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

(Santiago, Chile, September 7, 2011) Quiñenco S.A., a leading Chilean business conglomerate, announced today its consolidated financial results under IFRS, for the second quarter ended June 30, 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 June 30, 2011 (Ch\$468.15 = US\$1.00), unless indicated otherwise, and are only provided for the reader's convenience.

2Q 2011 HIGHLIGHTS

- Net income¹ amounted to Ch\$31,926 million in the second quarter of 2011, substantially below the same period in 2010, primarily due to the non-recurring gain of Ch\$169,513 million reported in 2Q 2010 at the corporate level, generated by the exercise of Citigroup's first option for an 8.52% additional stake in LQIF, parent company of Banco de Chile. However, at the corporate level, in 2Q 2011 Quiñenco obtained growth in financial income, based on its strong cash position.
- The contribution of operating companies during the second quarter of 2011 was boosted by higher results at Banco de Chile, due to the increased domestic economic activity, at Madeco, due to higher operating income from its flexible packaging and profiles units, and by the incorporation of Enex as of June 2011. CCU's contribution was lower mainly due to the negative effect of increased costs on margins during the quarter, as well as non-recurring income reported in the previous period.
- Earnings per ordinary share amounted to Ch\$27.89 for the second quarter of 2011.

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

GROUP HIGHLIGHTS – SECOND QUARTER 2011 AND SUBSEQUENT EVENTS

Quiñenco – Investment in Compañía Sud Americana de Vapores

On April 6, 2011, Quiñenco acquired 162,340,712 additional 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.

During June, Quiñenco subscribed 150,243,158 shares of CSAV at a price of Ch\$285, totaling Ch\$42,819 million, during the preferential offering period of CSAV's capital increase. This purchase brought Quiñenco's total stake in CSAV up to 18.82% as of June 30, 2011. Finally, during July, Quiñenco subscribed an additional 72,484,489 shares in the capital increase, increasing its stake to 20.63% at present.

Quiñenco acquires Shell's assets in Chile

On May 31st, 2011, Quiñenco closed the transaction with Royal Dutch Shell acquiring its assets in Chile for a total amount of US\$633 million, including working capital and cash. The transaction includes 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.

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.

Banco de Chile successfully carries out capital increase

During July 2011, Banco de Chile successfully completed its capital increase, raising approximately US\$450 million. LQIF, however, waived its preemptive rights in this offering, contributing to increase the free float of the Bank's shares. Thus, as of June 30, 2011, LQIF's dividend rights in the bank were 39.7%. It is also worth noting that on April 15, 2011, the shares of the Banco de Chile-S series were transformed into ordinary Banco de Chile shares, as approved by the Extraordinary Shareholders Meeting held on March 17, 2011.

Madeco – Capital increase of US\$100 million

The Extraordinary Shareholders Meeting held on April 24, 2011, approved a capital increase of US\$100 million, through the issuance of 1,760,974,629 shares, in order to finance the additional investment in Nexans announced previously in March this year. During the first and second period of preferential offering, the company raised US\$78.1 million.

Madeco increases its stake in Nexans to 15%

Following the agreement signed in March, 2011, during the second quarter of 2011 Madeco acquired, through Goldman Sachs, 1,766,400 additional shares of Nexans for a total of US\$167 million, reaching a stake in the company of 15% as of June 30. Subsequently, Madeco continued increasing its share, reaching a stake of approximately 18% by the end of August.

Madeco sells coin blanks subsidiary

On June 1, 2011, Madeco sold its coin blanks subsidiary (Armat) to Amera International AG, including the brand, client portfolio, industrial equipment, and working capital, for US\$3.3 million. The transaction excludes the property, industrial facilities and other assets not directly related to the coin blanks business. The transaction will not have a significant impact on Madeco's income statement.

Quiñenco – New announcements on Compañía Sud Americana de Vapores

On September 2, 2011, Quiñenco announced the approval of a credit line of US\$250 million for CSAV, in order to fund the company's cash needs for the remainder of 2011. The Board of Directors of CSAV, approved a plan to strengthen the company from a financial standpoint, including a capital increase amounting to US\$1.2 billion, and the division of the container shipping business from the cargo and shipping services business, with the container shipping business to remain in CSAV. Quiñenco announced its intention to subscribe more than its proportional share in the proposed capital increase, if unsubscribed shares are available, up to a maximum of US\$1 billion, subject to the approval by CSAV's Shareholder's Meeting of the aforementioned division.

Quiñenco signs agreement to purchase Terpel's assets in Chile

On September 2, 2011, Quiñenco signed an agreement to acquire from Organización Terpel S.A. and Petrolera Nacional S.A. their assets in Chile, including the distribution of fuel through the service stations that these companies operate throughout the country, together with other related businesses, for a total amount of UF6,706,951 (approximately US\$320 million), subject to working capital adjustments on closing. The total net financial debt of the selling companies shall be deducted from this price upon completion of the transaction. It is worth noting that closure of the transaction is subject to approval from the Antitrust Court.

SEGMENT INFORMATION

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

- **Industrial Sector:** includes the following Segments and main companies:

i) Manufacturing

- Madeco

ii) Financial

- LQ Inversiones Financieras (LQIF holding)

iii) Energy

- Enex

iv) Other

- Quiñenco and others (includes CCU and eliminations)

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

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

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

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

Banking Sector: includes the following Segments and main companies:

i) Financial

- Banco de Chile

- SM Chile

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

Summarized Consolidated Income Statement

Sector /Segment	Manufacturing		Financial		Energy		Other		Total		Total	
	2Q 10	2Q 11	2Q 10	2Q 11	2Q 10	2Q 11	2Q 10	2Q 11	2Q 10	2Q 11	2Q 10	2Q 11
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MUS\$	MUS\$
Consolidated Income (Loss)												
Industrial Sector	1,726	3,158	(5,160)	(4,661)	-	223	161,451	7,777	158,017	6,497	337.5	13.9
Consolidated Income Banking Sector	-	-	87,962	89,675	-	-	-	-	87,963	89,676	187.9	191.6
Consolidated Net Income (Loss)	1,726	3,158	82,802	85,014	-	223	161,451	7,777	245,980	96,172	525.4	205.4
Net income (loss) attributable to Non-controlling interests	1,178	1,869	58,425	61,016	-	-	613	1,361	60,216	64,247	128.6	137.2
Net income (loss) attributable to Controllers' Shareholders	548	1,289	24,377	23,998	-	223	160,838	6,416	185,764	31,926	396.8	68.2

Net Income – 2Q 2011

Quiñenco reported net income of Ch\$31,926 million in the second quarter of 2011, substantially below the net income reported for the same period in 2010, primarily due to a non-recurring gain at the corporate level of Ch\$169,513 million generated by the exercise of Citigroup's first option for an 8.52% additional stake in LQIF, parent company of Banco de Chile, in April 2010. Regarding the result obtained in 2Q 2011, it is worth highlighting the growth in financial income at the corporate level, based on Quiñenco's strong cash position and the higher market value of its financial investments, the positive results obtained during the quarter by Banco de Chile and Madeco, along with the incorporation of Enex's results starting June 2011. Results during the quarter were negatively affected by the effect of the higher rate of inflation in 2Q 2011 on liabilities in UFs, and by a lower contribution from CCU, mainly due to lower margins during the quarter reflecting increased costs of sales, namely raw materials, fuel and energy, and non-recurring income reported in 2Q 2010.

Earnings per ordinary share amounted to Ch\$27.89 in the second quarter of 2011.

Consolidated Income Statement Breakdown

	2Q 10		2Q 11	
	MCh\$	MUS\$	MCh\$	MUS\$
Industrial Sector				
Revenues	73,892	157.8	177,289	378.7
Manufacturing - Madeco	53,100	113.4	53,634	114.6
Financial - LQIF holding	-	-	-	-
Energy - Enex	-	-	95,030	203.0
Other - Quiñenco & others	20,792	44.4	28,625	61.1
Operating income (loss)²	743	1.6	6,403	13.7
Manufacturing - Madeco	4,590	9.8	5,856	12.5
Financial - LQIF holding	(2,254)	(4.8)	(2,713)	(5.8)
Energy - Enex	-	-	600	1.3
Other - Quiñenco & others	(1,592)	(3.4)	2,659	5.7
Non-operating income (loss)³	167,741	358.3	111	0.2
Interest income	1,836	3.9	7,086	15.1
Interest expense	(3,663)	(7.8)	(3,739)	(8.0)
Share of net income/loss from related co.	6,236	13.3	2,960	6.3
Foreign exchange gain (loss)	(554)	(1.2)	(141)	(0.3)
Indexed units of account restatement	(1,784)	(3.8)	(3,560)	(7.6)
Other gains (losses)	165,670	353.9	(2,496)	(5.3)
Income (loss) tax	(10,466)	(22.4)	(17)	(0.0)
Net income (loss) from discontinued operations	(1)	(0.0)	-	-
Consolidated Net Income (Loss) Industrial Sector	158,017	337.5	6,497	13.9
Banking Sector				
Operating revenues	293,861	627.7	326,590	697.6
Provision for loan losses	(35,669)	(76.2)	(37,099)	(79.2)
Operating expenses	(140,639)	(300.4)	(164,211)	(350.8)
Operating income (loss)	117,553	251.1	125,280	267.6
Non-operating income (loss)	(19,131)	(40.9)	(23,239)	(49.6)
Income (loss) tax	(10,459)	(22.3)	(12,365)	(26.4)
Consolidated Net Income (Loss) Banking Sector	87,963	187.9	89,676	191.6
Consolidated Net Income (Loss)	245,980	525.4	96,172	205.4
Net income attributable to Non-controlling interests	60,216	128.6	64,247	137.2
Net income attributable to Controllers' shareholders	185,764	396.8	31,926	68.2

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 2011

Consolidated revenues totaled Ch\$177,289 million in the second quarter of 2011, more than double the same period in 2010, primarily due to the incorporation of Enex's results as of June 2011, which amounted to Ch\$95,030 million in sales. Revenues from Banchile Seguros de Vida, included in Quiñenco and others, also contributed with growth of 38.1% during the quarter. Madeco's sales varied by only 1% with respect to 2Q 2010, due to a drop of 2.5% in consolidated sales volumes, offset by higher average prices during the period. Sales growth in the flexible packaging and profiles units was mostly offset by lower revenues from brass mills, reflecting the closure at the end of 2010 of the copper sheet production lines in Chile⁴.

Consolidated sales in the second quarter of 2011 can be broken down as follows: Enex (53.6%), Madeco (30.3%), and others (16.1%).

Operating Income - 2Q 2011⁵

Operating income for the second quarter of 2011 reached a gain of Ch\$6,403 million, compared to a gain of Ch\$743 million in the second quarter of 2010. The improvement in consolidated operating results is attributable to Banchile Seguros de Vida's results, which more than doubled the previous quarter, to Madeco's operations, boosted by higher operating income from profiles and brass mills, as well as by a non-recurring gain on the sale of real estate amounting to Ch\$944 million and higher dividend income from Nexans (Ch\$1,799 million in 2Q 2010 vs. Ch\$1,908 million in 2Q 2011).

EBITDA – 2Q 2011

EBITDA amounted to Ch\$13,057 million in 2Q 2011, generated mainly by Madeco's operations, and to a lesser extent by Banchile Seguros de Vida and Enex.

Non-Operating Results⁶ – 2Q 2011

Non-operating income amounted to Ch\$111 million in the second quarter of 2011, compared to non-operating income of Ch\$167,741 million in the same quarter of 2010. The variation between the two periods is mostly explained by non-recurring income reported in 2Q 2010.

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).

Proportionate share of net income of equity method investments (net) – 2Q 2011

Quiñenco's proportionate share of net income from equity method investments (net), which primarily includes the results from CCU, reached Ch\$2,960 million, compared to Ch\$6,236 million in 2Q 2010, falling by 52.5%.

Quiñenco's proportionate share of net income from CCU decreased by 52.2% to Ch\$3,163 million.

Interest Income - 2Q 2011

Interest income for the second quarter of 2011 amounted to Ch\$7,086 million, substantially higher than the Ch\$1,836 million reported in 2Q 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 - 2Q 2011

Interest expense for the second quarter of 2011 amounted to Ch\$3,739 million, varying by 2.1% with respect to 2Q 2010. The variation is mainly explained by the addition of Enex in 2Q 2011, and the interest expense generated by the debt required to finance its acquisition, as well as higher interest expense at Madeco, partially offset by lower interest expense at LQIF during the period.

Foreign currency exchange differences – 2Q 2011

In 2Q 2011, the gains (losses) specific to foreign currency translation differences amounted to a loss of Ch\$141 million, compared to a loss of Ch\$554 million reported in 2Q 2010, primarily attributable to gains at Madeco.

Indexed units of account restatement – 2Q 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\$3,560 million in the second quarter of 2011, compared to a loss of Ch\$1,784 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– 2Q 2011

Other gains/losses amounted to a loss of Ch\$2,496 million in 2Q 2011, compared to a gain of Ch\$165,670 million in 2Q 2010. The variation is primarily explained by the non-recurring gain of Ch\$169,513 million generated at the corporate level by the sale of an 8.52% share in LQIF to Citigroup in 2Q 2010. 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 2011

The industrial sector reported income tax of Ch\$17 million, compared to income tax of Ch\$10,466 million reported in the second quarter of 2010, primarily due to lower income tax at Quiñenco, slightly offset by higher income tax at Madeco during the quarter.

Non-controlling Interests – 2Q 2011

In the second quarter of 2011, at a consolidated level (including both industrial and banking net income), net income attributable to non-controlling interests amounted to Ch\$64,247 million. Of the total amount reported in 2Q 2011, Ch\$37,385 million corresponds to minority shareholders' share of Banco de Chile and SM Chile's net income. Remaining net income attributable to non-controlling interest is explained by minority shareholders' share of LQIF's net income, and to a lesser extent by minority shareholders' share or Madeco's net income.

II. Banking Sector

Operating Revenues - 2Q 2011

Operating revenues for the second quarter of 2011 amounted to Ch\$326,590 million, 11.1% above the second quarter of 2010, mainly due to growth in net financial income at Banco de Chile, based on an increment in net interest income, derived from a higher yield of current accounts and demand deposits, given increasing nominal interest rates and strong loan portfolio growth, as well as higher fee income, also at Banco de Chile, derived from increased activity reflecting the positive local economic scenario.

Provision for Credit Risk - 2Q 2011

Provisions for loan losses at Banco de Chile amounted to Ch\$37,100 million in the second quarter of 2011, 10.9% below the provisions registered in the second quarter of 2010, primarily attributable to the favorable economic scenario, allowing lower provisions on the wholesale banking segment, and improved credit quality in the retail banking segment.

Operating expenses - 2Q 2011

Operating expenses increased by 16.8% to Ch\$164,211 million, mainly explained by an increase of 18.5% in Banco de Chile's operating expenses to Ch\$164,155 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. In addition, 2Q 2011 includes a provision of Ch\$22.4 billion related to collective bargaining agreements.

Non-operating Results - 2Q 2011

During the second quarter of 2011 non-operating results amounted to a loss of Ch\$23,239 million as compared to a loss of Ch\$19,131 million in the second 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 second quarter of 2011, partially offset by improved results of related companies.

Net Income - 2Q 2011

Net income for the banking sector amounted to Ch\$89,676 million up by 1.9% 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 1st quarter of 2011)

Condensed Consolidated Balance Sheet

	03-31-2011		06-30-2011	
	MCh\$	MUS\$	MCh\$	MUS\$
Current assets industrial sector	731,164	1,561.8	565,060	1,207.0
Non-current assets industrial sector	1,571,925	3,357.7	1,965,709	4,198.9
Assets financial sector	19,364,201	41,363.2	20,226,385	43,204.9
Total assets	21,667,290	46,282.8	22,757,154	48,610.8
Current liabilities industrial sector	267,635	571.7	265,581	567.3
Long-term liabilities industrial sector	337,980	721.9	568,107	1,213.5
Liabilities financial sector	18,192,964	38,861.4	18,945,071	40,467.9
Non-controlling interests	1,279,906	2,734.0	1,422,199	3,037.9
Shareholders' equity	1,588,805	3,393.8	1,556,195	3,324.1
Total liabilities & shareholders' equity	21,667,290	46,282.8	22,757,154	48,610.8

Current Assets Industrial Sector

Current assets decreased by 22.7% compared to the first quarter of 2011, mainly due to the use of Ch\$297,644 million in the acquisition of Enex, Ch\$99,720 million in additional stakes in Compañía Sud Americana de Vapores S.A. (CSAV), reaching a share of 18.8%, and an investment of Ch\$83,019 million in shares of Nexans carried out by Madeco, reaching a stake of 15%. Dividends were also paid during the quarter. On the other hand, funds were received from Quiñenco's placement of UF 7 million in bonds in the local market, and from the bank loan amounting to US\$155 million obtained to finance the acquisition of Enex (with the guarantee of Quiñenco), as well as dividend income from LQIF (Banco de Chile) and from IRSA (CCU). Inventories and accounts receivables also increased as compared to the first quarter of 2011, reflecting the incorporation of Enex as of May 31st, 2011.

Non Current Assets Industrial Sector

Non current assets increased by 25.1% compared to the first quarter of 2011, mainly reflecting the additional investment in shares of CSAV and of Nexans, as well as the positive variation of the value of existing Nexans shares, owing to their higher market value and a favorable net conversion effect from euros to Chilean pesos. Also, the acquisition of Enex contributed to increase the balance of goodwill and fixed assets.

Assets Banking Sector

Total assets of the banking sector increased by 4.5% compared to the first quarter of 2011. Loans to customers increased by 6.8% with respect to March 2011, reflecting growth in all segments, and particularly of commercial and residential mortgage loans.

Current Liabilities Industrial Sector

Current liabilities decreased by 0.8% over the first quarter of 2011, explained primarily by a decrease in the provision of dividends to be paid and lower tax liabilities, mostly offset by higher bank debt at Madeco, and higher accounts payable, mainly corresponding to Enex.

Long-term Liabilities Industrial Sector

Long-term liabilities increased by 68.1% in comparison to the first quarter of 2011, primarily due to Quiñenco's bond placement amounting to UF 7 million, towards the end of June, 2011, and the bank debt of US\$155 million required to finance the acquisition of Enex.

Liabilities Banking Sector

Liabilities corresponding to the banking sector increased by 4.1% compared to the first quarter of 2011.

Minority Interest

Minority interest increased by 11.1% in comparison to the first quarter of 2011.

Equity

Shareholders' equity decreased by 2.1% compared to the first quarter of 2011 primarily reflecting the decrease in the provision of dividends during the period, partially offset by period profits 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

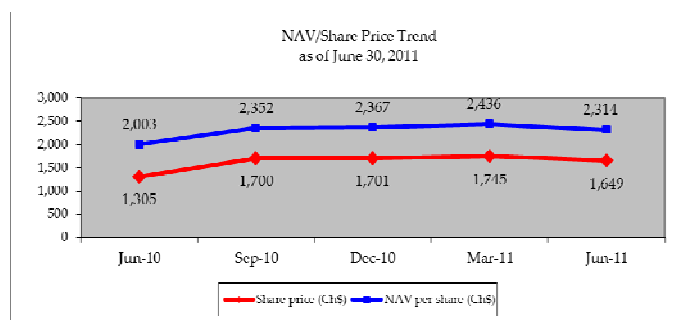
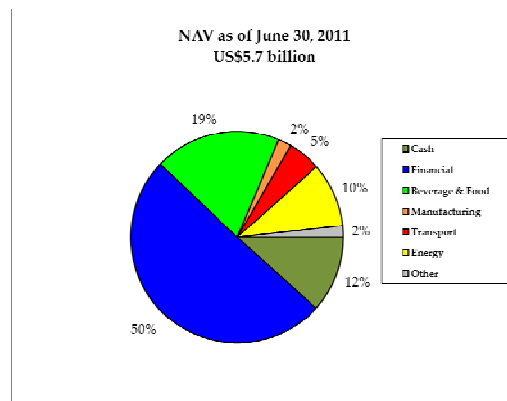
As of June 30, 2011	Debt		Cash & equivalents		Total	
	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$
Corporate level	217,270	464.1	349,559	746.7	(132,288)	(282.6)
Adjusted for:						
50% interest in LQIF	81,241	173.5	1,179	2.5	80,062	171.0
50% interest in IRSA	6,934	14.8	273	0.6	6,661	14.2
100% interest in Aurum*	72,479	154.8	2,649	5.7	69,830	149.2
Total	377,924	807.3	353,660	755.4	24,263	51.8

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

The debt to total capitalization ratio at the corporate level (unadjusted) was 11.5% as of June 30, 2011.

NAV

As of June 30, 2011, the estimated net asset value (NAV) of Quiñenco was US\$5.7 billion (Ch\$2,314 per share) and market capitalization was US\$4.0 billion (Ch\$1,649 per share). The discount to NAV is estimated at 28.7% as of the same date.



SEGMENT /OPERATING COMPANY ANALYSIS

Sector /Segment	Manufacturing		Financial		Energy		Other		Total		Total	
	2Q 10	2Q 11	2Q 10	2Q 11	2Q 10	2Q 11	2Q 10	2Q 11	2Q 10	2Q 11	2Q 10	2Q 11
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MUS\$	MUS\$
Industrial Sector												
Net income (loss) from continued operations before taxes	1,771	4,756	(5,725)	(5,289)	-	349	172,437	6,698	168,484	6,513	359.9	13.9
Income (loss) tax	(44)	(1,598)	565	628	-	(125)	(10,986)	1,079	(10,466)	(17)	(22.4)	(0.0)
Net loss from discontinued operations	(1)	-	-	-	-	-	-	-	(1)	-	(0.0)	-
Net income (loss) industrial sector	1,726	3,158	(5,160)	(4,661)	-	223	161,451	7,777	158,017	6,497	337.5	13.9
Banking Sector												
Net income before taxes	-	-	98,421	102,040	-	-	-	-	98,421	102,041	210.2	218.0
Income (loss) tax	-	-	(10,459)	(12,365)	-	-	-	-	(10,459)	(12,365)	(22.3)	(26.4)
Net income banking sector	-	-	87,962	89,675	-	-	-	-	87,963	89,676	187.9	191.6
Consolidated net income (loss)	1,726	3,158	82,802	85,014	-	223	161,451	7,777	245,980	96,172	525.4	205.4
Net income (loss) attributable to Non-controlling interests	1,178	1,869	58,425	61,016	-	-	613	1,361	60,216	64,247	128.6	137.2
Net income (loss) attributable to Controllers' shareholders	548	1,289	24,337	23,998	-	223	160,838	6,416	185,764	31,926	396.8	68.2

During the second 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:

	2Q 10		2Q 11	
	MCh\$	MUS\$	MCh\$	MUS\$
Madeco	548	1.2	1,289	2.8
Total Manufacturing Segment	548	1.2	1,289	2.8

As of June 30, 2011 and 2010, Quiñenco's ownership of Madeco was 47.7%.

MADECO

	Quarters				Quarters		Year to Date	
	2Q 10		2Q 11		2Q 10	2Q 11	Jun-10	Jun-11
	MCh\$	MUS\$	MCh\$	MUS\$ ⁷	ThUS\$ ⁸	ThUS\$	ThUS\$	ThUS\$
Sales	53,100	113.4	53,634	114.6	100,027	114,295	191,060	222,783
Operating income ⁹	4,590	9.8	5,856	12.5	8,611	12,490	12,685	18,674
Net loss discontinued operations	(1)	(0.0)	-	-	(2)	-	(2)	-
Net income (loss) Controller	1,152	2.5	2,705	5.8	2,183	5,768	(332)	13,033
Total assets			398,756	851.8				851,771
Shareholders' equity			259,115	553.5				553,487

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 2011 Results

Madeco's sales grew by 14.3% to US\$114,295 thousand in the second quarter of 2011 compared to the same period of 2010, boosted by higher sales of flexible packaging and of profiles. Flexible packaging sales grew by 24.5% in all of its markets (Argentina, Chile and Peru), based on 4.9% growth in volume and higher average prices. Sales of the profiles unit increased by 39.1%, boosted by 24.5% volume growth, reflecting the increased activity in the construction sector and a more favorable sales mix. Sales of brass mills were down by 5.0% due to a drop of 27.6% in sales volumes, reflecting the closure at the end of 2010 of the copper sheet production lines in Chile, mostly offset by higher copper prices.

During the second quarter of 2011, sales of the flexible packaging unit accounted for 52.3% of sales, followed by brass mills (33.7%), and profiles (14.0%).

Operating income grew by 45.0% in 2Q 2011 compared to 2Q 2010, boosted mainly by the profiles unit, and also by the flexible packaging and brass mills units. The profiles unit also obtained a significant improvement in operating income reaching a positive result based on growth in sales volumes following increased activity in the construction sector, as well as a higher gross margin based on a more favorable sales mix. The flexible packaging unit registered improved operating income primarily in Argentina, reflecting a higher gross margin resulting from higher average

⁷ Converted to US\$ at the observed exchange rate on June 30, 2011 (Ch\$468.15 = 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.

prices, and to a lesser extent in Peru and Chile, based on growth in sales volumes. Operating income from brass mills showed strong growth during the quarter, primarily due to an improved gross margin in Chile in pipes. Operating income was also boosted during the quarter by a non-recurring gain on the sale of real estate in Chile amounting to US\$2,013 thousand and higher dividend income from Nexans (US\$4,071 thousand in 2Q 2011 versus US\$3,389 thousand in 2Q 2010). These increases were partially offset by a provision of US\$1,906 thousand in 2Q 2011 for legal contingencies in Brazil.

Non-operating income for the quarter amounted to a loss of US\$2,346 thousand, compared to a loss of US\$5,266 thousand in 2Q 2010. This variation is largely explained by a non-recurring loss in 2Q 2010 due to the price adjustment to the selling price of Madeco's cable unit of US\$3,364 thousand, as part of the settlement reached with Nexans.

Madeco reported a net gain of US\$5,768 thousand for the second quarter of 2011, based on improved operating results as well as higher non-operating income during the quarter. Income tax during 2Q 2011 was higher than in 2Q 2010, period in which the exposure of the parent company's tax assets in Chilean pesos led to higher tax loss, and therefore lower 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:

	2Q 10		2Q 11	
	MCh\$	MUS\$	MCh\$	MUS\$
LQIF holding	(2,577)	(5.5)	(2,328)	(5.0)
Banking sector	26,954	57.6	26,326	56.2
Total Financial Segment	24,377	52.1	23,998	51.3

As of June 30, 2011 and 2010, Quiñenco's ownership of LQIF was 50.0%. LQIF's economic rights in Banco de Chile were 40.8% as of June 30, 2010 and 39.7% as of June 30, 2011.

LQIF Holding

LQIF holding registered a loss of Ch\$4,661 million compared to a loss of Ch\$5,160 million in 2Q 2010, mainly due to lower financial costs and higher financial income during the quarter, partially offset by higher losses caused by the effect of increased inflation on financial obligations denominated in UFs.

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

	Quarters				Year to Date			
	2Q 10		2Q 11		Jun-10		Jun-11	
	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$
Operating revenues	297,976	636.5	326,731	697.9	587,904	1,255.8	630,166	1,346.1
Provision for loan losses	(41,654)	(89.0)	(37,100)	(79.2)	(95,124)	(203.2)	(63,220)	(135.0)
Operating expenses	(138,500)	(295.8)	(164,155)	(350.6)	(263,018)	(561.8)	(305,558)	(652.7)
Net income	107,808	230.3	114,025	243.6	208,614	445.6	230,910	493.2
Loan portfolio					13,508,079	28,854.2	15,875,568	33,911.3
Total assets					17,688,389	37,783.6	20,250,642	43,256.7
Shareholders' equity					1,338,877	2,859.9	1,635,080	3,492.6
Net financial margin	5.4%		5.2%		5.4%		5.1%	
Efficiency ratio	46.5%		50.2%		45.2%		48.5%	
ROAE	30.0%		26.5%		28.2%		27.3%	
ROAA	2.5%		2.3%		2.4%		2.4%	

2Q 2011 Results

Banco de Chile reported net income of Ch\$114,025 million in the second quarter of 2011, growing 5.8% with respect to the second quarter of 2010. These positive results mainly reflect the favorable effects of increased domestic economic activity on income from demand deposits, fee income, loans and the Bank's net asset position. Likewise, the improved economic conditions have allowed reductions in provisions for loan losses.

Operating revenues, which include net financial income, fee income and other operating income, increased by 9.7% to Ch\$326,731 million in the second quarter of 2011. This growth in operating revenues was primarily due to higher net financial income and higher fee income.

Net financial income reached Ch\$239,305 million, growing 8.3% with respect to that obtained in the second quarter of 2010, due to strong loan portfolio growth of 17.5% that more than offset a decrease in lending spreads, the net financial margin decreased from 5.4% in 2Q 2010 to 5.2% in 2Q 2011, as well as higher net interest income derived from a higher yield of current accounts and demand deposits, given increasing nominal interest rates. In addition, the Bank's net asset position in UFs benefitted from the higher rate of inflation in 2Q 2011. The growth in interest income compensated a drop in net financial operating and foreign exchange income, due to lower sales of fixed-income securities. Net financial income comprised 73.2% of operating revenues in 2Q 2011.

Fee income increased by 16.2% to Ch\$81,470 million, mainly derived from higher use of financial products related to private consumption and investment, such as credit cards and ATMs, mutual funds management, insurance brokerage and stock brokerage, reflecting the local economy's increased dynamism.

Provisions for loan losses amounted to Ch\$37,100 as compared to Ch\$41,654 million reported in 2Q 2010. This 10.9% decrease is attributable to improved credit quality in the retail banking segment, along with higher commercial

activity, allowing a reduction in the ratio of provisions to average loans, and even more so in the wholesale banking segment, boosted by the favorable economic scenario.

Operating expenses varied by 18.5% to Ch\$164,155 million compared to the second 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. Also, other operating expenses increased due to a provision of Ch\$22.4 billion related to collective bargaining agreements. An anticipated agreement has been reached with two unions (totaling 4,580 employees), while the process with the company's third union (composed of 1,612 employees) is still in process.

As of June 2011, the Bank's loan portfolio had demonstrated a strong annual growth of 17.5% and a quarterly increase of 6.7% with respect to March 2011. Annual portfolio growth is driven by all credit products, but particularly by residential mortgage loans, which rose by 19.5% over the past year, where the Bank has successfully taken advantage of the synergies with the wholesale and retail banking segments, together with attractive prevailing interest rates. Commercial loans grew 16.9% reflecting local economic growth, increasing investment rates and commercial dynamism. Consumer loans also posted strong growth of 17.8%, based on the positive impact of lower unemployment and higher private consumption.

Banco de Chile is the second ranked bank in the country with a market share of 19.6% of total loans according to information published by the Chilean Superintendency of Banks for the period ended June 30, 2011. Its return on equity after taxes (annualized) reached 28.2%, compared to 20.7% for the local financial system, according to the same source.

Interest Subordinated Debt

In the second quarter of 2011 accrued interest expense of the Subordinated Debt with the Chilean Central Bank was 23.4% higher than the second quarter of 2010, due to the effect of the higher rate of inflation in 2Q 2011 as compared to the previous period.

ENERGY SEGMENT

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

	2Q 11	
	MCh\$	MUS\$
Enex	223	0.5
Total Energy Segment	223	0.5

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

ENEX

	2Q 11		Jun-11	
	MCh\$	MUS\$	MCh\$	MUS\$
Sales	95,030	203.0	95,030	203.0
Operating income	600	1.3	600	1.3
Net loss Controller	223	0.5	223	0.5
Total assets			400,275	855.0
Shareholders' equity			226,315	483.4

During June 2011, Enex reported net income of Ch\$223 million. Sales during the period reached Ch\$95,030 million, corresponding primarily to sales of fuels, followed by lubricants and other products. Fuels represented close to 97% of total sales volumes. Operating income during June reached a gain of Ch\$ 600 million, with a significant contribution from fuels, followed by lubricants and other derived products. Non-operating income amounted to a loss of Ch\$251 million, primarily owing to financial costs related to the bank debt required to finance the acquisition of Enex.

OTHER SEGMENT

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

	2Q 10		2Q 11	
	MCh\$	MUS\$	MCh\$	MUS\$
IRSA (CCU)	6,616	14.1	3,163	6.7
Quiñenco & other	154,220	329.4	3,253	7.0
Total Segment Others	160,836	343.6	6,416	13.7

As of June 30, 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

	Quarters				Year to Date			
	2Q 10		2Q 11		Jun-10		Jun-11	
	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$
Sales	180,748	386.1	191,389	408.8	394,400	842.5	433,651	926.3
Operating income	33,996	72.6	20,155	43.1	81,850	174.8	86,050	183.8
Net income	20,618	44.0	10,197	21.8	54,286	116.0	55,711	119.0
Total assets							1,138,695	2,432.3
Shareholders' equity							530,278	1,132.7

2Q 2011 Results

CCU's sales in the second quarter of 2011 grew by 5.9% compared to the second quarter of 2010, as a result of higher consolidated sales volumes and higher average prices. The 2.4% growth in sales volumes was led by the Argentine beer segment (+6.5%) and non-alcoholic beverages (+4.9%). These segments more than compensated the decreases in the wine (-6.5%), Chilean beer (-2.9%), and spirits (-2.7%) segments. Average prices went up by 3.4%, mainly in order to compensate higher costs of raw material, energy and fuel over the last twelve months, as well as a higher portion of premium products in the sales mix.

Gross profit rose by 1.2% to Ch\$95,061 million, below the growth in sales due to increased cost of sales, which went up by 11.0%, mainly due to higher costs of raw material, energy and fuel. The gross margin as a percentage of sales decreased from 52.0% in 2Q 2010 to 49.7% in 2Q 2011.

Operating income reached Ch\$20,155 million, down by 40.7% from 2010, despite the slight growth in gross profit, due to increased SG&A expenses during the quarter, and a non-recurring gain of Ch\$6,670 million in 2Q 2010 generated by the sale of a site in Lima, Peru. The higher SG&A expenses are mainly related to higher expenses in the Argentine beer segment, based on inflationary pressures and conversion effects. As a percentage of sales, SG&A expenses rose from 37.0% in 2Q 2010 to 39.3% in 2Q 2011. Excluding the effect of the non-recurring income, the consolidated operating margin was 10.5% of sales, compared to 15.1% in the same period of 2010. EBITDA amounted to Ch\$32,166 million, decreasing 28.7% with respect to 2Q 2010.

CCU reported non-operating losses of Ch\$5,294 million compared to a loss of Ch\$2,379 million in 2Q 2010. The decline is mainly explained by losses related to hedges (included in exchange rate differences and other gains/losses), increased losses related to the effect of the higher rate of inflation on financial obligations denominated in UFs, and lower results obtained by the associate Foods during the quarter. These losses were partially mitigated by lower net financial expenses, derived from a higher balance of cash and cash equivalents.

Net income for the second quarter of 2011 amounted to Ch\$10,197 million, down by 50.5% from the same quarter in 2010, primarily due to the aforementioned lower operating results, and to a lesser extent due to higher non-operating



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Second Quarter 2011

losses. Lower income tax during the quarter partially compensated these lower results; income tax in 2Q 2010 included additional taxes on the non-recurring gain on the sale of a site in Peru.

QUIÑENCO AND OTHERS

The variation of Quiñenco and others is mainly explained by the non-recurring gain of Ch\$169,513 million reported in 2Q 2010 generated by the sale of 8.52% of LQIF to Citigroup. On the other hand, 2Q 2011 includes higher financial income, reflecting the higher market value of financial assets at the corporate level, lower tax charges during the quarter, and to a lesser extent, due to Banchile Seguros de Vida's improved results during the period.

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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:

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Page 20 of 20

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