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QUIÑENCO S.A. ANNOUNCES CONSOLIDATED RESULTS FOR THE SECOND QUARTER OF 2010

(Santiago, Chile, September 3, 2010) Quiñenco S.A., a leading Chilean business conglomerate, announced today its consolidated financial results under IFRS, for the second quarter ended June 30, 2010.

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 June 30, 2010 (Ch\$547.19 = US\$1.00), unless indicated otherwise, and are only provided for the reader's convenience.

2Q 2010 HIGHLIGHTS

- Net income¹ amounted to Ch\$185,764 million in the second quarter of 2010, more than triple that obtained during the same quarter in 2009, primarily due to a gain 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.
- Quiñenco received Ch\$541,919 million in funds from the sale of a total stake of 17.04% of LQIF to Citigroup, boosting cash at the corporate level to Ch\$728 billion or US\$1.3 billion.
- The contribution of operating companies during the second quarter of 2010 was boosted by significantly higher results from Banco de Chile, due to the improved conditions of the domestic economy and a positive rate of inflation, whereas Madeco and CCU registered lower results, despite growth in operating income.
- Earnings per ordinary share amounted to Ch\$162.30 for the second quarter of 2010.

¹ Net income corresponds to Net income attributable to equity holders of the parent.



GROUP HIGHLIGHTS – SECOND QUARTER 2010 AND SUBSEQUENT EVENTS

Quiñenco – Dividend Distribution

At the Ordinary Shareholders Meeting held on April 30, 2010, shareholders approved a dividend distribution corresponding to 2009 net income of Ch\$95.04 per share, payable as of May 11, 2010, to those shareholders registered with the company as of May 5, 2010. The total amount of the dividend is Ch\$108,780 million, equivalent to 70.00% of 2009 net income.

Quiñenco – Citigroup materializes options and reaches 50% of LQIF

On April 30, 2010, Citigroup acquired 17.04% of LQIF for a total price (after adjustments) of Ch\$541,919 million, increasing its share in LQIF, controlling entity of Banco de Chile, to 50%, following the exercise of its two options for an 8.52% stake in LQIF each, as established in the Shareholders' Agreement. The materialization of the first option generated Quiñenco a pre-tax gain of Ch\$169,513 million, and the second option generated an increase in equity, net of taxes, of Ch\$131,994 million, during the second quarter of 2010.

QUIÑENCO REPORTS IN ACCORDANCE WITH IFRS – MAIN IMPLICATIONS

Overview

As of the year 2009 Quiñenco reports its financial statements in accordance with International Financial Reporting Standards (IFRS). In comparison to Chilean GAAP, the main changes and considerations are the following:

- Consolidation with Banco de Chile, SM Chile and Banchile Seguros de Vida, and On-Balance accounting of Banco de Chile's Subordinated Debt with the Chilean Central Bank.
- Elimination of price-level restatement.
- Other changes in accounting principles. (For further detail please refer to notes of Consolidated Financial Statements filed with the Superintendency of Securities and Insurance or SVS).

Segment Information

In accordance with IFRS requirements, financial information is reported for the three segments defined by Quiñenco for this purpose: Manufacturing, Financial and Other. 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 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. Therefore, during 2009 Telsur has been classified as a discontinued operation, included in the segment Other.

Banking Sector: includes the following Segment 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		Other		Total Quarter				Total Year to Date			
	2Q 09	2Q 10	2Q 09	2Q 10	2Q 09	2Q 10	2Q 09		2Q 10		Jun-09		Jun-10	
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$
Consolidated Net Income														
Industrial Sector	9,430	1,726	(2,832)	(5,160)	26,608	161,451	33,206	60.7	158,017	288.8	69,058	126.2	169,347	309.5
Consolidated Net Income														
Banking Sector	-	-	59,014	87,963	-	-	59,014	107.8	87,963	160.8	108,335	198.0	171,819	314.0
Consolidated Net Income	9,430	1,726	56,182	82,803	26,608	161,451	92,220	168.5	245,980	449.5	177,393	324.2	341,166	623.5
Net Income attributable to Non-controlling Interests							38,893	71.1	60,216	110.0	70,834	129.5	106,599	194.8
Net Income attributable to Controllers' Shareholders							53,327	97.5	185,764	339.5	106,559	194.7	234,567	428.7

Net Income – 2Q 2010

Quiñenco reported net income of Ch\$185,764 million in the second quarter of 2010, substantially higher than that reported for the same period in 2009, mainly 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, parent company of Banco de Chile. Non-operating results in 2Q 2010 include the unfavorable effect of the positive rate of inflation on financial obligations and costs denominated in UFs, whereas in 2Q 2009 the contrary effect was produced by the negative rate of inflation.

In terms of the main operating companies, Banco de Chile reported significantly higher results in the second quarter of 2010, reflecting the improved local economic outlook. Madeco and CCU, however, registered lower results despite growth in operating income, due to negative variations in non-operating items.

Earnings per ordinary share amounted to Ch\$162.30 in the second quarter of 2010.

Consolidated Income Statement Breakdown

	Quarters				Year to Date			
	2Q 09		2Q 10		Jun-09		Jun-10	
	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$
Industrial Sector								
Revenues	60,171	110.0	73,892	135.0	121,026	221.2	139,828	255.5
Manufacturing - Madeco	41,765	76.3	53,100	97.0	86,095	157.3	100,416	183.5
Financial - LQIF Holding	-	-	-	-	-	-	-	-
Other - Quiñenco & others	18,406	33.6	20,792	38.0	34,931	63.8	39,413	72.0
Operating income (loss)²	(646)	(1.2)	743	1.4	(3,650)	(6.7)	(1,458)	(2.7)
Manufacturing - Madeco	3,096	5.7	4,590	8.4	4,992	9.1	6,691	12.2
Financial - LQIF Holding	(2,330)	(4.3)	(2,254)	(4.1)	(4,545)	(8.3)	(4,419)	(8.1)
Other - Quiñenco & others	(1,411)	(2.6)	(1,592)	(2.9)	(4,098)	(7.5)	(3,730)	(6.8)
Non-operating income (loss)³	27,078	49.5	167,741	306.5	65,350	119.4	184,422	337.0
Interest income	2,507	4.6	1,836	3.4	6,612	12.1	3,155	5.8
Interest expense	(3,810)	(7.0)	(3,663)	(6.7)	(7,126)	(13.0)	(6,610)	(12.1)
Share of net income/loss from related co.	10,897	19.9	6,236	11.4	25,323	46.3	16,922	30.9
Foreign exchange gain (loss)	2,635	4.8	(554)	(1.0)	7,590	13.9	(979)	(1.8)
Indexed units of account restatement	(732)	(1.3)	(1,784)	(3.3)	991	1.8	(2,180)	(4.0)
Other gains (losses)	15,581	28.5	165,670	302.8	31,960	58.4	174,115	318.2
Income tax	5,689	10.4	(10,466)	(19.1)	3,136	5.7	(13,616)	(24.9)
Net income (loss) from discontinued operations	1,085	2.0	(1)	(0.0)	4,223	7.7	(1)	(0.0)
Net Income (Loss) Industrial Sector	33,206	60.7	158,017	288.8	69,058	126.2	169,347	309.5
Banking Sector								
Operating revenues	264,362	483.1	293,861	537.0	493,799	902.4	582,240	1,064.1
Provision for loan losses	(61,800)	(112.9)	(35,669)	(65.2)	(112,798)	(206.1)	(89,271)	(163.1)
Operating expenses	(117,792)	(215.3)	(140,639)	(257.0)	(239,336)	(437.4)	(263,547)	(481.6)
Operating income (loss)	84,770	154.9	117,553	214.8	141,665	258.9	229,422	419.3
Non-operating income (loss)	(13,910)	(25.4)	(19,131)	(35.0)	(13,270)	(24.3)	(35,955)	(65.7)
Income tax	(11,846)	(21.6)	(10,459)	(19.1)	(20,060)	(36.7)	(21,648)	(39.6)
Net Income (Loss) Banking Sector	59,014	107.8	87,963	160.8	108,335	198.0	171,819	314.0
Consolidated Net Income (Loss)	92,220	168.5	245,980	449.5	177,393	324.2	341,166	623.5
Net income attributable to Non-controlling Interests	38,893	71.1	60,216	110.0	70,834	129.5	106,599	194.8
Net income attributable to Controllers' Shareholders	53,327	97.5	185,764	339.5	106,559	194.7	234,567	428.7

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 – 2Q 2010**

Consolidated revenues totaled Ch\$73,892 million in the second quarter of 2010, 22.8% above the same period in 2009, mainly owing to higher revenues at Madeco. Madeco's sales increased by 27.1% reflecting growth of brass mills due to higher volumes and higher copper prices. Sales of flexible packaging also increased, boosted by growth in sales volumes in Chile, Peru, and Argentina. Sales of the profiles unit, however, diminished in terms of pesos due to lower sales volumes, following the trend of the construction sector, and a lower average exchange rate⁴. Quiñenco and others increased by 13.0% mainly explained by Banchile Seguros de Vida.

Consolidated sales in the second quarter of 2010 can be broken down as follows: Madeco (71.9%), and others (28.1%).

Operating Income - 2Q 2010

Operating income for the second quarter of 2010 reached a gain of Ch\$743 million, compared to a loss of Ch\$646 million in the second quarter of 2009. The improvement in consolidated operating results is mostly attributable to Madeco's operations which registered improved gross income, particularly in flexible packaging and profiles. Operating losses at Quiñenco and others increased by 12.8% primarily due to higher administrative expenses.

EBITDA – 2Q 2010

EBITDA amounted to Ch\$4,768 million in 2Q 2010, generated mainly by Madeco's operations and, to a lesser extent, by Banchile Seguros de Vida.

Non-Operating Results⁵ – 2Q 2010

Non-operating income amounted to Ch\$167,741 million in the second quarter of 2010, compared to non-operating income of Ch\$27,078 million in the same quarter of 2009. The variation between the two periods is mostly explained by other non-operating gains and the proportionate share of equity method investments.

Proportionate share of net income of equity method investments (net) – 2Q 2010

Quiñenco's proportionate share of net income from equity method investments (net), which primarily includes the results from CCU, reached Ch\$6,236 million, compared to Ch\$10,897 million in 2Q 2009, a decrease of 42.8%.

Quiñenco's proportionate share of net income from CCU decreased by 39.0% to Ch\$6,815 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 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 - 2Q 2010

Interest income for the second quarter of 2010 amounted to Ch\$1,836 million, a decrease of 26.8% with respect to 2Q 2009. The reduction corresponds mainly to lower interest income at LQIF, due to a lower balance of time deposits and lower interest rates in 2Q 2010.

Interest Expense - 2Q 2010

Interest expense for the second quarter of 2010 amounted to Ch\$3,663 million, a decrease of 3.9% with respect to 2Q 2009. The reduction corresponds mainly to lower interest expense at Madeco, partially offset by higher interest expense at LQIF.

Foreign currency exchange differences – 2Q 2010

In 2Q 2010, the gains (losses) specific to foreign currency translation differences amounted to a loss of Ch\$554 million, compared to a gain of Ch\$2,635 million reported in 2Q 2009, primarily attributable to gains at Madeco in 2009, due to the appreciation of the Chilean peso during the quarter and the company's net asset position in that currency (Madeco reports in US\$).

Indexed units of account restatement – 2Q 2010

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\$1,784 million in the second quarter of 2010, compared to a loss of Ch\$732 million reported in the same period of 2009, the latter due to the favorable effect of the slightly negative rate of inflation during the second quarter of 2009 on liabilities in UFs, with the exception of Madeco, which registered a loss due to its net asset position in UFs during the quarter. However, during the second quarter of 2010 the inflation rate was slightly positive, generating losses, mostly at LQIF.

Other gains/losses– 2Q 2010

Other gains/losses amounted to a gain of Ch\$165,670 million in 2Q 2010, compared to a gain of Ch\$15,581 million in 2Q 2009. The variation is primarily explained by the non-recurring gain of \$169,513 million generated at the corporate level by the sale of an 8.52% share in LQIF to Citigroup in 2Q 2010, whereas 2Q 2009 registered a gain of Ch\$16,914 million from the sale of Entel shares, also at the corporate level. In addition, in 2Q 2010 Madeco reported an extraordinary provision of Ch\$1,805 million, which corresponds to a price adjustment of the selling price of its cable unit to Nexans.

Income Taxes – 2Q 2010

The industrial sector reported income tax of Ch\$10,466 million, compared to an income tax credit of Ch\$5,689 million reported in the second quarter of 2009, primarily due to higher income tax at the corporate level and at Madeco.

Net Income Attributable to Non-controlling Interests – 2Q 2010

In the second quarter of 2010, at a consolidated level (including both industrial and banking net income), net income attributable to non-controlling interests amounted to Ch\$60,216 million. Of the total amount reported in

2Q 2010, Ch\$34,048 million corresponds to minority shareholders' share of Banco de Chile and SM Chile's net income.

II. Banking Sector

Operating Revenues - 2Q 2010

Operating revenues for the second quarter of 2010 amounted to Ch\$293,861 million, 11.2% above the second quarter of 2009, mainly due to the favorable effect on net financial income at Banco de Chile of the positive inflation rate in 2Q 2010, compared to the adverse effect of negative inflation in 2Q 2009, together with growth of the loan portfolio, and higher fee income also at Banco de Chile.

Provision for Credit Risk - 2Q 2010

Provision for loan losses at Banco de Chile amounted to Ch\$35,669 million in the second quarter of 2010 as compared to Ch\$61,800 million in the second quarter of 2009, mainly attributable to an improved outlook for the local economy, as well as for certain sectors such as fishing and retail, which has allowed significant reductions of provisions in the wholesale segment.

Operating expenses - 2Q 2010

Operating expenses varied by 19.4% to Ch\$140,639 million, mainly explained by an increase of 19.4% in Banco de Chile's operating expenses to Ch\$140,549 million, which include contingency provisions of Ch\$6,000 million for unexpected credit risk deteriorations, a customer loyalty program for credit card use amounting to Ch\$5,400 million, and Ch\$3,800 million related to an adjustment of over accrued commissions during prior periods.

Non-operating Results - 2Q 2010

During the second quarter of 2010 non-operating results amounted to a loss of Ch\$19,131 million as compared to a loss of Ch\$13,910 million in the second quarter of 2009, primarily explained by higher accrued interest expense of the Subordinated Debt with the Chilean Central Bank, owing to the negative effect of the positive rate of inflation in 2Q 2010 compared to the favorable effect of the slightly negative inflation rate in 2Q 2009.

Net Income - 2Q 2010

Net income for the banking sector amounted to Ch\$87,963 million up by 49.1% over the same period in 2009, resulting from improved operating results, partially offset by the decline in non-operating results.

CONSOLIDATED BALANCE SHEET ANALYSIS (vis-à-vis the 1st quarter of 2010)

Condensed Consolidated Balance Sheet

	03-31-2010		06-30-2010	
	MCh\$	MUS\$	MCh\$	MUS\$
Current assets industrial sector	424,091	775.0	801,074	1,464.0
Non current assets industrial sector	1,466,797	2,680.6	1,444,060	2,639.0
Assets financial sector	17,506,521	31,993.5	17,662,251	32,278.1
Total assets	19,397,409	35,449.1	19,907,385	36,381.1
Current liabilities industrial sector	153,727	280.9	236,416	432.1
Long-term liabilities industrial sector	329,567	602.3	324,052	592.2
Liabilities financial sector	16,614,458	30,363.2	16,694,568	30,509.6
Non-controlling interests	995,292	1,818.9	1,159,618	2,119.2
Shareholders' equity	1,304,365	2,383.8	1,492,731	2,728.0
Total liabilities & shareholders' equity	19,397,409	35,449.1	19,907,385	36,381.1

Current Assets Industrial Sector

Current assets increased by 88.9% compared to the first quarter of 2010, mainly due to an increment in cash and cash equivalents and other current financial assets, arising from the proceeds amounting to Ch\$541,919 million received at the corporate level from the sale of 17.04% of LQIF to Citigroup, partially offset by a reduction in assets and divestment groups maintained for sale, reflecting the sale of Telsur in January 2010. Also, dividends were received by IRSA from CCU.

Non current Assets Industrial Sector

Non current assets decreased by 1.6% compared to the first quarter of 2010, explained by lower deferred taxes due to a lower balance of tax losses and lower financial assets, reflecting the reduction in the market price of the investment in Nexans together with a net negative exchange rate conversion. These decreases were partially offset by an increment in fixed assets at Madeco and an increase in the equity method investments explained by IRSA (parent company of CCU).

Assets Banking Sector

Total assets of the banking sector increased a slight 0.9% compared to the first quarter of 2010. Loans to customers increased 2.9% with respect to March 2010, due to higher commercial and residential mortgage loans, and cash & cash equivalents in banks increased by 21.2%. These increments were offset by decreases in investments available for sale and a lower balance of financial derivatives.

Current Liabilities Industrial Sector

Current liabilities increased by 53.8% over the first quarter of 2010, explained primarily by higher income tax payables and higher bank loans, the latter primarily at LQIF.

Long-term Liabilities Industrial Sector

Long-term liabilities diminished by 1.7% in comparison to the first quarter of 2010, mainly due to a decrease in deferred income taxes, due to a lower balance of tax losses, partially offset by higher bank loans at LQIF.

Liabilities Banking Sector

Liabilities corresponding to the banking sector increased by 0.5% compared to the first quarter of 2010.

Non-controlling Interests

Non-controlling interests increased by 16.5% with respect to the first quarter of 2010, mainly reflecting the increased share of Citigroup in LQIF.

Equity

Shareholders' equity increased by 14.4% compared to the first quarter of 2010 due to period profits, net of dividends provisioned, and the variation of other reserves that includes a gain of Ch\$131,994 million, net of taxes, arising from the sale of an 8.52% share in LQIF to Citigroup corresponding to the exercise of Citigroup's second option.

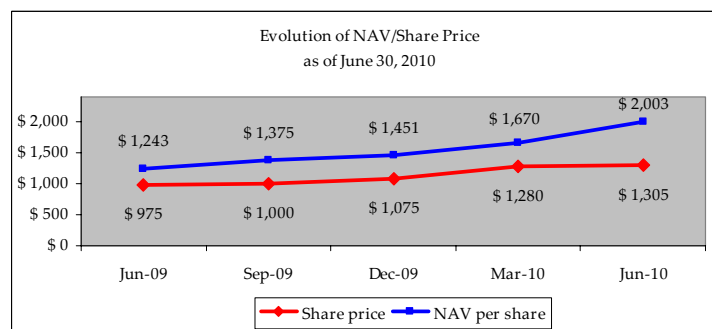
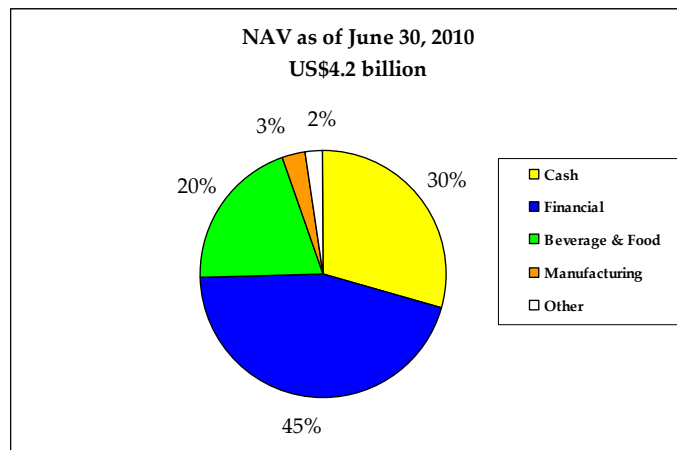
Quiñenco Corporate Level Debt and Cash

As of June 30, 2010	Debt		Cash & equivalents		Total	
	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$
Corporate level	71,068	129.9	726,172	1,327.1	(655,104)	(1,197.2)
Adjusted for:						
50.00% interest in LQIF	94,448	172.6	1,461	2.7	92,987	169.9
50.00% interest in IRSA	10,081	18.4	492	0.9	9,589	17.5
Total	175,597	320.9	728,125	1,330.7	(552,529)	(1,009.8)

The debt to total capitalization ratio at the corporate level (unadjusted) was 4.2% as of June 30, 2010.

NAV

As of June 30, 2010, the estimated net asset value (NAV) of Quiñenco was US\$4.2 billion (Ch\$2,003 per share) and market capitalization was US\$2.7 billion (Ch\$1,305 per share). The discount to NAV is estimated at 34.8% as of the same date.



SEGMENT /OPERATING COMPANY ANALYSIS

Sector /Segment	Manufacturing		Financial		Other		Total Quarter				Total Year to Date			
	2Q 09	2Q 10	2Q 09	2Q 10	2Q 09	2Q 10	2Q 09		2Q 10		Jun-09		Jun-10	
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$
Industrial Sector														
Net income from continued operations before taxes	3,351	1,771	(3,287)	(5,725)	26,368	172,437	26,432	48,3	168,484	307.9	61,699	112.8	182,964	334.4
Income tax	6,013	(44)	455	565	(779)	(10,986)	5,689	10,4	(10,466)	(19.1)	3,136	5.7	(13,616)	(24.9)
Net income (loss) from discontinued operations	66	(1)	-	-	1,019	-	1,085	2,0	(1)	(0.0)	4,223	7.7	(1)	(0.0)
Net income (loss) industrial sector	9,430	1,726	(2,832)	(5,160)	26,608	161,451	33,206	60,7	158,017	288.8	69,058	126.2	169,347	309.5
Banking Sector														
Net income before taxes	-	-	70,860	98,421	-	-	70,860	129,5	98,421	179.9	128,395	234.6	193,466	353.6
Income tax	-	-	(11,846)	(10,458)	-	-	(11,846)	(21,6)	(10,458)	(19.1)	(20,060)	(36,7)	(21,648)	(39,6)
Net income (loss) banking sector	-	-	59,014	87,963	-	-	59,014	107,8	87,963	160.8	108,335	198.0	171,819	314.0
Consolidated net income	9,430	1,726	56,182	82,803	26,608	161,451	92,220	168,5	245,980	449.5	177,393	324.2	341,166	623.5
Net income attributable to Non-controlling interests							38,893	71,1	60,216	110.0	70,834	129.5	106,599	194.8
Net income attributable to Controllers' shareholders							53,327	97,5	185,764	339.5	106,559	194.7	234,567	428.7

During the second quarter of 2010 consolidated net income can be broken down as follows: Financial Segment (33.7%), Others (65.6%), and Manufacturing (0.7%).

MANUFACTURING SEGMENT

The following table details consolidated income (loss) from investments in the Manufacturing segment during 2009 and 2010:

Manufacturing Segment	Quarter				Year to Date			
	2Q 09		2Q 10		Jun-09		Jun-10	
	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$
Madeco	9,430	17.2	1,726	3.2	13,478	24.6	885	1.6
Total Manufacturing Segment	9,430	17.2	1,726	3.2	13,478	24.6	885	1.6

As of June 30, 2010 and 2009, Quíñenco's ownership of Madeco was 47.7%.

MADECO

	Quarters				Quarters		Year to Date	
	2Q 09		2Q 10		2Q 09	2Q 10	Jun-09	Jun-10
	MCh\$	MUS\$	MCh\$	MUS\$ ⁶	ThUS\$ ⁷	ThUS\$	ThUS\$	ThUS\$
Sales	41,765	76.3	53,100	97.0	73,467	100,027	146,626	191,060
Operating income (loss) ⁸	3,096	5.7	4,590	8.4	5,329	8,611	8,357	12,685
Net income discontinued operations	66	0.1	(1)	(0.0)	119	(2)	137	(2)
Net income (loss) Controller	8,722	15.9	1,152	2.1	15,534	2,183	21,648	(332)
Total assets			364,807	666.7				666,694
Shareholders' equity			260,552	476.2				476,164

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.

2Q 2010 Results

Madeco's sales grew by 36.2% to US\$100,027 thousand in the second quarter of 2010 compared to the same period of 2009, boosted by higher sales of brass mills and of flexible packaging, and to a lesser extent, of the profiles unit. Sales of brass mills increased 64.0% due to higher sales volumes together with higher copper prices. Flexible packaging sales grew by 28.1% based on 21.2% growth in volume, in the Chilean, Peruvian and Argentine markets. Sales of the profiles unit, which increased by 1.8%, were affected by lower sales volumes, reflecting the decrease in activity of the construction sector, offset by higher aluminum prices.

During the second quarter of 2010, sales of the flexible packaging unit accounted for 47.9% of sales, followed by brass mills (40.6%), and profiles (11.5%).

Gross income increased by 84.0% to a gain of US\$17,121 thousand boosted by the flexible packaging and profiles units. The flexible packaging unit obtained higher gross income in all its markets following the growth in sales, as well as an efficient use of raw materials and cost containment measures. Thus, as a percentage of sales the gross margin increased from 19.4% in 2Q 2009 to 20.7% in 2Q 2010. The profiles unit obtained a significant improvement in gross income, mainly due to an impairment of aluminum inventory to replacement value carried out in 2009, which contributed to reduce the units' cost of sales. Gross income from brass mills decreased slightly during the period

⁶ Converted to US\$ at the observed exchange rate on June 30, 2010 (Ch\$547.19 = US\$1.00).

⁷ Correspond to Financial Statements in US dollars as reported by Madeco to the Superintendency of Securities and Insurance (SVS).

⁸ Operating income includes: Gross income minus Distribution Costs, Administrative expenses, other operating revenue and other operating expenses, excluding Directors' participation which has been included in other gains/losses.

despite the strong growth in revenues, mainly due to a drop in the gross margin from 16.6% in 2Q 2009 to 9.9% in 2Q 2010, due to higher copper prices that increased the cost of sales.

Operating income increased by 61.6% to US\$8,611 thousand in 2Q 2010, based on the strong growth in gross income together with stable SG&A expenses, which were partially offset by lower dividend income from Nexans, included in other operating revenues. In 2Q 2010 Madeco received US\$3,389 thousand in dividends from Nexans whereas in 2Q 2009 the company received US\$7,360 thousand.

Non-operating income for the quarter amounted to a loss of US\$5,266 thousand, down from a gain of US\$5,756 thousand in 2Q 2009. The variation in non-operating income is largely explained by foreign currency exchange gains due to the appreciation of the Chilean peso during 2Q 2009, and the company's net asset position in that currency at the time. In addition, 2Q 2010 includes an extraordinary provision of US\$3,364 thousand corresponding to a price adjustment of the selling price of Madeco's cable unit to Nexans.

Madeco reported a net gain of US\$2,183 thousand for the second quarter of 2010, despite growth in operating results, due to a drop in non-operating results, mainly derived from exchange rate differences and the provision related to the transaction with Nexans explained above, as well as higher income tax in 2010 due to improved results of the company's subsidiaries during the quarter and exchange rate differences at the parent company level, where tax accounting is carried in Chilean pesos.

FINANCIAL SEGMENT

The following table details consolidated income (loss) from investments in the Financial Segment during 2009 and 2010:

Financial Segment	Quarter				Year to Date			
	2Q 09		2Q 10		Jun-09		Jun-10	
	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$
LQIF holding	(2,832)	(5.2)	(5,160)	(9.4)	(2,691)	(4.9)	(9,030)	(16.5)
Banco de Chile	73,256	133.9	107,808	197.0	122,532	223.9	208,614	381.2
Interest subordinated debt	(14,369)	(26.3)	(19,554)	(35.7)	(14,294)	(26.1)	(36,434)	(66.6)
Other	127	0.2	(291)	(0.5)	97	0.2	(362)	(0.7)
Total Financial Segment	56,182	102.7	82,803	151.3	105,644	193.1	162,788	297.5

As of June 30, 2010 and 2009, 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 June 30, 2010 and as of June 30, 2009.

LQIF Holding

LQIF Holding registered a loss of Ch\$5,160 million compared to a loss of Ch\$2,832 million in 2Q 2009, mainly due to a gain in 2009 arising from the favorable effect of the negative inflation during the quarter on liabilities denominated in UFs (indexed to inflation), corresponding mainly to LQIF's bonds, compared to a loss in 2010 due to a positive rate

of inflation, and to lower financial income in 2Q 2010 due to a lower level of liquidity during the period and lower interest rates.

BANCO DE CHILE

	Quarters				Year to Date			
	2Q 09		2Q 10		Jun-09		Jun-10	
	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$
Operating revenues	264,144	482.7	294,040	537.4	493,509	901.9	582,407	1,064.4
Provision for loan losses	(61,800)	(112.9)	(35,669)	(65.2)	(112,798)	(206.1)	(89,272)	(163.1)
Operating expenses	(117,699)	(215.1)	(140,549)	(256.9)	(239,151)	(437.1)	(263,373)	(481.3)
Net income (loss)	73,255	133.9	107,808	197.0	122,531	223.9	208,614	381.2
Loan portfolio					12,265,292	22,415.1	13,506,456	24,683.3
Total assets					16,356,489	29,891.8	17,693,674	32,335.5
Shareholders' equity					1,344,872	2,457.8	1,338,877	2,446.8
Net financial margin	5.4%		5.8%		4.8%		5.9%	
Efficiency ratio	44.6%		47.8%		48.5%		45.2%	
ROAE	21.2%		30.0%		17.0%		28.2%	
ROAA	1.8%		2.5%		1.4%		2.4%	

2Q 2010 Results

Banco de Chile reported net income of Ch\$107,808 million in the second quarter of 2010, 47.2% higher than that obtained during the second quarter of 2009. These positive results mainly reflect the more favorable economic conditions, contributing to increased loans and lower credit risk charges, and the favorable effects of a positive rate of inflation in 2Q 2010 on net financial income.

Operating revenues, which include net financial income, fee income and other operating income, increased by 11.3% to Ch\$294,040 million in the second quarter of 2010. This growth in operating revenues was primarily due to higher net financial income, and to a lesser extent to fee income that increased by 5.3%.

Net financial income reached Ch\$221,064 million, 12.6% higher than the second quarter of 2009, due to an increase in the net financial margin from 5.4% in 2Q 2009 to 5.8% in 2Q 2010, resulting from a more favorable rate of inflation in the current period compared to 2Q 2009, boosting the contribution from interest earning assets denominated in UFs, in addition to a 10.1% growth in the loan portfolio and an improved funding structure, based on market leadership in demand deposits and checking accounts. Net financial income comprised 75.2% of operating revenues in 2Q 2010.

Provisions for loan losses amounted to Ch\$35,669 million in 2Q 2010, 42.3% less than in 2Q 2009. This decrease is mainly attributable to an improved outlook for the local economy, as well as for certain sectors such as fishing and retail, which has allowed a significant reduction in provisions in the wholesale segment. Although to a lesser extent, the retail segment also improved based on a recovery in customers' payment capacity resulting from lower unemployment and increased consumer confidence.



Operating expenses increased by 19.4% to Ch\$140,549 million compared to the second quarter of 2009, mostly due to an increment in other operating expenses from Ch\$5,241 million to Ch\$22,803 million, mainly explained by contingency provisions of Ch\$6,000 million for unexpected credit risk deteriorations, a customer loyalty program for credit card use accounting for Ch\$5,400 million, and Ch\$3,800 million related to an adjustment of over-accrued commissions during prior periods. Additionally, personnel expenses increased 4.3% in line with inflation, and administrative expenses rose by 7.2% due to the repair of fixed assets after the earthquake and, to a lesser extent, IT expenses.

As of June 2010, the Bank's loan portfolio had demonstrated an annual growth of 10.1% and a quarterly increment of 3.0% with respect to March 2010. Annual portfolio growth is driven by commercial loans and residential mortgage loans, and to a lesser extent by consumer loans. Commercial loans have grown as large companies have gradually picked up postponed investment plans in view of improved market conditions. Residential mortgage loans experienced two digit growth in response to the Bank's strategic decision to focus growth in the retail segment.

Banco de Chile is the second ranked bank in the country with a market share of 18.8% of total loans according to information published by the Chilean Superintendency of Banks for the period ended June 30, 2010. Its return on equity after taxes (annualized) reached 31.2%, compared to 20.8% for the local financial system, according to the same source.

Interest Subordinated Debt

In the second quarter of 2010 accrued interest expense of the Subordinated Debt with the Chilean Central Bank was 36.1% higher than the second quarter of 2009, due to the positive rate of inflation during the current period in comparison to a slightly negative rate during 2Q 2009.

OTHER SEGMENT

The following table details consolidated income (loss) from investments in the Segment Other during 2009 and 2010:

Segment Other	Quarter				Year to Date			
	2Q 09		2Q 10		Jun-09		Jun-10	
	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$
Beverage & Food (CCU) ⁹	11,172	20.4	6,815	12.5	25,563	46.7	17,945	32.8
Quiñenco & other	14,630	26.7	154,636	282.6	29,372	53.7	159,547	291.6
Telecommunications (Telsur)	806	1.5	-	-	3,337	6.1	-	-
Total Segment Others	26,608	48.6	161,451	295.1	58,272	106.5	177,493	324.4

As of June 30, 2010 and 2009, Quiñenco's ownership of CCU was 33.1%. As of June 30, 2009, Quiñenco's ownership of Telsur was 74.4%. In January 2010, Quiñenco sold its entire investment in Telsur to GTD Grupo Teleducto through a Public Offering.

BEVERAGE & FOOD SECTOR

CCU

	Quarters				Year to Date			
	2Q 09		2Q 10		Jun-09		Jun-10	
	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$
Sales	159,693	291.8	180,748	330.3	371,422	678.8	394,400	720.8
Operating income (loss)	19,619	35.9	33,996	62.1	66,427	121.4	81,850	149.6
Net income (loss)	33,798	61.8	20,618	37.7	77,332	141.3	54,286	99.2
Total assets							1,079,298	1,972.4
Shareholders' equity							491,184	897.6

2Q 2010 Results

CCU's sales grew by 13.2% in the second quarter of 2010 compared to the second quarter of 2009, as a result of 9.7% growth in sales volumes and 4.5% higher average prices. The growth in sales volumes was across the board, led by the wine segment (+24.8%), spirits (+10.7%), Chilean beer segment (+10.3%), non-alcoholic beverages (+9.9%), and finally the Argentine beer segment (+3.2%). Higher average prices are explained by a 10.3% increment in the average price of beer in Argentina, and to a lesser extent by increases in non-alcoholic beverages (+1.8%), beer in Chile (+1.4%), spirits (+1.5%), and wine (+0.2%).

⁹ Corresponds to Quiñenco's proportionate share of CCU's net income, prepared in accordance with IFRS.

Gross profit rose by 19.7% to Ch\$93,971 million as a result of the above mentioned higher average prices, together with an increment of only 6.9% in COGS, due to the favorable effect of the appreciation of the Chilean peso during 2Q 2010 in relation to 2Q 2009, on costs in dollars. The gross margin as a percentage of sales increased from 49.2% in 2Q 2009 to 52.0% in 2Q 2010.

Operating income reached Ch\$33,996 million up 73.3% from 2Q 2009, mainly based on the higher gross profit, and a non-recurring pre-tax gain of Ch\$6,670 million from the sale of a site in Lima, Peru, partially offset by increased SG&A expenses. The increase in SG&A expenses is mainly in line with the growth in sales volumes, and also reflects expenses related to the World Soccer Cup in South Africa. As a percentage of sales, SG&A expenses did not vary significantly, from 36.8% in 2Q 2009 to 37.0% in 2Q 2010. Thus, the consolidated operating margin was 18.8% of sales, compared to 12.3% in the same period of 2009. EBITDA amounted to Ch\$45,098 million, increasing 45.8% over 2Q 2009.

CCU reported non-operating losses of Ch\$2,379 million compared to a gain of Ch\$20,931 million in 2Q 2009. The decline is mainly explained by the non-recurring gain of Ch\$24,439 million registered in 2Q 2009 generated by the sale of 29.9% of Aguas CCU Nestlé Chile. In 2Q 2010, CCU obtained losses related to the effect of the positive rate of inflation on obligations denominated in UFs, contrary to what occurred in 2Q 2009 with negative inflation. In addition, during the current period the company obtained losses due to exchange rate differences reflecting greater fluctuations, offset by foreign currency hedges included in other gains. Financing costs however, diminished with respect to 2Q 2009 as a result of the timely refinancing of a US\$100 million loan due in November 2009.

Net income for the second quarter of 2010 amounted to Ch\$20,618 million, down by 39.0% from the same quarter in 2009, despite improved operating income, due to the aforementioned lower non-operating results, and also due higher income tax, mostly related to the sale of the site in Peru.

QUIÑENCO AND OTHERS

The growth of Ch\$140,006 million in Quiñenco and others, is primarily explained by a non-recurring pre-tax gain of \$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. On the other hand, in 2Q 2009, a non-recurring gain of Ch\$16,914 million was registered at the corporate level from the sale of Entel shares. Income taxes increased during the quarter mainly reflecting the taxes related to the sale of the 8.52% share in LQIF mentioned above.

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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