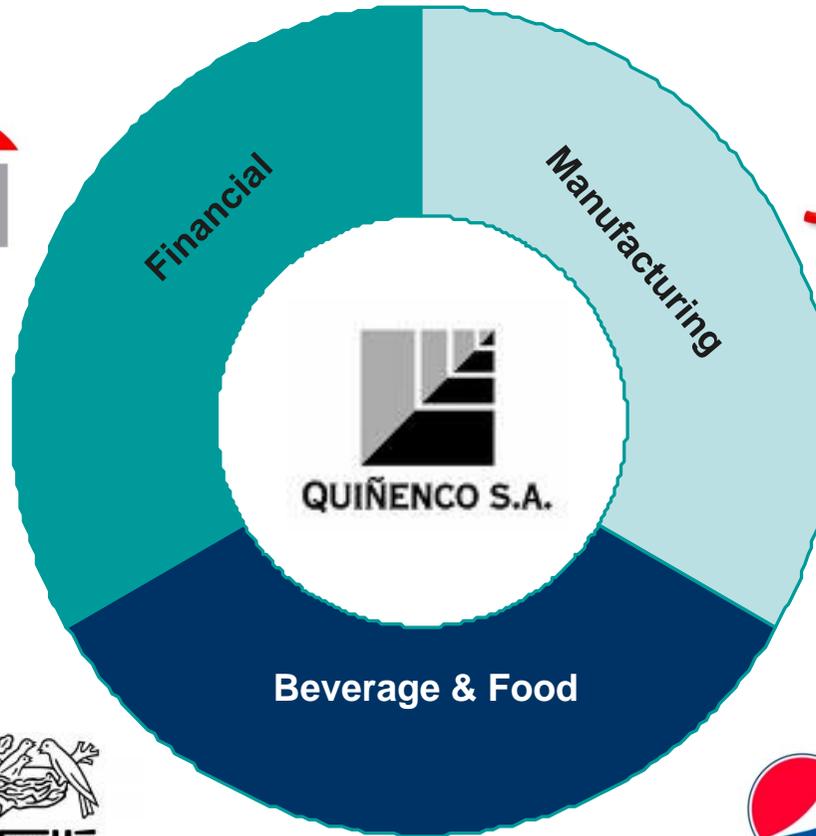
→ Prior operating or industry experience

→ Access to strategic partners/commercial alliances/  
synergies

→ Growth platform or add-on acquisition potential

→ Controlling stakes

# Quiñenco: World Class Strategic & Commercial Alliances



Good Food, Good Life



Quiñenco partners with world class players to develop its markets and products to take advantage of combined know-how, experience and financial capacity

# Value Creation System



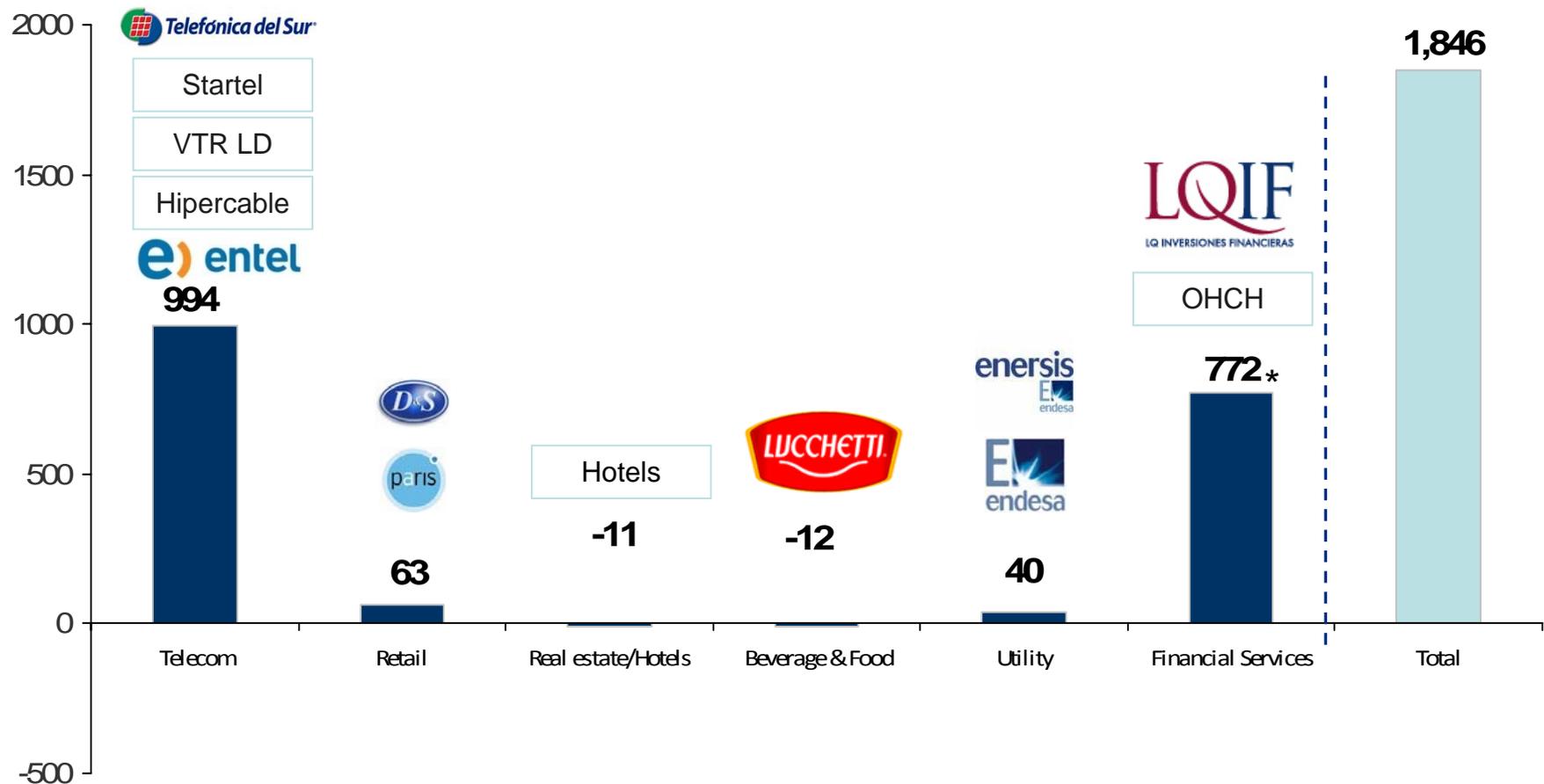
Quiñenco has developed a value creation system through the professional management of its investments

- Acquisitions
- Restructurings
- Development & maximization of profitability of business portfolio
- Divestments



# Corporate Level Transactions

Quiñenco has carried out various transactions throughout its history, generating close to US\$2 billion in profits over the last 14 years from divestments of US\$4.3 bln



<sup>(1)</sup>: Figures translated from constant Chilean pesos as of September 30, 2011, at the exchange rate of Ch\$521.76= 1US\$

\* Includes the gain generated by Citigroup's first option for 8.52% share of LQIF, before taxes. The second option for an additional 8.52% generated an increment in equity of US\$285.8 million, after taxes.

# Leading Market Positions



The company's investment strategy allows it to maintain a leading position in all of its business areas and product segments:

Business	Industry	Product	Ranking <sup>(1)</sup>	Market Share <sup>(1)</sup>
<b>Banco de Chile</b>	Financial Services	Loans	2	19%
		Deposits	1	23%
	Beverages	Beer Chile	1	83%
		Beer Argentina	2	23%
		Carbonated Beverages	2	24%
		Juices <sup>(2)</sup>	1	60%
		Mineral Water <sup>(3)</sup>	1	59%
		Wine Exports	2	12%
		Domestic Wine	3	24%
		Pisco	1	50%
<b>MADECO</b>	Manufacturing	Flexible Packaging Chile	1	33%
		Flexible Packaging Peru	1	58%
		Brass Mills Chile	1	63%
		Aluminum profiles Chile	1	50%

(1): Ranking and Market Share as of December 2010

(2): Bottled juice

(3): Excludes flavored mineral water

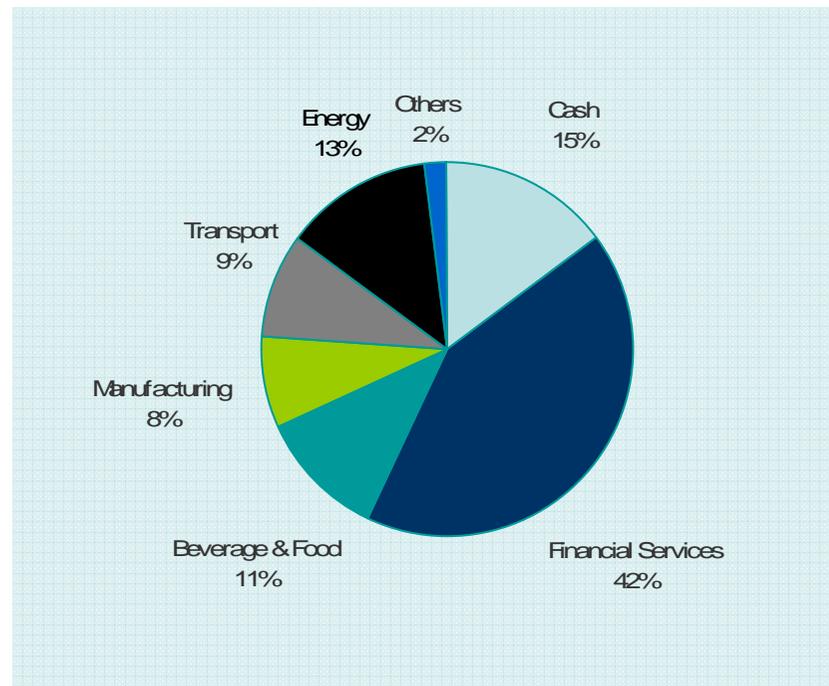
# Diversified Investments



Quiñenco is one of the most diversified holding companies in Chile. During its history it has invested in sectors where it has a recognized track-record and experience in the industry.

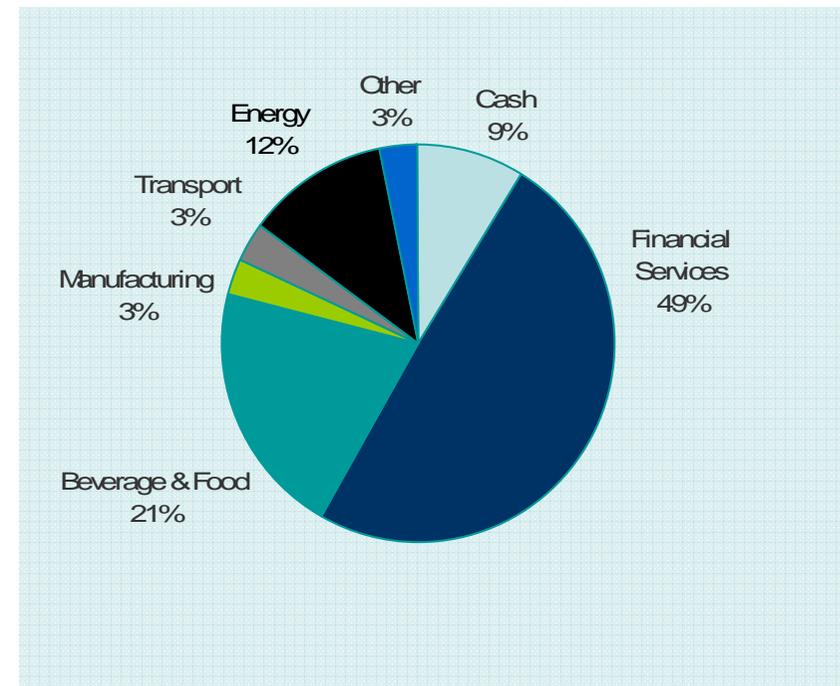
## Investments by Sector

(US\$ 3.4 billion as of September 30, 2011)



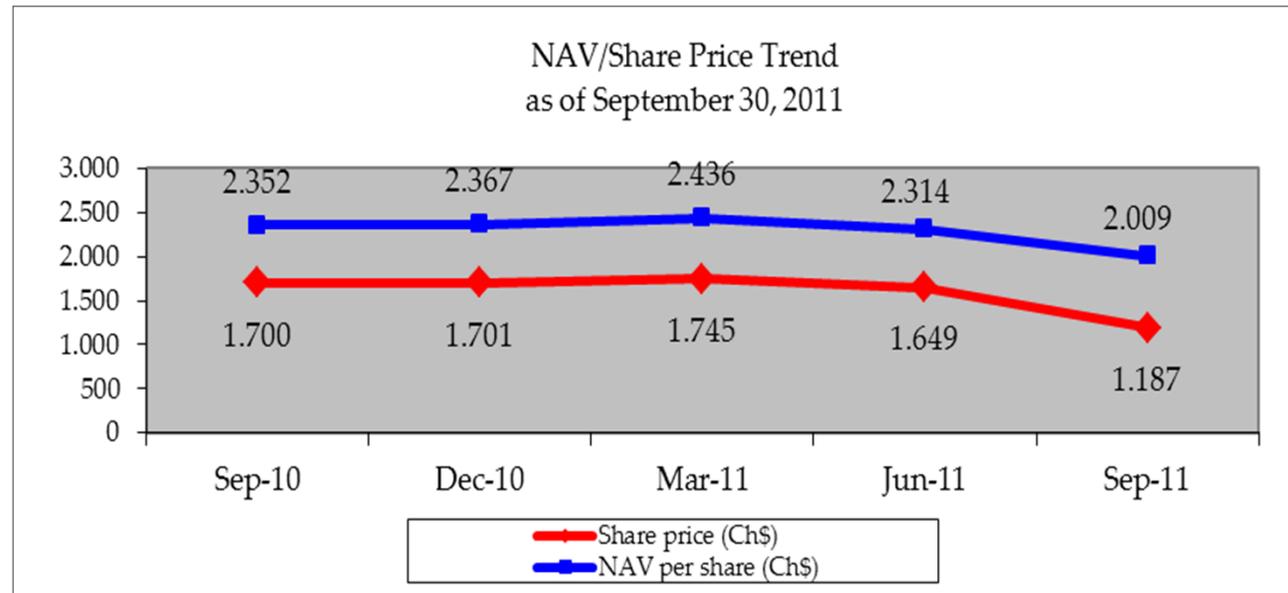
## Net Asset Value<sup>(1)</sup> (NAV)

(US\$ 4.4 billion as of September 30, 2011)



(1): Market Value of Quiñenco's operating companies + Market Value of Financial Investments + Book value of other assets, net of other liabilities + Cash at the Corporate level - Debt at the Corporate level.

# NAV & Share Price Trend



Note: Market information and book values as of September 30, 2011

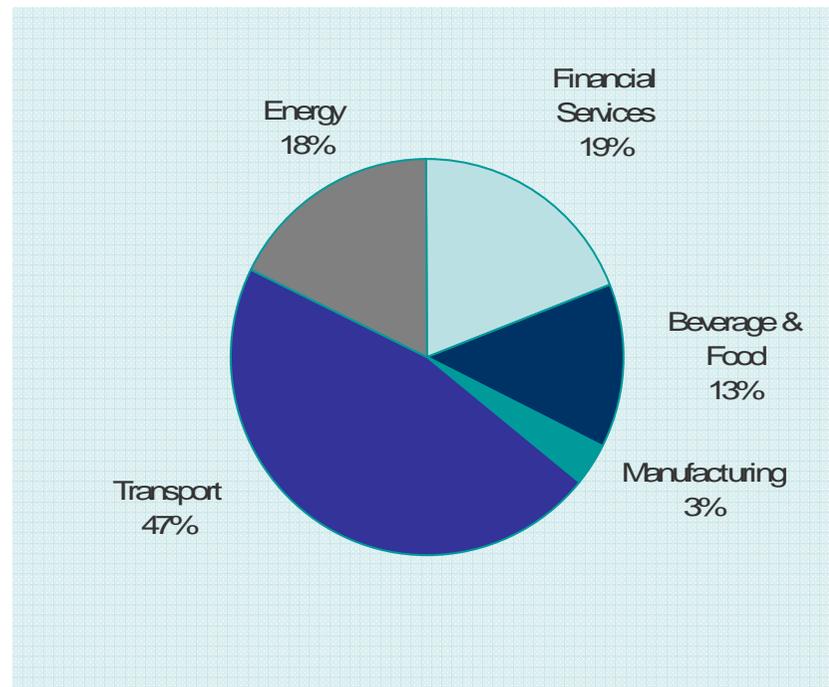
NAV: US\$4.4 billion  
Market Cap: US\$2.6 billion

# Diversified Revenues and Results

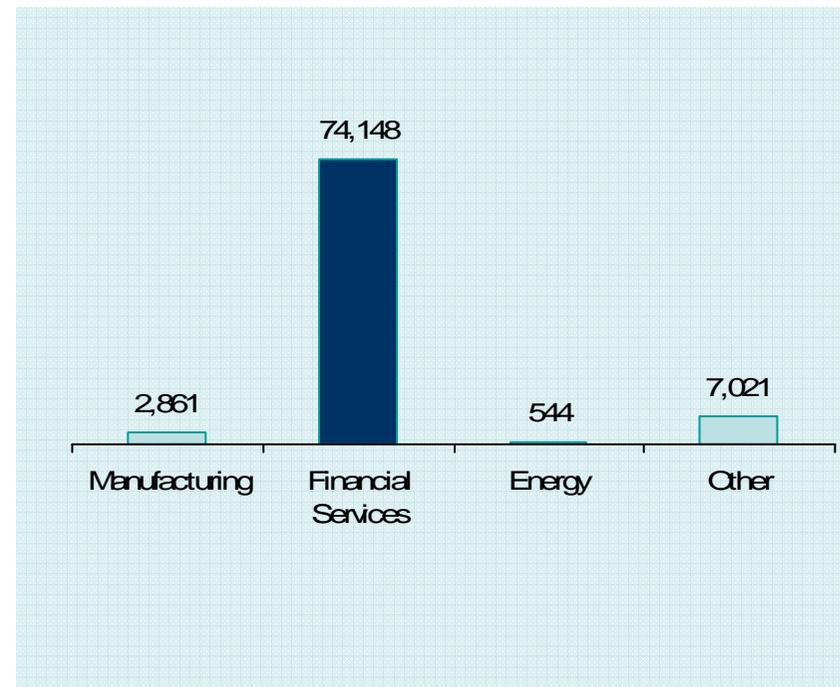


Quiñenco has achieved diversified revenues and results, thus generating stable cash flows

## Aggregate Revenues by Sector<sup>(1)</sup> (YTD September 2011)



## Net Income <sup>(2)</sup> (YTD September 2011, MCh\$)



(1) Includes proforma sales of Enex for the nine month period.

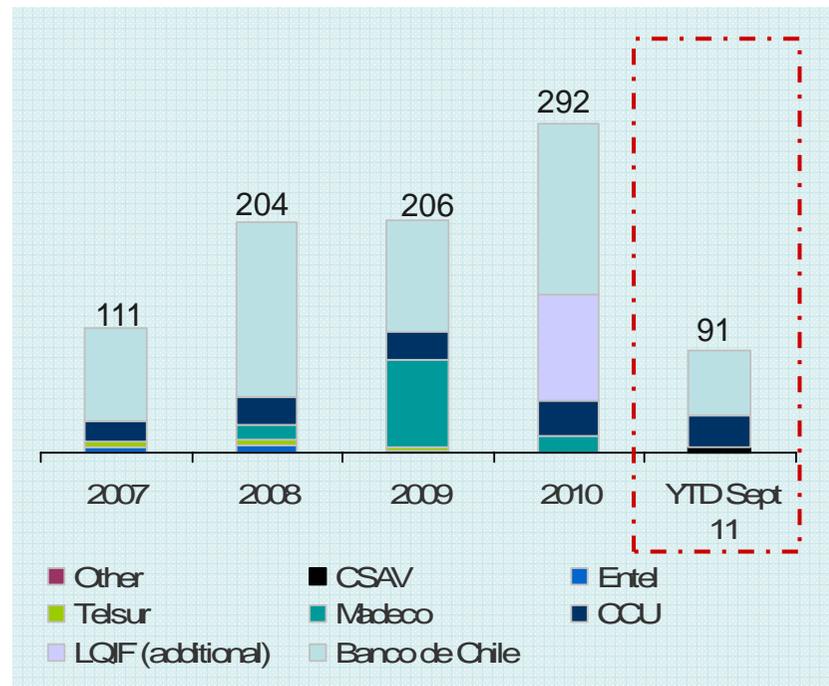
(2) Corresponds to the contribution of each segment to Quiñenco's net income. As of September 2011 the investment in CSAV is accounted for as an equity investment. The Energy segment corresponds to four month's results from June to September, following the acquisition on May 31, 2011.

# Stable Dividend Cashflow

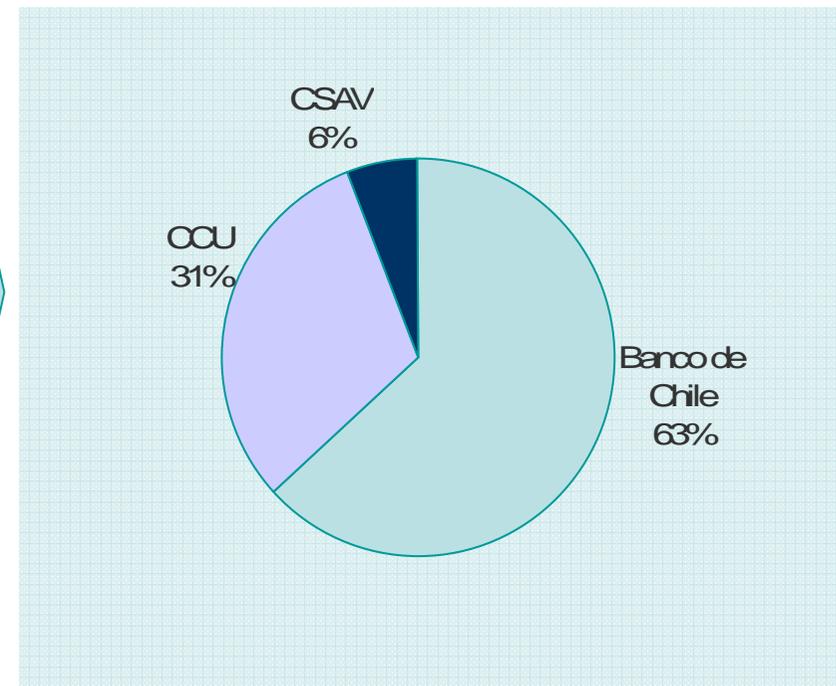


Good operating company performance allows a strong dividend flow to the parent company

## Dividends (Millions of US\$)



## Composition of Dividends (YTD September 2011)



**Note:** Figures translated from nominal Chilean pesos at the exchange rate of: Ch\$521.76 = 1US\$  
Additional dividend paid by LQIF in 2010 in accordance with Agreement between Quiñenco and Citigroup.

# Quiñenco – Strong Fundamentals



Dominant position  
in its markets

- Quiñenco's companies are leaders in their respective markets.

Proven track record in  
value creation

- Holding has proven track record in value creation by evidenced by sale of investments for approximately US\$ 4.3 bln and gains on sale of US\$ 1.9 bln over the last 14 years.

Sound financial  
position

- Low levels of debt and cash for approximately US\$486 mln allow business opportunities to be undertaken.

Controlling interest in its  
investments

- Quiñenco currently holds a controlling interest in the majority of its investments.

Diversified Chile Risk

- Quiñenco's investments are diversified in five key sectors of the Chilean economy.

Prestigious Controlling  
Shareholders

- Quiñenco has locally and internationally well-known and prestigious shareholders (the Luksic Family).

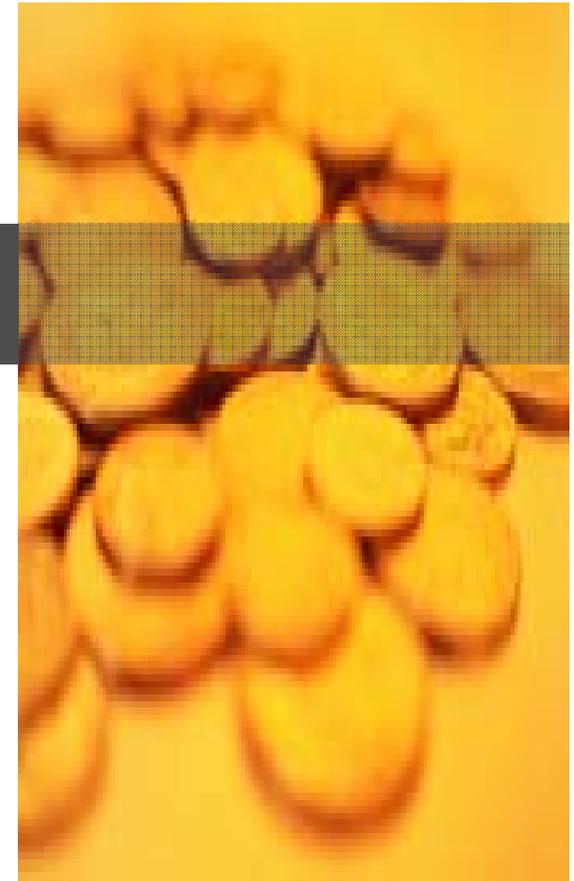


1 Quiñenco Overview

**2 Recent Events**

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# Quiñenco acquires Shell's assets in Chile



- March 31, 2011, Quiñenco announces agreement with Royal Dutch Shell PLC (Shell) to acquire Shell's assets in Chile, including the distribution of fuel through Shell's service stations across the country, distribution of lubricants, and other related businesses.
- The agreement also includes a 5 year renewable license with Shell Brands International A.G. for the use of the Shell trademark.
- Transaction closed on May 31, 2011, for a total amount of US\$633 million, including working capital and cash.
- Shell Chile has a network of approximately 300 service stations with more than 60 convenience stores.



# Quiñenco acquires a 37.44% stake in CSAV



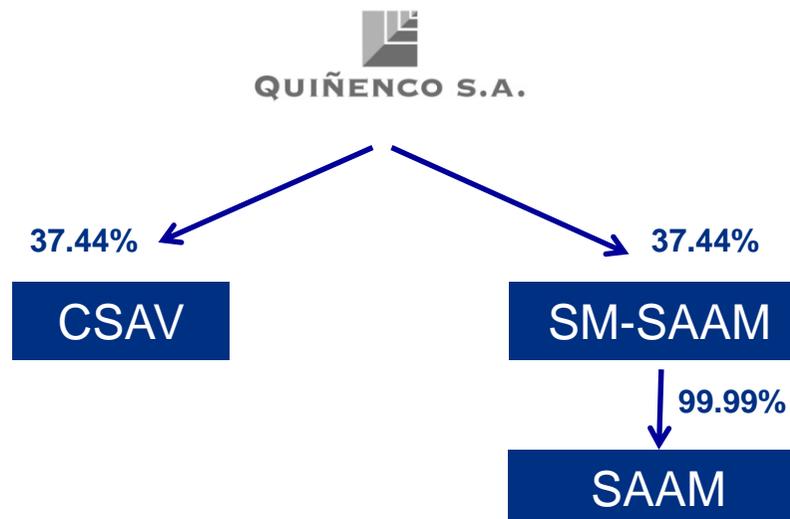
- March 22, 2011: Quiñenco acquired 10% stake in Compañía Sud Americana de Vapores (CSAV) from Marinsa, controlling entity of CSAV, for US\$120 million.
- April 6, 2011: Quiñenco acquires an additional 8% stake in CSAV, also from Marinsa, for US\$120 million.
- June-July, 2011: Quiñenco subscribes US\$135 in first stage of capital increase, increasing stake to 20.63%
- January-February 2012: Quiñenco subscribed US\$547 million in CSAV's capital increase of US\$1.2 billion. Thus, Quiñenco's stake increased to **37.44%**.



# SAAM Spin-off



- As of February 15, SAAM (cargo and shipping business) was spun-off from CSAV.
- SM-SAAM is established as 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 on the local stock exchanges.



# CSAV – SAAM: Current Boards of Directors



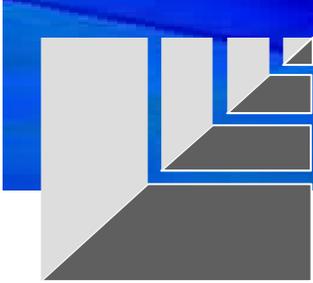
- CSAV's Board of Directors is composed of 11 members
  - Directors: Quiñenco elected 3 directors  
(Guillermo Luksic-Chairman, Francisco Pérez, Hernán Büchi)
  
- SM-SAAM's Board of Directors is composed of 11 members. However, currently only 9 have been named.
  - Directors: Quiñenco has elected 4 directors  
(Guillermo Luksic-Chairman, Francisco Pérez, Gonzalo Menéndez, Felipe Joannon)
  
- SAAM's Board of Directors is composed of 12 members.
  - Directors: Quiñenco elected 4 directors  
(Guillermo Luksic-Vice-Chairman, Francisco Pérez, Hernán Büchi, Gonzalo Menéndez)



# Quiñenco signs agreement to acquire Terpel's assets in Chile



- September 2, 2011, Quiñenco announces agreement with Terpel (Organización Terpel and Petrolera Nacional) to acquire its assets in Chile, including the distribution of fuel through its service stations across the country, together with other related businesses, for a total amount of UF 6,706,951 million (approx. US\$320 million), subject to working capital adjustments on closing. The total net financial debt of the acquired assets shall be deducted from this price upon completion of the transaction.
- The transaction is subject to approval from the Antitrust Court.
- In Chile, Terpel has a network of approximately 200 service stations and 91 convenience stores.
- This acquisition, if approved, will strengthen Quiñenco's competitiveness in the distribution of fuels and lubricants, improving its value proposition for clients.



# Quiñenco raises funds through debt and equity



## Bond Issuance

- During January 2012 Quiñenco successfully placed UF 4.650.000 (US\$200 million) in bonds in the local market. This issuance is in addition to UF7.000.0000 (US\$ 330 million) placed during 2011, also in the local market.

## Capital Increase

- In February 2012 Quiñenco successfully concluded its capital increase, raising Ch\$250 billion (US\$500 million) through the issuance of 200 million shares at a price of Ch\$1.250.

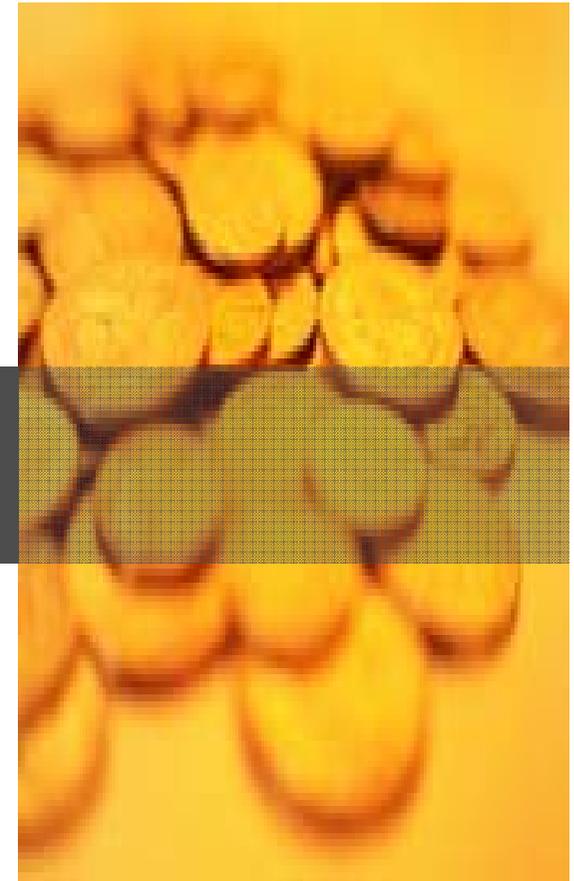


1 Quiñenco Overview

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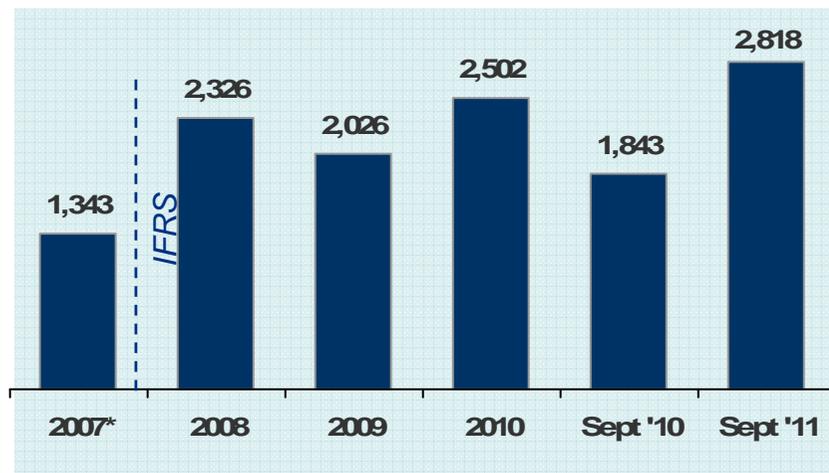
4 Main Operating Companies



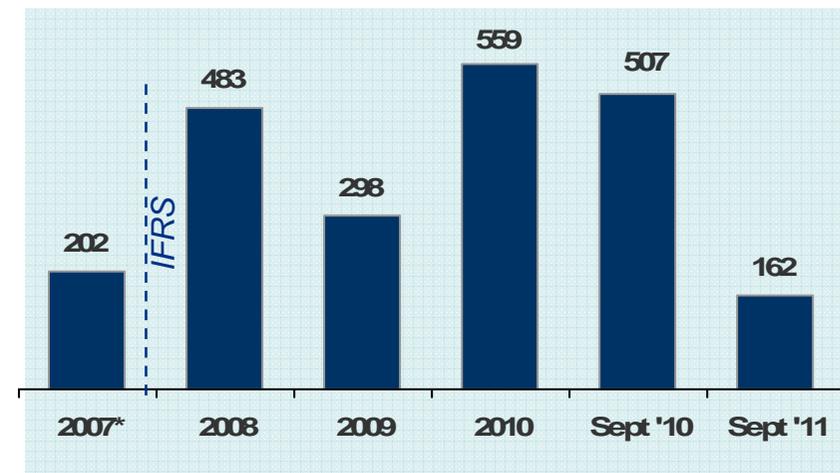
# Sound Results



Revenues<sup>(1)</sup>  
(MUS\$)



Net Income<sup>(2)</sup>  
(MUS\$)



- Quiñenco started reporting in accordance with IFRS in 2009 (comparative with 2008). Therefore, figures for 2007 were prepared under Chilean GAAP.

(\*): Historic figures prepared in accordance with Chilean GGAP (for 2007), are therefore not totally comparable with figures for 2008, 2009, 2010 and 2011, prepared in accordance with IFRS.

Figures translated from nominal Chilean pesos at the exchange rate of : Ch\$521.76= 1US\$

(1): Consolidated revenues under IFRS = Total Revenues (Industrial Sector) + Total Net Operating Income (Banking Sector)

(2): Net Income = Net income attributable to equity holders of the controller

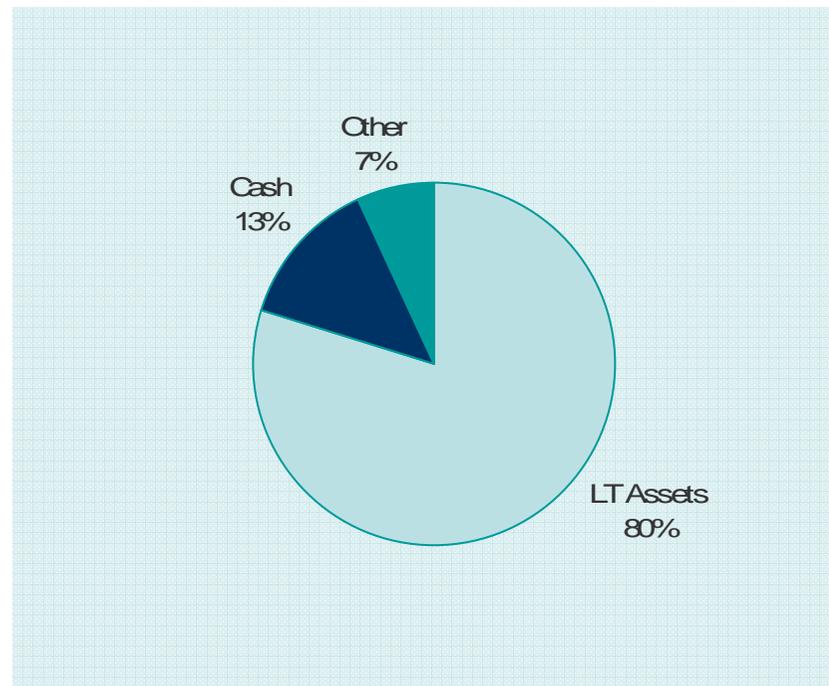
# Conservative Financial Structure



Long term investments are financed with equity and long term debt in Chilean pesos

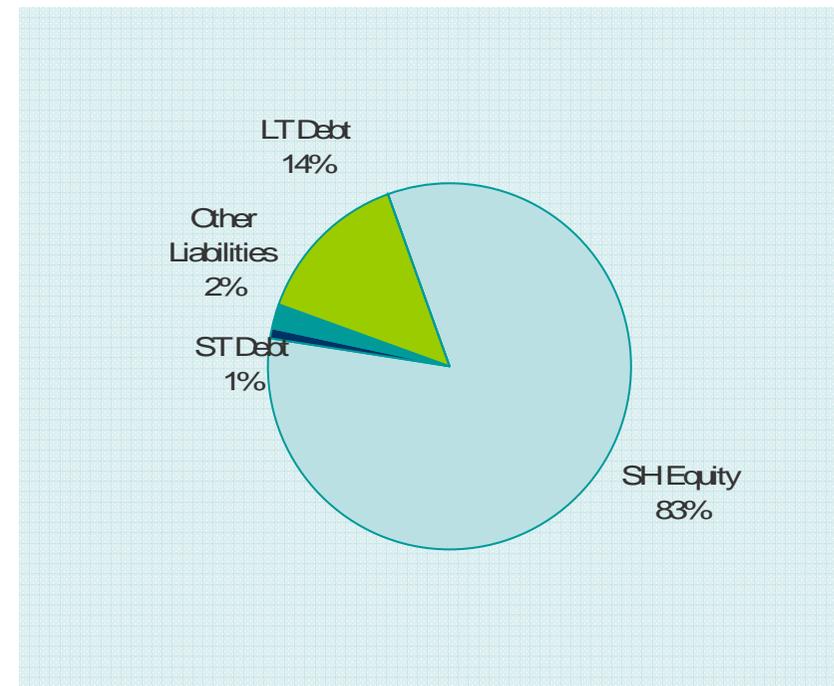
## Assets

US\$ 3.7 billion as of September 2011



## Liabilities and Equity

US\$ 3.7 billion as of September 2011

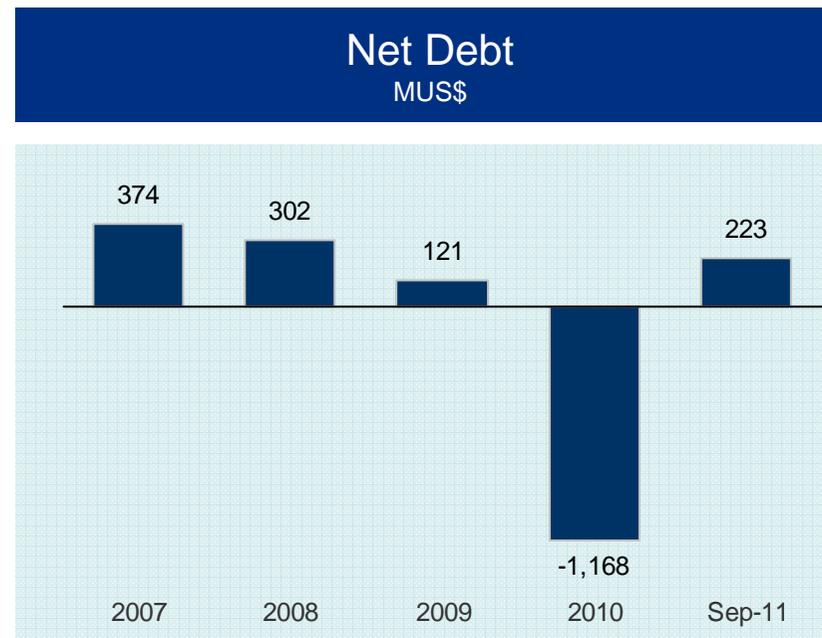


# Low Financial Debt



Asset disposals and strong dividend flow have allowed Quiñenco to reduce its debt significantly

MUS\$	2007	2008	2009	2010	Sept 2011
Debt	698	405	320	328	709
Cash	-323	-102	-198	-1,376	-486
<b>Net Debt</b>	<b>374</b>	<b>302</b>	<b>121</b>	<b>-1,048</b>	<b>223</b>





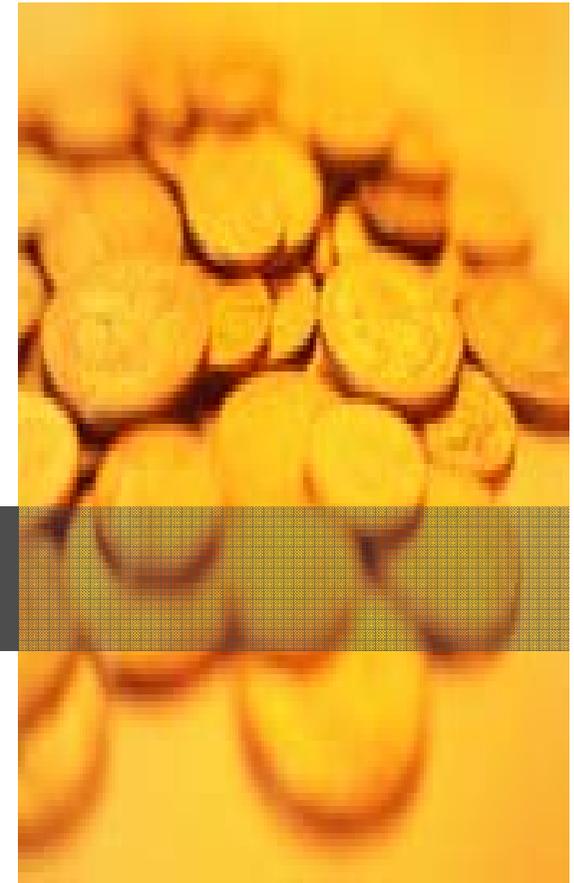
1 Quiñenco Overview

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5 Conclusions



# Banco de Chile



- Established in 1893, Banco de Chile has a highly recognized name in Chile
- 1st largest bank in the Chilean financial system in terms of loans
- One of the most profitable banks in terms of return on assets and equity
- Assets of US\$39 billion
- Over 14,000 employees
- Nationwide network of 422 branches and 1,976 ATMs
- Traded on the NYSE, LSE, Latibex and Santiago Stock Exchanges
- Merged with Citibank Chile on January 1st, 2008
- Strategic alliance with Citigroup complements the Bank's financial services of excellence for its customers and gives access to one of the most important financial platforms in the world.

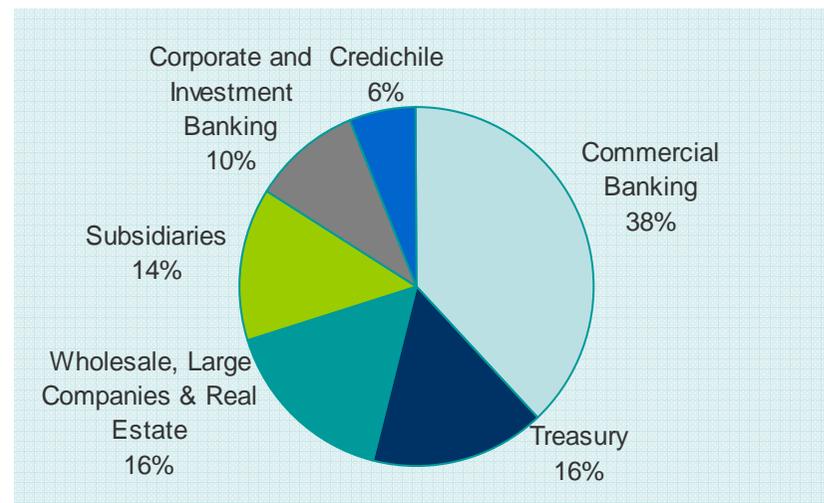
## Ownership Structure

(September 2011)



## Net Income Contribution by Business Area

(December 2010)

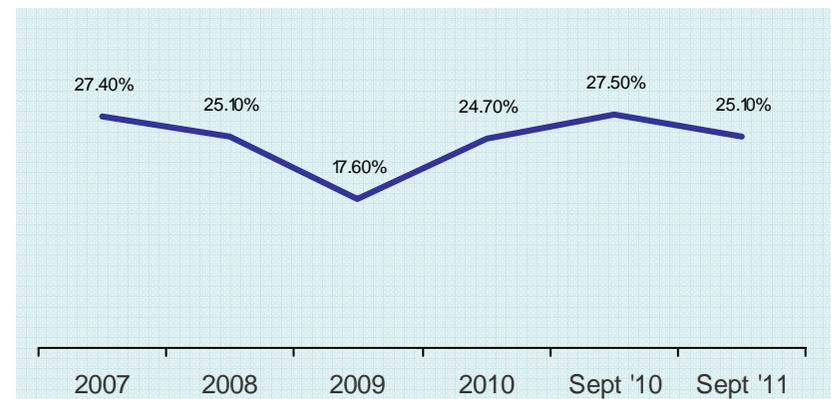




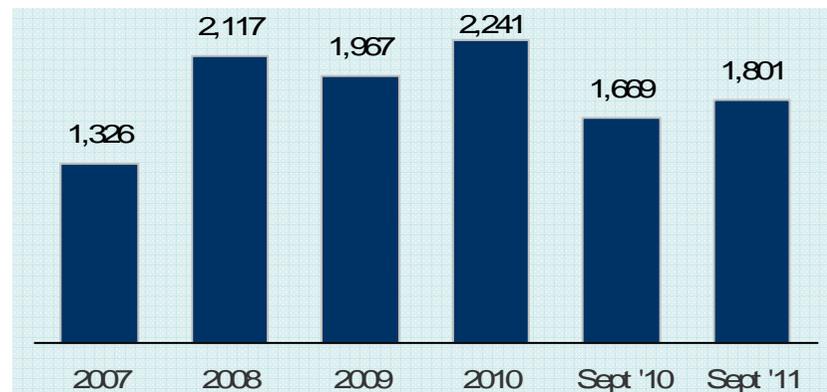
## Financial Services (MUS\$)

- During 2011 the Bank's operating income has continued growing at a healthy 7.9%
- Net income as of September 2011 was MUS\$631, 7% above 2010 results.
- ROAE = 27%, one of the highest in the Chilean financial system.

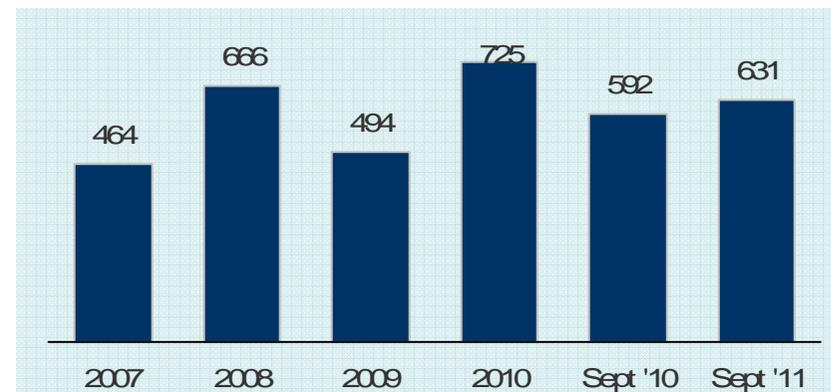
### ROAE



### Operating Income

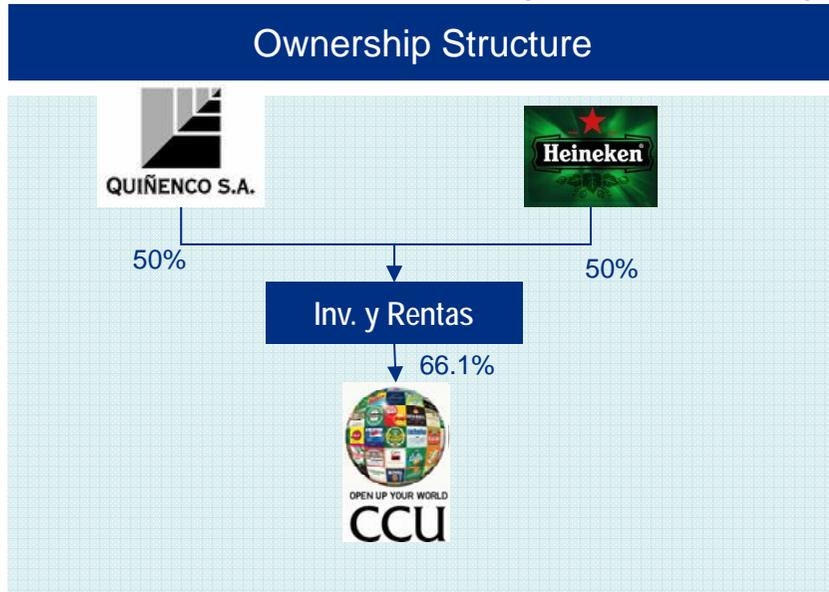


### Net Income



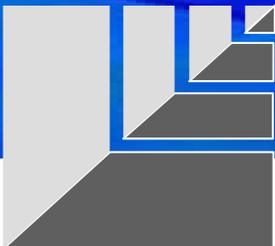


- Founded in 1850, CCU is the largest brewery and beverage producer in Chile, and the second brewery in Argentina.
- Assets of US\$2.5 billion.
- Over 5,400 employees.
- 18 facilities in Chile with more than 325,000 m<sup>2</sup>.
- 4 facilities in Argentina with over 80,000 m<sup>2</sup>
- Extensive distribution network reaching over 90,000 sales points throughout Chile.
- Jointly controlled with Heineken, 2nd largest brewery worldwide.
- Affiliate Foods participates in sweet snack business
- Entered purified water segment through joint venture with Nestlé S.A.
- Traded on NYSE and Santiago Stock Exchanges



### Market Share (December 2010)

	Ranking	Mkt. Share
Beer Chile	1	83%
Beer Argentina	2	23%
Carbonated Beverages	2	24%
Juice	1	59%
Mineral Water	1	60%
Domestic Wine	3	24%
Export Wine	2	12%
Pisco	1	50%



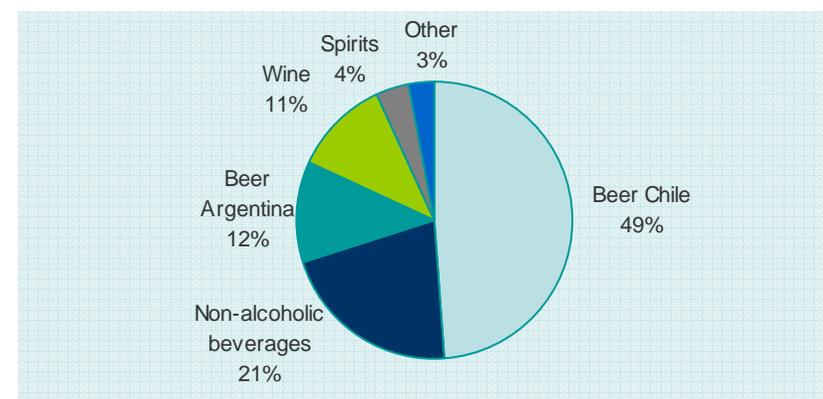
CCU



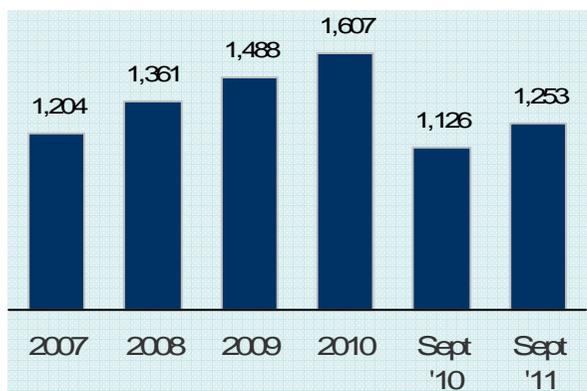
## Beverage & Food MUS\$

- Sales grew by 11% as of September 2011 to MUS\$1,253
- Net income as of September 2011 reached MUS\$149, 5% above the previous period, based on improved operating results.
- EBITDA was MUS\$296 increasing by 7% from 2010

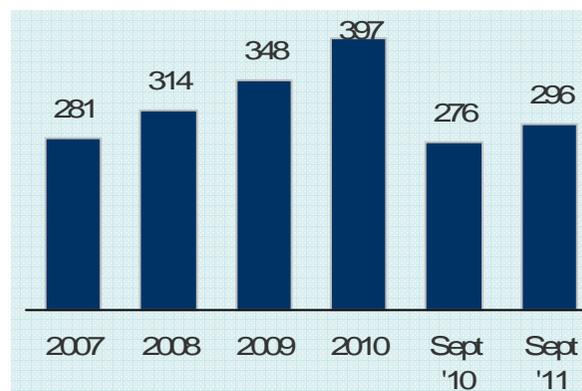
### EBITDA by Business Segment YTD Sept 2011



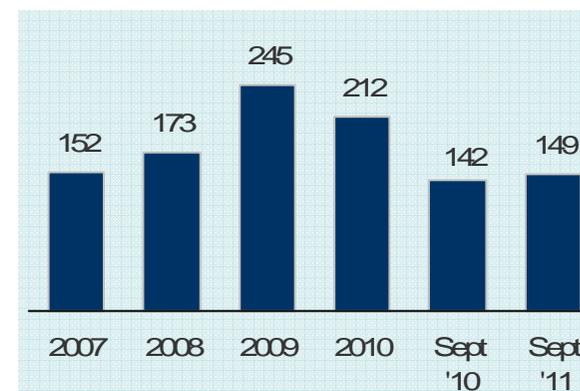
### Sales



### EBITDA



### Net Income

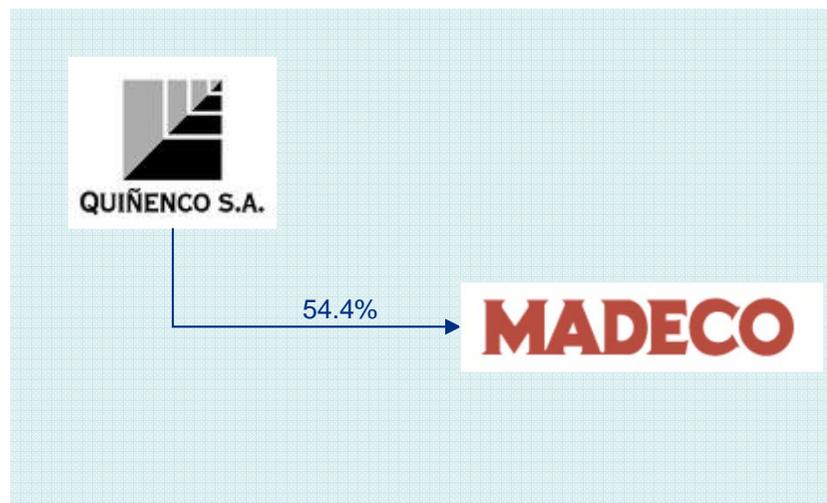


# Madeco

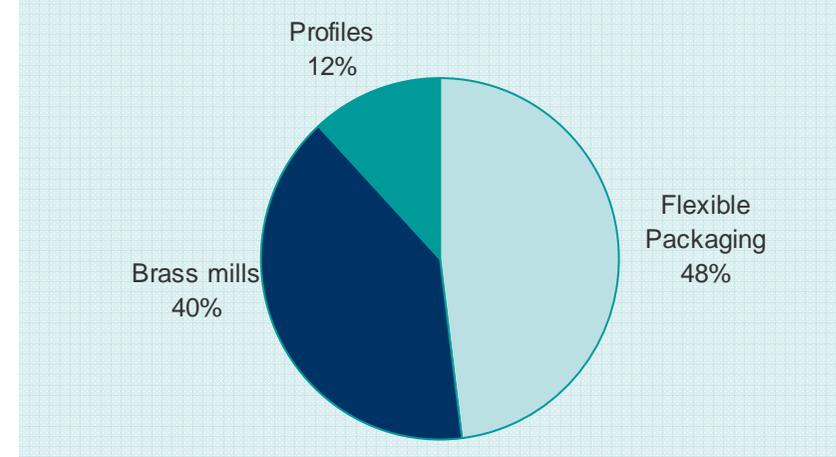


- Founded in 1944, Madeco is one of the leading producers in the region of flexible packaging, and a relevant actor in brass mills and profiles.
- Global presence through exports of a variety of copper and aluminum products to the North American and European markets with over 5,000 customers.
- 11 facilities in Chile, Argentina and Peru
- Assets of US\$712 million
- Approx. 2,400 employees
- Annual sales volumes of 60,000 tons.
- Historic agreement with French cable producer Nexans closed in Sept. 2008. Madeco is now the main shareholder of Nexans with three directors on its Board, a member of the Compensations and Designations Committee and a 19.86% share.

## Ownership Structure



## Sales Mix (December 2010)

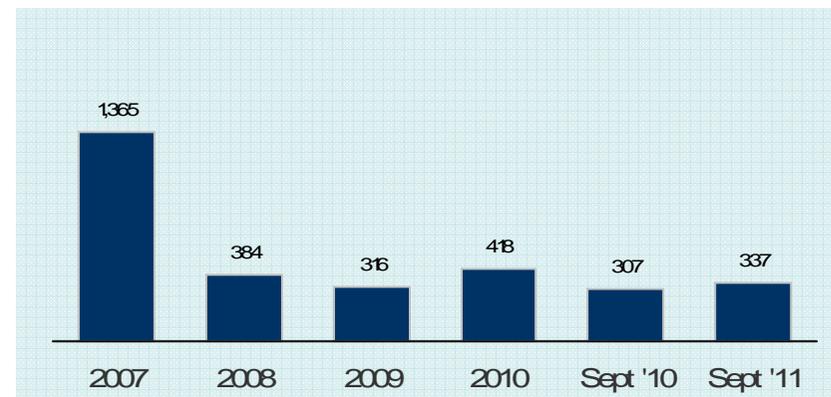




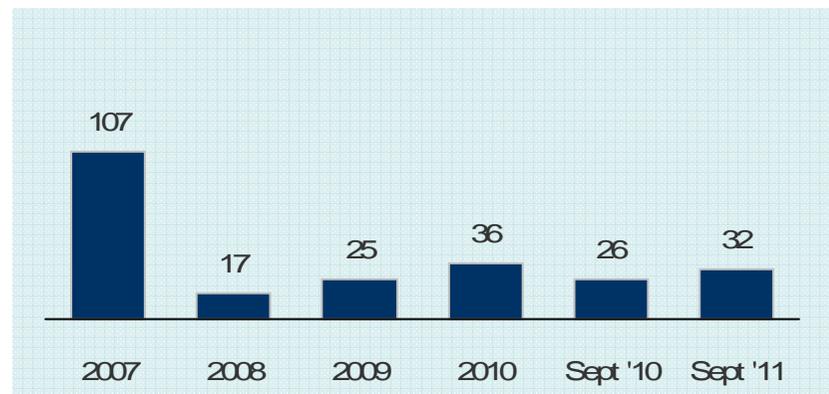
## Manufacturing MUS\$

- Sales as of September 2011 grew by 10% to **MUS\$337** boosted by the flexible packaging and profiles units.
- Madeco obtained a net income of MUS\$13 as of September 2011 mainly due to improved performance of the flexible packaging and profiles units, together with a non-recurring gain from the sale of Nexans Colombia.

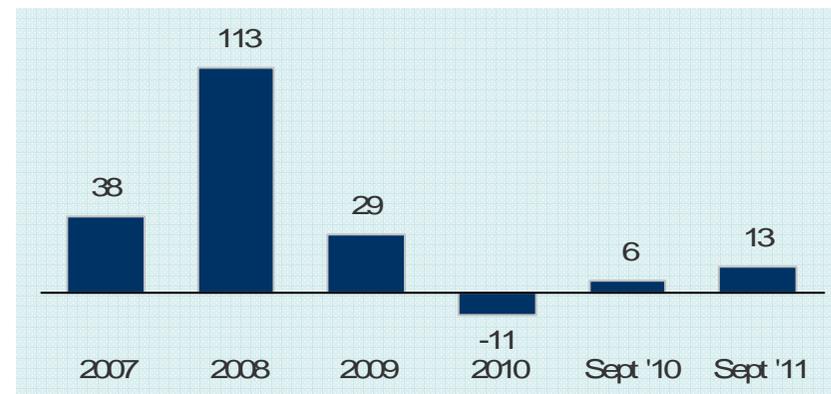
### Sales

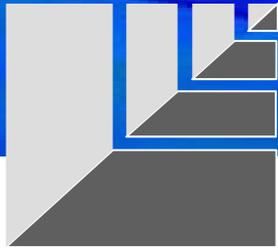


### EBITDA



### Net Income





# Nexans

## Manufacturing



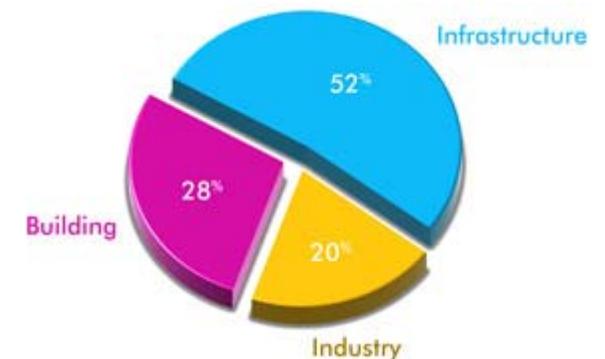
- Nexans is the worldwide leader in the cable industry with presence in 40 countries and commercial activities worldwide, after over a century of progress.
- Headquartered in Paris, France, Nexans produces cables and cabling systems at more than 90 production sites across 5 continents.
- 2010 sales of 6 billion Euros.
- 23,700 employees
- Nexans is listed on Euronext Paris.

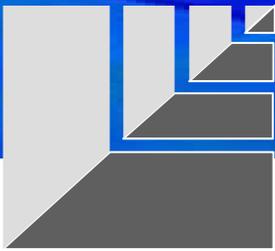


2010 Sales by Origin



2010 Sales by Key-end Markets





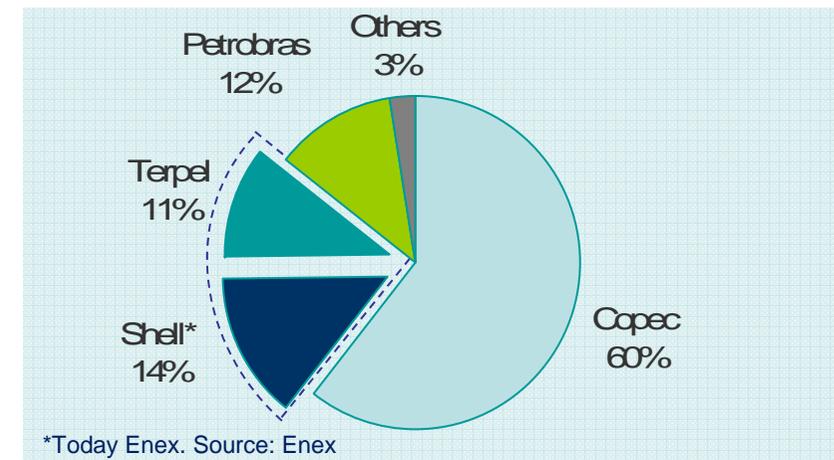
# Enex



- Enex S.A. has a network of 300 service stations, with over 60 convenience stores
- Main business activities:
  - Distribution of fuels through its service stations
  - Distribution of fuels to industrial clients and transport sector
  - Distribution of Shell lubricants
- Holds a 14.9% share of Sociedad Nacional de Oleoductos (Sonacol) and a 33% share of Sociedad de Inversiones de Aviación (SIAV).

## Market Share of Liquid Fuel Sales

(December 2010)



## Ownership Structure

(September 2011)



100%



Source: Quiñenco

## Service Stations

(December 2010)

	N Service Stations	%
Copec	637	42.4%
Shell*	291	19.4%
Petrobras	242	16.1%
Terpel	201	13.4%
Otras	130	8.7%
<b>Total</b>	<b>1,501</b>	<b>100.0%</b>

\*Today Enex. Source: Enex

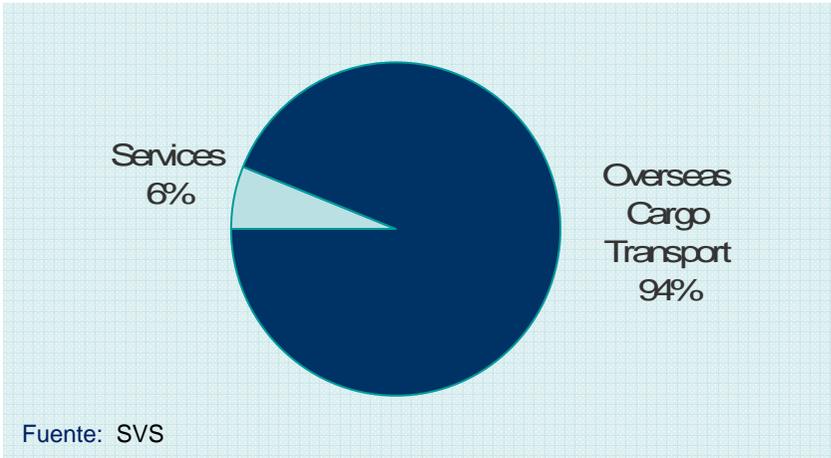


- CSAV, founded in 1872, is one of the oldest shipping companies in the world
- Its activities include overseas transport of containerized cargo, liquid and solid bulk, refrigerated cargo, and vehicles.
- Has operations in Brazil, Uruguay and China
- SAAM is dedicated to port services and management of port concessions.
- In 2010 the Company transported a total of 39.1 million tons, 57% higher than 2009
- In 2010, sales reached a record of US\$ 5,450 million growing 80% with respect to 2009
- CSAV has experienced sustained growth in its operations, increasing from 74 annual equivalent vessels<sup>(1)</sup> in the year 2000 to 155 in 2010, with a fleet of 12 owned vessels
- Total assets as of December 2010, US\$ 3.2 billion.

### Ownership Structure



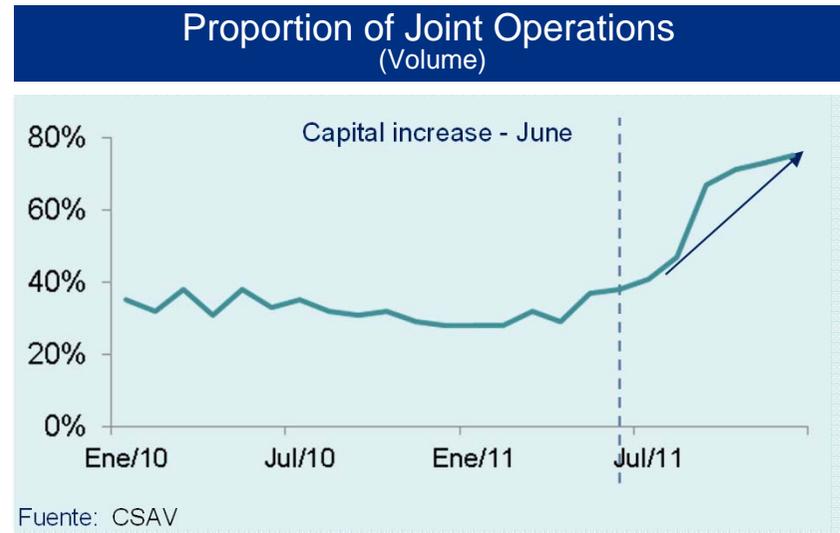
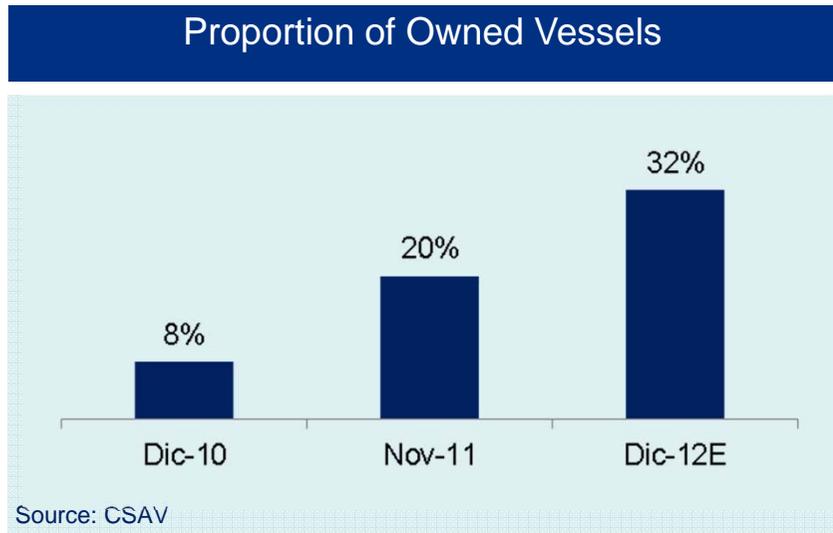
### Sales Mix (September 2011)



39 (1) Annual equivalent vessel: Every 365 days/ship = One equivalent annual vessel. Calculation considers all of CSAV's services (containerized transport services, transport of solid bulk, transport of liquid bulk, and vehicles).



- During 2011 CSAV has changes its strategic plan and has undergone a restructuring to improve its efficiency levels and reduce volatility. The main changes are as follows: :
  - Decrease of the number of vessels in operation from 155 as of December 2010 to 84 as of November 2011, including 36 that are being leased
  - Acquisition of 5 vessels, increasing the proportion of owned vessels from 8% as of December 2010, to 20% as of November 2011
  - Increase of routes operated jointly from 28% as of December 2010 to 73% as of November 2011
- By December 2012 it is estimated that the company's own fleet should have reached 30%, through the addition of 3 more ships.
- These improvements generate economies of scale, risk diversification and lower exposure per route.





1	Quiñenco Overview
2	Recent Events
3	Financial Overview
4	Main Operating Companies
5	<b>Conclusions</b>



# Outlook



## Factors that contribute to Quiñenco's ability to pursue and undertake new investment opportunities

### Portfolio Optimization

- Good performance of main operating companies should contribute to sustained dividend upflow.

### Healthy Financial Structure

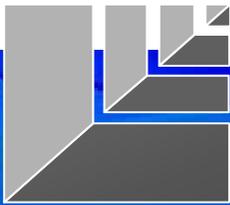
- Sound financial indicators
- Well structured Balance Sheet
- AA- local rating

### Low Level of Debt

- Strong cash levels
- Current debt levels allow further leveraging



# QUIÑENCO S.A.



**Thank you for your attention**