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QUIÑENCO S.A. ANNOUNCES CONSOLIDATED RESULTS FOR THE FIRST QUARTER OF 2011

(Santiago, Chile, May 26, 2011) Quiñenco S.A., a leading Chilean business conglomerate, announced today its consolidated financial results under IFRS, for the first quarter ended March 31, 2011.

Consolidated financial results are presented 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 March 31, 2011 (Ch\$479.46 = US\$1.00), unless indicated otherwise, and are only provided for the reader's convenience.

1Q 2011 HIGHLIGHTS

- Net income¹ amounted to Ch\$53,223 million in the first quarter of 2011, 9.1% above the same period in 2010, mainly due to higher financial income at the corporate level, based on Quiñenco's strong cash position and the higher market value of its financial investments, and growth in the results of the main operating companies.
- The contribution of operating companies during the first quarter of 2011 was boosted by higher results at Banco de Chile, due to the positive local economic scenario positive rate of inflation, at CCU based on improved operating income together with an insurance settlement corresponding to operational losses caused by the 2010 earthquake, and also at Madeco, due to higher operating income from its flexible packaging and profiles units, and a non-recurring gain from the sale of its stake in Nexans Colombia. In the case of the contribution of the financial segment, higher results during the period were mitigated by Quiñenco's lower share in LQIF in 1Q 2011 compared to 1Q 2010.
- Earnings per ordinary share amounted to Ch\$46.50 for the first quarter of 2011.

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

GROUP HIGHLIGHTS – FIRST QUARTER 2011 AND SUBSEQUENT EVENTS

Quiñenco acquires 10% of CSAV

On March 22nd, Quiñenco acquired 202,925,890 shares of Compañía Sud Americana de Vapores S.A. (CSAV) from Marítima de Inversiones S.A. (Marinsa), controlling entity of CSAV, at a price of Ch\$285 per share. Thus, the total transaction amounted to Ch\$57,834 million.

Madeco – Agreement signed with Nexans to increase share up to 20%

On March 27th, Madeco signed an agreement with Nexans to increase its current 9.0% share in the latter, up to 20% within a period of 3 years. At the current share price, this would imply an investment of US\$290 million. The agreement includes the election of a second director for Madeco and an 18 month period to reach a 15% share, with the right to a third director, and a member of the Finance and Audit Committee. Madeco agrees to maintain its stake in Nexans for at least three years. Also, Nexans will modify its bylaws increasing the voting limit from 8% to 20%, among others.

Quiñenco signs agreement with Royal Dutch Shell

On March 31st, 2011, Quiñenco announced the agreement reached with Royal Dutch 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. The transaction amounts to US\$523 million plus working capital on closing (amounted to US\$91 million as of December 2010), and is to be closed by September 30, 2011.

Quiñenco – Compañía Sud Americana de Vapores

On April 6, 2011, Quiñenco acquired 162,340,712 shares of CSAV, equivalent to an 8% share in the company, at a price of Ch\$350.50, totaling Ch\$56,900 million for the transaction. This purchase brought Quiñenco's total stake in CSAV up to 18%. At the Ordinary Shareholders' Meeting held on April 8th, Guillermo Luksic was elected Chairman of the Board, along with two more directors on behalf of Quiñenco. Thus, Quiñenco elected three board members out of a total of eleven.

Quiñenco – Dividend Distribution

At the Ordinary Shareholders Meeting held on April 28, 2011, shareholders approved a dividend distribution corresponding to 2010 net income of Ch\$127.39 per share, payable as of May 9, 2011, to those shareholders registered with the company as of May 3, 2011. The total amount of the dividend is Ch\$145,803 million, equivalent to 50.00% of 2010 net income.

SEGMENT INFORMATION

In accordance with IFRS requirements, financial information is reported for the three segments defined by Quiñenco for this purpose: Manufacturing, Financial 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) Other

- Quiñenco and others (includes CCU)

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.

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		Others		Total		Total	
	1Q 2010	1Q 2011	1Q 2010	1Q 2011	1Q 2010	1Q 2011	1Q 2010	1Q 2011	1Q 2010	1Q 2011
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MUS\$	MUS\$
Consolidated Income										
Industrial Sector	(841)	4,078	(3,870)	(5,442)	16,041	22,981	11,330	21,617	23.6	45.1
Consolidated Income Banking Sector	-	-	83,856	99,664	-	-	83,856	99,664	174.9	207.9
Consolidated Net Income	(841)	4,078	79,986	94,222	16,041	22,981	95,186	121,281	198.5	253.0
Net income attributable to Non-controlling interests	(248)	2,395	46,237	66,170	393	(507)	46,382	68,058	96.7	141.9
Net income attributable to Controllers' shareholders	(593)	1,683	33,749	28,052	15,648	23,488	48,803	53,223	101.8	111.0

Net Income – 1Q 2011

Quiñenco reported net income of Ch\$53,223 million in the first quarter of 2011, 9.1% above the net income reported for the same period in 2010, mainly due to higher financial income at the corporate level, based on Quiñenco's strong cash position and the higher market value of its financial investments, and growth in the results of the main operating companies. Banco de Chile reported 16.0% growth in its results, reflecting the positive local economic scenario. However, the contribution of the financial segment to Quiñenco's net income decreased reflecting Quiñenco's lower stake in LQIF as of March 2011 compared to March 2010, following the sale of a 17.04% share to Citigroup in April 2010. CCU's net income increased by 35.2%, boosted by improved operating income together with an insurance settlement corresponding to operational losses caused by the 2010 earthquake. Madeco, in turn, also contributed with positive net income, based on higher operating income from its flexible packaging and profiles units, and a non-recurring gain from the sale of its stake in Nexans Colombia.

Earnings per ordinary share amounted to Ch\$46.50 in the first quarter of 2011.

Consolidated Income Statement Breakdown

	1Q 2010		1Q 2011	
	MCh\$	MUS\$	MCh\$	MUS\$
Industrial Sector				
Revenues	65,936	137.5	79,902	166.6
Manufacturing - Madeco	47,316	98.7	52,279	109.0
Financial - LQIF holding	-	-	-	-
Other - Quiñenco & others	18,620	38.8	27,623	57.6
Operating income (loss)²	(2,201)	(4.6)	553	1.2
Manufacturing - Madeco	2,101	4.4	2,983	6.2
Financial - LQIF holding	(2,165)	(4.5)	(2,287)	(4.8)
Other - Quiñenco & others	(2,137)	(4.5)	(143)	(0.3)
Non-operating income (loss)³	16,681	34.8	21,724	45.3
Interest income	1,319	2.8	10,326	21.5
Interest expense	(2,947)	(6.1)	(4,587)	(9.6)
Share of net income/loss from related co.	10,686	22.3	15,198	31.7
Foreign exchange gain (loss)	(425)	(0.9)	349	0.7
Indexed units of account restatement	(397)	(0.8)	(1,415)	(3.0)
Other gains (losses)	8,445	17.6	1,853	3.9
Income tax	(3,151)	(6.6)	(659)	(1.4)
Consolidated Net Income (Loss) Industrial Sector	11,330	23.6	21,617	45.1
Banking Sector				
Operating revenues	288,379	601.5	304,741	635.6
Provision for loan losses	(53,602)	(111.8)	(26,121)	(54.5)
Operating expenses	(122,907)	(256.3)	(141,492)	(295.1)
Operating income (loss)	111,869	233.3	137,128	286.0
Non-operating income (loss)	(16,824)	(35.1)	(17,623)	(36.8)
Income (loss) tax	(11,189)	(23.3)	(19,841)	(41.4)
Consolidated Net Income (Loss) Banking Sector	83,856	174.9	99,664	207.9
Consolidated Net Income (Loss)	95,186	198.5	121,281	253.0
Net income attributable to Non-controlling interests	46,382	96.7	68,058	141.9
Net income attributable to Controllers' shareholders	48,803	101.8	53,223	111.0

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).

I. Industrial Sector

Revenues – 1Q 2011

Consolidated revenues totaled Ch\$79,902 million in the first quarter of 2011, 21.2% above the same period in 2010, mainly owing to higher revenues at Banchile Seguros de Vida, included in Quiñenco and others, which grew by 48.8% during the quarter, and at Madeco. Madeco's sales increased by 10.5% reflecting growth of flexible packaging sales in Chile, Peru and Argentina, and to a lesser extent of the profiles unit, based on higher sales volume derived from increased activity in the construction sector⁴.

Consolidated sales in the first quarter of 2010 can be broken down as follows: Madeco (65.4%), and others (34.6%).

Operating Income - 1Q 2011⁵

Operating income for the first quarter of 2011 reached a gain of Ch\$553 million, compared to a loss of Ch\$2,201 million in the first quarter of 2010. The improvement in consolidated operating results is mostly attributable to Banchile Seguros de Vida's results, which increased by more than three times, as well as to Madeco's operations, boosted by higher gross income from the flexible packaging and profiles units, partially offset by increased distribution and administrative expenses.

EBITDA – 1Q 2011

EBITDA amounted to Ch\$4,440 million in 1Q 2011, generated mainly by Madeco's operations, and to a lesser extent by Banchile Seguros de Vida.

Non-Operating Results⁶ – 1Q 2011

Non-operating income amounted to Ch\$21,724 million in the first quarter of 2011, compared to non-operating income of Ch\$16,681 million in the same quarter of 2010. The positive variation between the two periods is mostly explained by financial income and the proportionate share of equity method investments.

Proportionate share of net income of equity method investments (net) – 1Q 2011

Quiñenco's proportionate share of net income from equity method investments (net), which primarily includes the results from CCU, reached Ch\$15,198 million, compared to Ch\$10,686 million in 1Q 2010, increasing by 42.2%.

Quiñenco's proportionate share of net income from CCU increased by 35.7% to Ch\$14,896 million.

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. 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.

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).

Interest Income - 1Q 2011

Interest income for the first quarter of 2011 amounted to Ch\$10,326 million, substantially higher than the Ch\$1,319 million reported in 1Q 2010. This positive variation corresponds mainly to higher financial income at Quiñenco, reflecting the increased market value of its 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 the Corporate level at fair value, with effect on the income statement.

Interest Expense - 1Q 2011

Interest expense for the first quarter of 2011 amounted to Ch\$4,587 million, increasing by 55.6% with respect to 1Q 2010. The variation corresponds mainly to higher interest expense at LQIF, due to a temporary effect of the valuation of its hedging instruments.

Foreign currency exchange differences – 1Q 2011

In 1Q 2011, the gains (losses) specific to foreign currency translation differences amounted to a gain of Ch\$349 million, compared to a loss of Ch\$425 million reported in 1Q 2010, primarily attributable to gains at Madeco.

Indexed units of account restatement – 1Q 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\$1,415 million in the first quarter of 2011, compared to a loss of Ch\$397 million reported in the same period of 2010, due to the negative effect of the higher rate of inflation during the period on liabilities in UFs.

Other gains/losses– 1Q 2011

Other gains/losses amounted to a gain of Ch\$1,853 million in 1Q 2011, compared to a gain of Ch\$8,445 million in 1Q 2010. The variation is primarily explained by the non-recurring gain of \$8,725 million on the sale of the investment in Telsur in 1Q 2010, whereas in 1Q 2011 the sale of Nexans Colombia by Madeco generated a non-recurring gain of Ch\$2,328 million.

Income Taxes – 1Q 2011

The industrial sector reported income tax of Ch\$659 million, compared to income tax of Ch\$3,151 million reported in the first quarter of 2010, primarily due to lower income tax at Madeco and Quiñenco.

Minority Interest – 1Q 2011

In the first quarter of 2011, at a consolidated level (including both industrial and banking net income), net income attributable to minority interest amounted to Ch\$68,058 million. Of the total amount reported in 1Q 2011, Ch\$36,652 million corresponds to minority shareholders' share of Banco de Chile and SM Chile's net income.

II. Banking Sector

Operating Revenues - 1Q 2011

Operating revenues for the first quarter of 2011 amounted to Ch\$304,741 million, 5.7% above the first quarter of 2010, mainly due to growth in fee income at Banco de Chile, derived from increased activity reflecting the positive local economic scenario, and an increment in net interest income, also at Banco de Chile, based on a higher yield of current accounts and demand deposits, given increasing nominal interest rates.

Provision for Credit Risk - 1Q 2011

Provisions for loan losses at Banco de Chile amounted to Ch\$26,120 million in the first quarter of 2011, less than half the provisions registered in the first quarter of 2010, primarily attributable to the favorable economic outlook and the Bank's effective credit risk models, reflecting improved risk profiles of both individuals and companies that resulted in lower credit risk charges in the retail and wholesale segments.

Operating expenses - 1Q 2011

Operating expenses varied by 15.1% to Ch\$141,492 million, mainly explained by an increase of 13.6% in Banco de Chile's operating expenses to Ch\$141,403 million, mostly due to higher administrative expenses reflecting the impact of the higher level of business activity during the period on the variable portion of these expenses.

Non-operating Results - 1Q 2011

During the first quarter of 2011 non-operating results amounted to a loss of Ch\$17,623 million as compared to a loss of Ch\$16,824 million in the first quarter of 2010, primarily explained by higher accrued interest expense of the Subordinated Debt with the Chilean Central Bank, owing to the higher rate of inflation registered during the first quarter of 2011, partially offset by improved results of related companies.

Net Income - 1Q 2011

Net income for the banking sector amounted to Ch\$99,664 million up by 18.9% over the same period in 2010, resulting from improved operating results, partially offset by the decline in non-operating results and higher income tax.

CONSOLIDATED BALANCE SHEET ANALYSIS (vis-à-vis the 4th quarter of 2010)

Condensed Consolidated Balance Sheet

	12-31-2010		03-31-2011	
	MCh\$	MUS\$	MCh\$	MUS\$
Current assets industrial sector	772,872	1,612.0	731,164	1,525.0
Non-current assets industrial sector	1,451,783	3,028.0	1,571,925	3,278.5
Assets financial sector	18,221,222	38,003.6	19,364,201	40,387.5
Total assets	20,445,877	42,643.6	21,667,290	45,191.0
Current liabilities industrial sector	248,196	517.7	267,635	558.2
Long-term liabilities industrial sector	327,363	682.8	337,980	704.9
Liabilities financial sector	17,144,543	35,758.0	18,192,964	37,944.7
Non-controlling interests	1,205,223	2,513.7	1,279,906	2,669.5
Shareholders' equity	1,520,552	3,171.4	1,588,805	3,313.7
Total liabilities & shareholders' equity	20,445,877	42,643.6	21,667,290	45,191.0

Current Assets Industrial Sector

Current assets decreased by 5.4% compared to the fourth quarter of 2010, mainly due to the use of \$57,834 million in the acquisition of a 10% stake in Compañía Sud Americana de Vapores S.A. (CSAV). This decrease was partially offset by dividend income from IRSA (CCU), as well as from the sale of assets available for sale at Madeco (shares of Nexans Colombia). It is also worth mentioning that on March 31, 2011, \$57,059 million were placed in guarantee in favor of Royal Dutch Shell Chile S.A.C. é I., per the agreed transaction.

Non current Assets Industrial Sector

Non current assets increased by 8.3% compared to the fourth quarter of 2010, mainly reflecting the investment in shares of CSAV and the positive variation of the value of Nexans shares, owing to their higher market value and a favorable net conversion effect from euros to Chilean pesos. Also, although to a lesser extent, the higher book value of IRSA, reflecting CCU's improved results, and acquisition of fixed assets primarily at Madeco, contributed to the period's variation.

Assets Banking Sector

Total assets of the banking sector increased by 6.3% compared to the fourth quarter of 2010. Loans to customers increased by 3.5% with respect to December 2010, reflecting growth in all segments, and particularly of consumer and residential loans.

Current Liabilities Industrial Sector

Current liabilities increased by 7.8% over the fourth quarter of 2010, explained primarily by an increase in the provision of dividends to be paid, and to a lesser extent by higher accounts payable, mainly at Madeco.

Long-term Liabilities Industrial Sector

Long-term liabilities increased by 3.2% in comparison to the fourth quarter of 2010, mainly due to a decrease in deferred income taxes.

Liabilities Banking Sector

Liabilities corresponding to the banking sector increased by 6.1% compared to the fourth quarter of 2010.

Minority Interest

Minority interest increased by 6.2% in comparison to the fourth quarter of 2010.

Equity

Shareholders' equity increased by 4.5% compared to the fourth quarter of 2010 due to period profits, net of dividends provisioned, and the variation of other reserves, mainly due to the variation in the value of financial assets available for sale (CSAV and Nexans).

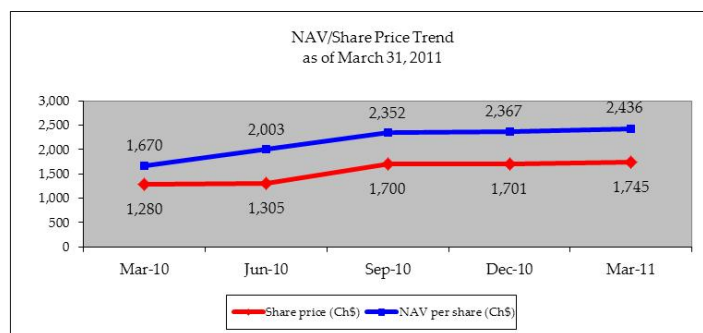
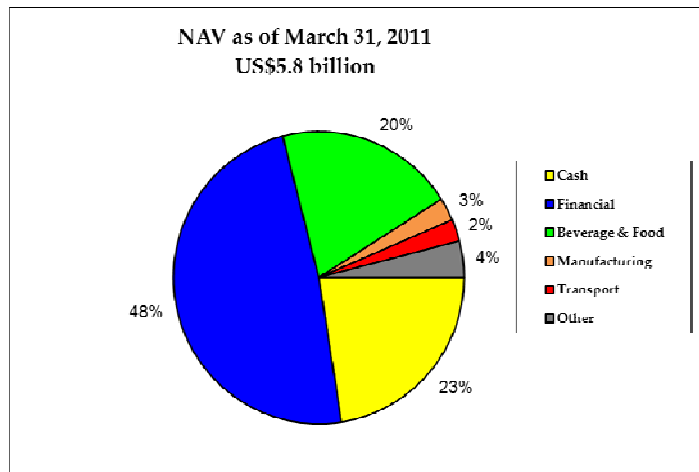
Quiñenco Corporate Level Debt and Cash

As of March 31, 2011	Debt		Cash & equivalents		Total Net Debt	
	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$
Corporate level	64,533	134.6	615,948	1,284.7	(551,415)	(1,150.1)
Adjusted for:						
50.00% interest in LQIF	98,838	206.1	50,779	105.9	48,060	100.2
50.00% interest in IRSA	10,433	21.8	264	0.6	10,170	21.2
Total	173,804	362.5	666,990	1,391.1	(493,186)	(1,028.6)

The debt to total capitalization ratio at the corporate level (unadjusted) was 3.5% as of March 31, 2011.

NAV

As of March 31, 2011, the estimated net asset value (NAV) of Quiñenco was US\$5.8 billion (Ch\$2,436 per share) and market capitalization was US\$4.2 billion (Ch\$1,745 per share). The discount to NAV is estimated at 28.4% as of the same date.



SEGMENT /OPERATING COMPANY ANALYSIS

Sector /Segment	Manufacturing		Financial		Other		Total		Total	
	1Q 2010	1Q 2011	1Q 2010	1Q 2011	1Q 2010	1Q 2011	1Q 2010	1Q 2011	1Q 2010	1Q 2011
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MUS\$	MUS\$
Industrial Sector										
Net income from continued operations before taxes	1,393	5,126	(3,994)	(6,126)	17,082	23,277	14,481	22,277	30.2	46.5
Income tax	(2,234)	(1,048)	124	684	(1,041)	(296)	(3,151)	(660)	(6.6)	(1.4)
Net income (loss) from discontinued operations	-	-	-	-	-	-	-	-	-	-
Net income (loss) industrial sector	(841)	4,078	(3,870)	(5,442)	16,041	22,981	11,330	21,617	23.6	45.1
Banking Sector										
Net income before taxes	-	-	95,045	119,505	-	-	95,045	119,505	198.2	249.2
Income tax	-	-	(11,189)	(19,841)	-	-	(11,189)	(19,841)	(23.3)	(41.4)
Net income (loss) banking sector	-	-	83,856	99,664	-	-	83,856	99,664	174.9	207.9
Consolidated net income (loss)	(841)	4,078	79,986	94,222	16,041	22,981	95,186	121,281	198.5	253.0
Net income attributable to Non-controlling interests	(248)	2,395	46,237	66,170	393	(507)	46,382	68,058	96.7	141.9
Net income attributable to Controllers' shareholders	(593)	1,683	33,749	28,052	15,648	23,488	48,803	53,223	101.8	111.0

During the first quarter of 2011 the contribution to Quiñenco's net income can be broken down as follows: Financial Segment (52.7%), Others (44.1%), and Manufacturing (3.2%).

MANUFACTURING SEGMENT

The following table details the contribution of the investments in the Manufacturing segment during 2010 and 2011 to Quiñenco's net income:

	1Q 2010		1Q 2011	
	MCh\$	MUS\$	MCh\$	MUS\$
Madeco	(593)	(1.2)	1,683	3.5
Net income (loss) manufacturing segment	(593)	(1.2)	1,683	3.5

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

MADECO

	1Q 2010		1Q 2011		1Q 2010	1Q 2011
	MCh\$	MUS\$	MCh\$	MUS\$ ⁷	ThUS\$ ⁸	ThUS\$
Sales	47,316	98.7	52,279	109.0	91,034	108,488
Operating income (loss) ⁹	2,101	4.4	2,983	6.2	4,075	6,184
Net income (loss) Controller	(1,245)	(2.6)	3,532	7.4	(2,515)	7,265
Total assets			365,237	761.8		761,767
Shareholders' equity			264,292	551.2		551,228

Madeco reports its financial statements in US dollars, and translates them to Chilean pesos for consolidation purposes based on the USD/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.

1Q 2011 Results

Madeco's sales grew by 19.2% to US\$108,488 thousand in the first quarter of 2011 compared to the same period of 2010, boosted by higher sales of flexible packaging and, to a lesser extent, of brass mills and profiles. Flexible packaging sales grew by 26.6% in all of its markets (Argentina, Chile and Peru), based on 5.7% growth in volume and higher average prices. Sales of brass mills increased 8.3% due to higher copper prices. Sales volumes of brass mills dropped by 29.6% due to the closure at the end of 2010 of the copper sheet production lines in Chile. Sales of the profiles unit increased by 26.4%, boosted by 22.7% volume growth, reflecting the increased activity in the construction sector.

During the first quarter of 2011, sales of the flexible packaging unit accounted for 49.7% of sales, followed by brass mills (37.2%), and profiles (13.1%).

Operating income grew by 51.8% in 1Q 2011 compared to 1Q 2010, boosted by the flexible packaging and profiles units. The flexible packaging unit obtained improved operating income primarily in Argentina, reflecting a higher gross margin, and to a lesser extent in Peru, based on growth in sales volumes. The profiles unit also obtained an improvement in operating income, reaching a positive result based on growth in sales volumes following increased activity in the construction sector. Operating income from brass mills, however, decreased slightly during the period, mostly due to a loss in the coin blanks subsidiary.

⁷ Converted to US\$ at the observed exchange rate on March 31, 2011 (Ch\$479.46 = 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.

Non-operating income for the quarter amounted to a gain of US\$4,376 thousand, compared to a loss of US\$1,461 thousand in 1Q 2010. This variation is largely explained by a non-recurring gain of US\$4,750 thousand from the sale of the stake in Nexans Colombia, as part of the settlement reached with Nexans.

Madeco reported a net gain of US\$7,265 thousand for the first quarter of 2011, based on improved operating results as well as higher non-operating income during the quarter. Income tax during 1Q 2011 was lower than in 1Q 2010, period in which the exposure of the parent company's tax assets in Chilean pesos led to higher taxes.

FINANCIAL SEGMENT

The following table details the contribution of the investments in the Financial Segment during 2010 and 2011 to Quiñenco's net income:

	1Q 2010		1Q 2011	
	MCh\$	MUS\$	MCh\$	MUS\$
LQIF holding	(3,870)	(8.1)	(5,442)	(11.4)
Banking sector	37,619	78.5	33,494	69.9
Net income (loss) financial segment	33,749	70.4	28,052	58.5

As of March 31, 2011 and 2010, Quiñenco's ownership of LQIF was 50.0% and 67.04%, respectively. LQIF's economic rights in Banco de Chile were 40.8% as of March 31, 2011 and as of March 31, 2010.

LQIF Holding

LQIF holding registered a loss of Ch\$5,442 million compared to a loss of Ch\$3,870 million in 1Q 2010, mainly due to higher financial costs resulting from a temporary effect of the valuation of its hedging instruments, and, to a lesser extent, due to higher losses caused by the effect of increased inflation on financial obligations denominated in UFs. These decreases were partially offset by higher financial income.

Banking Sector

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

BANCO DE CHILE

	1Q 2010		1Q 2011	
	MCh\$	MUS\$	MCh\$	MUS\$
Operating revenues	289,928	604.7	303,435	632.9
Provision for loan losses	(53,470)	(111.5)	(26,120)	(54.5)
Operating expenses	(124,518)	(259.7)	(141,403)	(294.9)
Net income (loss)	100,806	210.2	116,885	243.8
Loan portfolio	13,109,369	27,341.9	14,871,756	31,017.7
Total assets	17,508,537	36,517.2	19,399,614	40,461.4
Shareholders' equity	1,306,511	2,725.0	1,411,514	2,944.0
Net financial margin	5.4%		5.0%	
Efficiency ratio	43.0%		46.6%	
ROAE	26.4%		28.1%	
ROAA	2.3%		2.5%	

1Q 2011 Results

Banco de Chile reported net income of Ch\$116,886 million in the first quarter of 2011, growing 16.0% with respect to the first quarter of 2010. These positive results mainly reflect lower provisions for loan losses, higher net interest income and greater fee income from both banking and non-banking products.

Operating revenues, which include net financial income, fee income and other operating income, increased by 4.7% to Ch\$303,435 million in the first quarter of 2011. This growth in operating revenues was primarily due to higher net fee income.

Net financial income reached Ch\$218,176 million, remaining stable with respect to that obtained in the first quarter of 2010, due to higher net interest income derived from a higher yield of current accounts and demand deposits, given increasing nominal interest rates. Also, loan portfolio growth more than offset a decrease in lending spreads; the net financial margin decreased from 5.4% in 1Q 2010 to 5.0% in 1Q 2011. The growth in interest income compensated a drop in net financial and foreign exchange income, due to higher income in 1Q 2010 due to the sale of part of the available for sale and trading portfolios. Net financial income comprised 71.9% of operating revenues in 1Q 2011.

Fee income increased by 17.4% to Ch\$78,015 million, mainly derived from higher commercial activity in insurance brokerage, higher margins in the management of mutual funds, increased stock trading turnover, and higher activity in credit cards, reflecting the local economic growth scenario.

Provisions for loan losses amounted to Ch\$26,120 as compared to Ch\$53,470 million reported in 1Q 2010. This significant decrease is attributable to the favorable economic outlook for the local economy and the Bank's effective

credit risk models, reflecting improved risk profiles of both individuals and companies that resulted in lower credit risk charges in the retail and wholesale segments.

Operating expenses varied by 13.6% to Ch\$141,403 million compared to the first quarter of 2010. This rise is mainly explained by higher administrative expenses, reflecting the impact of the higher level of business activity during the period on the variable portion of these expenses.

As of March 2011, the Bank's loan portfolio had demonstrated an annual growth of 13.4% and a quarterly increase of 3.5% with respect to December 2010. Annual portfolio growth is driven by commercial loans, reflecting the confidence in the growth of the local economy, and residential mortgage loans, where the Bank has taken advantage of the synergies with the wholesale and retail banking segments. Consumer loans have also grown, based on the positive impact of lower unemployment and the higher dynamism of the economy.

Banco de Chile is the second ranked bank in the country with a market share of 19.1% of total loans according to information published by the Chilean Superintendency of Banks for the period ended March 31, 2011. Its return on equity after taxes (annualized) reached 33.1%, compared to 20.5% for the local financial system, according to the same source.

Interest Subordinated Debt

In the first quarter of 2011 accrued interest expense of the Subordinated Debt with the Chilean Central Bank was 9.2% higher than the first quarter of 2010, due to the effect of the higher rate of inflation in 2011 as compared to the previous period.

OTHER SEGMENT

The following table details the contribution from investments in the Segment Others during 2010 and 2011 to Quiñenco's net income:

	1Q 2010		1Q 2011	
	MCh\$	MUS\$	MCh\$	MUS\$
IRSA (CCU)	10,974	22.9	14,896	31.1
Quiñenco & other	4,674	9.7	8,592	17.9
Net income (loss) segment others	15,648	32.6	23,488	49.0

As of March 31, 2011 and 2010, Quiñenco's ownership of CCU was 33.1%. In January 2010 Quiñenco sold its entire investment in Telsur to GTD Grupo Teleducto through a Public Offering.

CCU

	1Q 2010		1Q 2011	
	MCh\$	MUS\$	MCh\$	MUS\$
Sales	213,652	445.6	242,263	505.3
Operating income (loss)	47,854	99.8	65,896	137.4
Net income (loss) controller	33,668	70.2	45,515	94.9
Total assets			1,191,525	2,485.1
Shareholders' equity			528,049	1,101.3

1Q 2011 Results

CCU's sales in the first quarter of 2011 grew by 13.4% compared to the first quarter of 2010, as a result of higher consolidated sales volumes and higher average prices. The 6.1% growth in sales volumes was led by the Chilean beer segment (+9.6%), Argentine beer segment (+6.9%), spirits (+6.6%), and non-alcoholic beverages (+3.7%). These segments more than compensated the decrease of 1.7% in the wine segment. Average prices went up by 6.9%, based on higher sales of premium products and price adjustments carried out to compensate higher costs of raw material, energy, and fuel.

Gross profit rose by 10.9% to Ch\$134,728 million, slightly below the growth in sales due to increased cost of sales, which went up by 16.7%. The gross margin as a percentage of sales decreased from 56.9% in 1Q 2010 to 55.6% in 1Q 2011.

Operating income reached Ch\$65,896 million up 37.7% from 2010, based on the period's higher gross profit and non-recurring income of Ch\$12,683 million corresponding to the insurance settlement compensating the operational losses caused by the earthquake in 2010, partially offset by increased SG&A expenses. As a percentage of sales, SG&A expenses fell from 34.5% in 1Q 2010 to 34.1% in 1Q 2011. Excluding the effect of the non-recurring income, the

consolidated operating margin was 22.0% of sales, compared to 22.4% in the same period of 2010. EBITDA amounted to Ch\$77,415 million, increasing 32.7% over 1Q 2010.

CCU reported non-operating losses of Ch\$2,087 million compared to a loss of Ch\$1,773 million in 1Q 2010. The decline is mainly explained by increased losses related to the effect of the higher rate of inflation on financial obligations denominated in UFs and lower gains related to hedges (included in exchange rate differences and other gains/losses), partially offset by lower financial expenses and a higher net profit of the associate Foods, mainly explained by its insurance claim settlement.

Net income for the first quarter of 2011 amounted to Ch\$45,515 million, up by 35.2% from the same quarter in 2010, due to the aforementioned higher operating results, including the non-recurring income from the insurance settlement, partially offset higher non-operating losses and higher income tax.

QUIÑENCO AND OTHERS

The positive variation of Ch\$3,918 million in Quiñenco and others, is mainly explained by higher financial income, reflecting the higher market value of financial assets at the corporate level, and to a lesser extent, due to Banchile Seguros de Vida's improved results during the period. On the other hand, the first quarter of 2010 includes the non-recurring gain of Ch\$8,725 million on the sale of Telsur.

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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
www.quinencogroup.com