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

(Santiago, Chile, November 28, 2011) Quiñenco S.A., a leading Chilean business conglomerate, announced today its consolidated financial results under IFRS, for the third quarter ended September 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 September 30, 2011 (Ch\$521.76 = US\$1.00), unless indicated otherwise, and are only provided for the reader's convenience.

### 3Q 2011 HIGHLIGHTS

- Net income<sup>1</sup> amounted to a loss of Ch\$575 million in the third quarter of 2011, below the same period in 2010, primarily due to losses posted during the period by Quiñenco's equity investment CSAV. However, 3Q 2011 results also include growth in financial income at the corporate level, based on Quiñenco's cash position and the higher market value of its financial investments strong cash position.
- Consolidated revenues reached Ch\$380 billion with the incorporation of Enex's revenues as of June 2011.
- The contribution of operating companies during the third quarter of 2011 was boosted by the incorporation of Enex as of June 2011, and by CCU's growth in net income. Madeco and Banco de Chile reported lower bottom line results during the quarter, owing to lower non-operating results that offset growth in operating income.
- Earnings per ordinary share amounted to a loss of Ch\$0.50 for the third quarter of 2011.

<sup>1</sup> Net income corresponds to Net income attributable to Controllers' shareholders.

## GROUP HIGHLIGHTS – THIRD QUARTER 2011 AND SUBSEQUENT EVENTS

### Quiñenco – Investment in Compañía Sud Americana de Vapores

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.

### 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 September 30, 2011, LQIF's dividend rights in the bank were 39.5%. 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. Madeco raised US\$78.1 million through this capital increase. Quiñenco and its subsidiaries subscribed a total amount of US\$61 million, increasing its direct and indirect share in the company to 54.4% as of September 2011.

### Madeco increases its stake in Nexans to 19.86%

Following the agreement signed in March, 2011, to this date Madeco has purchased 3,135,333 additional shares of Nexans, reaching a total stake in the company of 19.86%. At the Extraordinary Shareholders' Meeting held on November 10, 2011 in Paris, a third director of Madeco, Mr. Hubert Porte, was appointed, and the 8% limit to voting rights was cancelled and replaced by a 20% statutory limitation of voting rights, applicable only to certain resolutions concerning strategic transactions. In addition, Madeco requested the appointment of Mr. Francisco Pérez, member of the Board since May 31, 2011, at the Appointments and Compensation Committee, in lieu of his participation in the Accounts and Audit Committee. This appointment was reviewed by the Appointments and Compensation Committee during its meeting held on November 7 and will be submitted for approval at the next Board of Directors' meeting.

**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. CSAV's Shareholders' Meeting held on October 5, 2011 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 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, Compañía Sud Americana de Vapores and eliminations)

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

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

On March 22, 2011, Quiñenco acquired directly a 10% stake in Compañía Sud Americana de Vapores (CSAV) from Maritima de Inversiones (Marinsa). On April 6, 2011, Quiñenco acquired, directly and indirectly through its subsidiaries Inversiones Río Bravo and Inmobiliaria Norte Verde, an additional 8% stake. During June and July 2011, Quiñenco and its subsidiaries subscribed an additional 2.6% share from the capital increase carried out by CSAV. Thus, as of September 30, 2011, Quiñenco holds directly and indirectly a 20.6% share in CSAV.

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

In August 2011, Shell Chile S.A.C.I., Inversiones Shell S.A., and Shell Trading Chile S.A. changed their legal names to Enex S.A., Inversiones Enex S.A., and Enex Trading S.A., respectively. The energy sector includes these three companies, as well as Inversiones Río Cobre Ltda., and the 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 four month period starting June 2011 only, following the acquisition on May 31<sup>st</sup>.

**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	
	3Q 10	3Q 11	3Q 10	3Q 11	3Q 10	3Q 11	3Q 10	3Q 11	3Q 10	3Q 11	3Q 10	3Q 11
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MUS\$	MUS\$
Consolidated Income (Loss)												
Industrial Sector	4,094	358	(4,757)	(3,239)	-	320	5,934	(22,566)	5,271	(25,126)	10.1	(48.2)
Consolidated Income Banking Sector	-	-	81,247	80,845	-	-	-	-	81,247	80,845	155.7	154.9
<b>Consolidated Net Income (Loss)</b>	<b>4,094</b>	<b>358</b>	<b>76,490</b>	<b>77,606</b>	<b>-</b>	<b>320</b>	<b>5,934</b>	<b>(22,566)</b>	<b>86,518</b>	<b>55,719</b>	<b>165.8</b>	<b>106.8</b>
Net income (loss) attributable to Non-controlling interests	2,421	469	53,321	55,547	-	-	781	278	56,523	56,294	108.3	107.9
<b>Net Income (loss) attributable to Controllers' Shareholders</b>	<b>1,673</b>	<b>(111)</b>	<b>23,169</b>	<b>22,059</b>	<b>-</b>	<b>320</b>	<b>5,153</b>	<b>(22,844)</b>	<b>29,995</b>	<b>(575)</b>	<b>57.5</b>	<b>(1.1)</b>

#### Net Income – 3Q 2011

Quiñenco reported a net loss of Ch\$575 million in the third quarter of 2011, below the net income reported for the same period in 2010, primarily due to losses posted during the period by Quiñenco's equity investment CSAV. However, 3Q 2011 results also include growth in financial income at the corporate level, based on Quiñenco's cash position and the higher market value of its financial investments, the positive results of CCU and the incorporation of Enex's results starting June 2011. Madeco and Banco de Chile reported lower bottom line results during the quarter, owing to lower non-operating results that offset growth in operating income.

Earnings per ordinary share amounted to a loss of Ch\$0.50 in the third quarter of 2011.

**Consolidated Income Statement Breakdown**

	Quarters			
	3Q 10		3Q 11	
	MCh\$	MUS\$	MCh\$	MUS\$
<b>Industrial Sector</b>				
<b>Revenues</b>	<b>84,372</b>	<b>161.7</b>	<b>380,270</b>	<b>728.8</b>
Manufacturing – Madeco	59,141	113.3	54,049	103.6
Financial - LQIF holding	-	-	-	-
Energy - Enex	-	-	297,507	570.2
Other - Quiñenco & others	25,231	48.4	28,715	55.0
<b>Operating income (loss)<sup>2</sup></b>	<b>(74)</b>	<b>(0.1)</b>	<b>1,007</b>	<b>1.9</b>
Manufacturing – Madeco	2,696	5.2	2,772	5.3
Financial - LQIF holding	(2,283)	(4.4)	(2,296)	(4.4)
Energy - Enex	-	-	1,746	3.3
Other - Quiñenco & others	(487)	(0.9)	(1,215)	(2.3)
<b>Non-operating income (loss)<sup>3</sup></b>	<b>1,556</b>	<b>3.0</b>	<b>(25,153)</b>	<b>(48.2)</b>
Interest income	1,185	2.3	5,250	10.1
Interest expense	(3,130)	(6.0)	(4,975)	(9.5)
Share of net income/loss from related co.	6,376	12.2	(25,855)	(49.6)
Foreign exchange gain (loss)	892	1.7	2,090	4.0
Indexed units of account restatement	(2,720)	(5.2)	(852)	(1.6)
Other gains (losses)	(1,046)	(2.0)	(811)	(1.6)
Income (loss) tax	3,789	7.3	(980)	(1.9)
<b>Consolidated Net Income (Loss) Industrial Sector</b>	<b>5,271</b>	<b>10.1</b>	<b>(25,126)</b>	<b>(48.2)</b>
<b>Banking Sector</b>				
Operating revenues	279,280	535.3	310,005	594.2
Provision for loan losses	(43,984)	(84.3)	(45,168)	(86.6)
Operating expenses	(127,069)	(243.5)	(151,870)	(291.1)
Operating income (loss)	108,226	207.4	112,967	216.5
Non-operating income (loss)	(17,454)	(33.5)	(16,820)	(32.2)
Income (loss) tax	(9,526)	(18.3)	(15,302)	(29.3)
<b>Consolidated Net Income (Loss) Banking Sector</b>	<b>81,247</b>	<b>155.7</b>	<b>80,845</b>	<b>154.9</b>
<b>Consolidated Net Income (Loss)</b>	<b>86,518</b>	<b>165.8</b>	<b>55,719</b>	<b>106.8</b>
Net income attributable to Non-controlling interests	56,523	108.3	56,294	107.9
<b>Net income attributable to Controllers' shareholders</b>	<b>29,995</b>	<b>57.5</b>	<b>(575)</b>	<b>(1.1)</b>

<sup>2</sup> Operating income includes: Gross income (revenues minus cost of sales), Distribution costs, Administrative expenses, Other operating revenue and Other operating expenses.

<sup>3</sup> 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 – 3Q 2011

Consolidated revenues totaled Ch\$380,270 million in the third quarter of 2011, significantly above those of the same period in 2010, primarily due to the incorporation of Enex's results as of June 2011, which amounted to Ch\$297,507 million in sales. Revenues from Banchile Seguros de Vida, included in Quiñenco and others, also contributed with growth of 13.9% during the quarter. Madeco's sales, however, dropped 8.6% with respect to 3Q 2010, due to a drop of 10.2% in consolidated sales volumes, only partially offset by higher average prices during the period. Sales growth in the flexible packaging and profiles units was offset by lower revenues from brass mills, reflecting the closure at the end of 2010 of the copper sheet production lines in Chile<sup>4</sup>.

Consolidated sales in the third quarter of 2011 can be broken down as follows: Enex (78.2%), Madeco (14.2%), and others (7.6%).

### Operating Income - 3Q 2011<sup>5</sup>

Operating income for the third quarter of 2011 reached a gain of Ch\$1,007 million, compared to a loss of Ch\$74 million in the third quarter of 2010. The improvement in consolidated operating results is primarily attributable to Enex's results that contributed Ch\$1,746 million in operating income. Also, Banchile Seguros de Vida's results grew by 4.3% during the quarter, and Madeco's operating income increased 2.8% reflecting higher operating income from profiles and brass mills.

### EBITDA – 3Q 2011

EBITDA amounted to Ch\$6,187 million in 3Q 2011, generated mainly by Madeco's and Enex's operations, and to a lesser extent by Banchile Seguros de Vida.

### Non-Operating Results<sup>6</sup> – 3Q 2011

Non-operating income amounted to a loss of Ch\$25,153 million in the third quarter of 2011, compared to non-operating income of Ch\$1,556 million in the same quarter of 2010. The variation between the two periods is mostly explained by losses from equity investments.

<sup>4</sup> 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.

<sup>5</sup> Operating income includes: Gross income (revenues minus cost of sales), Distribution costs, Administrative expenses, Other operating revenue and Other operating expenses.

<sup>6</sup> 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) – 3Q 2011**

Quiñenco's proportionate share of net income from equity method investments (net), which primarily includes the results from CCU and CSAV, reached a loss of Ch\$25,855 million, compared to a gain of Ch\$6,376 million in 3Q 2010.

Quiñenco's proportionate share of net income from CCU increased by 13.5% to Ch\$7,181 million. Quiñenco's proportionate share of net income from CSAV amounted to a loss of Ch\$33,208 million.

**Interest Income - 3Q 2011**

Interest income for the third quarter of 2011 amounted to Ch\$5,250 million, substantially higher than the Ch\$1,185 million reported in 3Q 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. Banchile Seguros de Vida also reported higher financial income, posting 41.4% growth during the quarter.

**Interest Expense - 3Q 2011**

Interest expense for the third quarter of 2011 amounted to Ch\$4,975 million, varying by 59.0% with respect to 3Q 2010. The variation is mainly explained by the addition of Enex in 3Q 2011, which includes the interest expense generated by the debt required to finance its acquisition, as well as higher interest expense at Quiñenco reflecting its bond issuance carried out in June 2011, and at Madeco, partially offset by lower interest expense at LQIF during the period.

**Foreign currency exchange differences – 3Q 2011**

In 3Q 2011, the gains (losses) specific to foreign currency translation differences amounted to a gain of Ch\$2,090 million, compared to a gain of Ch\$892 million reported in 3Q 2010, primarily attributable to gains at Quiñenco due to liabilities denominated in USD and the appreciation of the USD with respect to the Chilean peso during the period, partially offset by net losses at Madeco due to its net asset position in Reales and the depreciation of this currency with respect to the USD.

**Indexed units of account restatement – 3Q 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\$852 million in the third quarter of 2011, compared to a loss of Ch\$2,720 million reported in the same period of 2010, due to the lower rate of inflation prevailing in the current quarter and its adjustment effect on liabilities in UFs.



**Other gains/losses- 3Q 2011**

Other gains/losses amounted to a loss of Ch\$811 million in 3Q 2011, compared to a loss of Ch\$1,046 million in 3Q 2010.

**Income Taxes - 3Q 2011**

The industrial sector reported income tax of Ch\$980 million, compared to income tax credit of Ch\$3,789 million reported in the third quarter of 2010, primarily due to higher income tax at Quiñenco and Madeco during the quarter.

**Non-controlling Interests - 3Q 2011**

In the third quarter of 2011, at a consolidated level (including both industrial and banking net income), net income attributable to non-controlling interests amounted to Ch\$56,294 million. Of the total amount reported in 3Q 2011, Ch\$32,805 million corresponds to minority shareholders' share of Banco de Chile and SM Chile's net income. Remaining net income attributable to non-controlling interest is explained by minority shareholders' share of LQIF's net income, and to a lesser extent by minority shareholders' share of Madeco's net income.

**II. Banking Sector****Operating Revenues - 3Q 2011**

Operating revenues for the third quarter of 2011 amounted to Ch\$310,005 million, 11.0% above the third 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 during the period.

**Provision for Credit Risk - 3Q 2011**

Provisions for loan losses at Banco de Chile amounted to Ch\$45,168 million in the third quarter of 2011, 2.7% higher than the provisions registered in the third quarter of 2010, primarily attributable to higher business volumes and the devaluation of the Chilean peso with respect to the US dollar, affecting the provisions of USD denominated loans.

**Operating expenses - 3Q 2011**

Operating expenses increased by 19.5% to Ch\$151,870 million, mainly explained by an increase of 11.4% in Banco de Chile's operating expenses to Ch\$151,812 million, mostly related to the collective bargaining process completed in August 2011. Although Ch\$22.4 billion were provisioned during the second quarter and included in other operating expenses, in August 2011 these expenses were reclassified as personnel expenses, and therefore are included in 3Q 2011 expenses. An additional amount of Ch\$5.7 billion granted as a bonus in the aforementioned collective bargaining process is also included in 3Q 2011 expenses.

#### Non-operating Results - 3Q 2011

During the third quarter of 2011 non-operating results amounted to a loss of Ch\$16,820 million as compared to a loss of Ch\$17,454 million in the third quarter of 2010, primarily explained by lower accrued interest expense of the Subordinated Debt with the Chilean Central Bank, owing to the lower rate of inflation registered during the third quarter of 2011.

#### Net Income - 3Q 2011

Net income for the banking sector amounted to Ch\$80,845 million down by 0.5% over the same period in 2010, due to higher operating expenses that offset increased operating income and improved non-operating results, together with higher income tax during the period.

### CONSOLIDATED BALANCE SHEET ANALYSIS (vis-à-vis the 2nd quarter of 2011)

#### Condensed Consolidated Balance Sheet

	06-30-2011		09-30-2011	
	MCh\$	MUS\$	MCh\$	MUS\$
Current assets industrial sector	565,060	1,083.0	<b>467,583</b>	896.2
Non-current assets industrial sector	1,965,709	3,767.5	<b>1,999,231</b>	3,831.7
Assets financial sector	20,226,385	38,765.7	<b>21,413,300</b>	41,040.5
<b>Total assets</b>	<b>22,757,154</b>	<b>43,616.1</b>	<b>23,880,115</b>	<b>45,768.4</b>
Current liabilities industrial sector	265,581	509.0	<b>258,848</b>	496.1
Long-term liabilities industrial sector	568,107	1,088.8	<b>572,859</b>	1,097.9
Liabilities financial sector	18,945,071	36,309.9	<b>20,009,420</b>	38,349.9
Non-controlling interests	1,422,199	2,725.8	<b>1,465,886</b>	2,809.5
Shareholders' equity	1,556,195	2,982.6	<b>1,573,101</b>	3,015.0
<b>Total liabilities &amp; shareholders' equity</b>	<b>22,757,154</b>	<b>43,616.1</b>	<b>23,880,115</b>	<b>45,768.4</b>

#### Current Assets Industrial Sector

Current assets decreased by 17.3% compared to the second quarter of 2011, mainly due to the use of Ch\$20,658 million in additional stakes in Compañía Sud Americana de Vapores S.A. (CSAV), reaching a share of 20.6%, and an investment of Ch\$34,100 million in shares of Nexans carried out by Madeco, reaching a stake of 19.86%. Funds were also used by Quiñenco to pay its bond amortizations and interest payments during the quarter and by Enex to pay outstanding loans with Shell. On the other hand, receivables from related companies increased reflecting loans granted to CSAV.

#### Non Current Assets Industrial Sector

Non current assets increased by only 1.7% compared to the second quarter of 2011. However, it is worth noting that the investment in CSAV is now classified as an equity investment, whereas as of June 2011 it was included as a financial asset. Financial assets also varied reflecting the higher investment by Madeco in Nexans,

increasing its share from 15% to 19.86%, partially offset by their lower market value and a negative net conversion effect from euros to Chilean pesos.

#### Assets Banking Sector

Total assets of the banking sector increased by 5.9% compared to the second quarter of 2011. Loans to customers increased by 5.7% with respect to June 2011, reflecting growth in all segments, and particularly of commercial and residential mortgage loans.

#### Current Liabilities Industrial Sector

Current liabilities decreased by only 2.5% over the second quarter of 2011, explained primarily by lower financial liabilities.

#### Long-term Liabilities Industrial Sector

Long-term liabilities varied by only 0.8% in comparison to the second quarter of 2011.

#### Liabilities Banking Sector

Liabilities corresponding to the banking sector increased by 5.6% compared to the second quarter of 2011.

#### Minority Interest

Minority interest increased by 3.1% in comparison to the second quarter of 2011.

#### Equity

Shareholders' equity increased by 1.1% compared to the second quarter of 2011 primarily reflecting the period results that were compensated by the variation of other reserves, mainly due to the variation in the value of financial assets available for sale (Nexans).

**Quiñenco Corporate Level Debt and Cash**

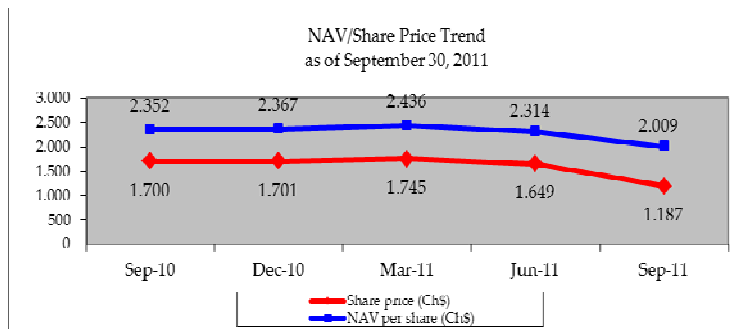
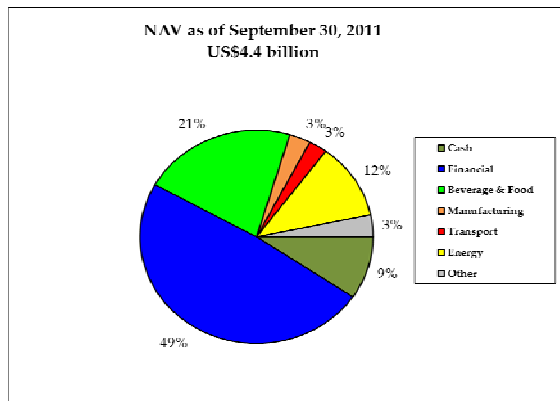
As of September 30, 2011	Debt		Cash & equivalents		Total Net Debt	
	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$
Corporate level	206,662	396.1	252,251	483.5	(45,589)	(87.4)
Adjusted for:						
50% interest in LQIF	82,566	158.2	1,341	2.6	81,225	155.7
50% interest in IRSA	7,033	13.5	268	0.5	6,765	13.0
100% interest in Aurum*	73,780	141.4	17	0.0	73,762	141.4
<b>Total</b>	<b>370,040</b>	<b>709.2</b>	<b>253,877</b>	<b>486.6</b>	<b>116,163</b>	<b>222.6</b>

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

The debt to total capitalization ratio at the corporate level (unadjusted) was 10.9% as of September 30, 2011.

**NAV**

As of September 30, 2011, the estimated net asset value (NAV) of Quiñenco was US\$4.4 billion (Ch\$2,009 per share) and market capitalization was US\$2.6 billion (Ch\$1,187 per share). The discount to NAV is estimated at 40.9% as of the same date.



**SEGMENT /OPERATING COMPANY ANALYSIS**

Sector /Segment	Manufacturing		Financial		Energy		Other		Total		Total	
	3Q 10	3Q 11	3Q 10	3Q 11	3Q 10	3Q 11	3Q 10	3Q 11	3Q 10	3Q 11	3Q 10	3Q 11
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MUS\$	MUS\$
<b>Industrial Sector</b>												
Net income (loss) from continued operations before taxes	3,021	813	(4,983)	(3,392)	-	176	3,444	(21,744)	1,483	(24,146)	2.8	(46.3)
Income (loss) tax	1,072	(455)	226	153	-	144	2,491	(822)	3,789	(980)	7.3	(1.9)
Net loss from discontinued operations	1	-	-	-	-	-	(1)	-	-	-	-	-
<b>Net income (loss) industrial sector</b>	<b>4,094</b>	<b>358</b>	<b>(4,757)</b>	<b>(3,239)</b>	<b>-</b>	<b>320</b>	<b>5,934</b>	<b>(22,566)</b>	<b>5,271</b>	<b>(25,126)</b>	<b>10.1</b>	<b>(48.2)</b>
<b>Banking Sector</b>												
Net income before taxes	-	-	90,773	96,147	-	-	-	-	90,773	96,147	174.0	184.3
Income (loss) tax	-	-	(9,526)	(15,302)	-	-	-	-	(9,526)	(15,302)	(18.3)	(29.3)
<b>Net income banking sector</b>	<b>-</b>	<b>-</b>	<b>81,247</b>	<b>80,845</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>81,247</b>	<b>80,845</b>	<b>155.7</b>	<b>154.9</b>
<b>Consolidated net income (loss)</b>	<b>4,094</b>	<b>358</b>	<b>76,490</b>	<b>77,606</b>	<b>-</b>	<b>320</b>	<b>5,934</b>	<b>(22,566)</b>	<b>86,518</b>	<b>55,719</b>	<b>165.8</b>	<b>106.8</b>
Net income (loss) attributable to Non-controlling interests	2,421	469	53,321	55,547	-	-	781	278	56,523	56,294	108.3	107.9
Net income (loss) attributable to Controllers' shareholders	1,673	(111)	23,169	22,059	-	320	5,153	(22,844)	29,995	(575)	57.5	(1.1)

**MANUFACTURING SEGMENT**

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

Manufacturing Segment	Quarter			
	3Q 10		3Q 11	
	MCh\$	MUS\$	MCh\$	MUS\$
Madeco	1,673	3.2	(111)	(0.2)
<b>Total Manufacturing Segment</b>	<b>1,673</b>	<b>3.2</b>	<b>(111)</b>	<b>(0.2)</b>

As of September 30, 2011 and 2010, Quiñenco's ownership of Madeco was 54.4% and 47.7%, respectively.

## MADECO

	Quarters				Quarters		Year to Date	
	3Q 10		3Q 11		3Q 10	3Q 11	Sep-10	Sep-11
	MCh\$	MUS\$	MCh\$	MUS\$ <sup>7</sup>	ThUS\$ <sup>8</sup>	ThUS\$	ThUS\$	ThUS\$
Sales	59,141	113.3	54,049	103.6	115,608	114,642	306,669	337,425
Operating income <sup>9</sup>	2,696	5.2	2,772	5.3	5,170	5,886	17,855	24,560
Net loss discontinued operations	1	-	-	-	2	-	-	-
Net income (loss) Controller	3,513	6.7	(204)	(0.4)	6,821	(362)	6,489	12,671
Total assets			399,914	766.5				766,472
Shareholders' equity			259,361	497.1				497,088

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.

### 3Q 2011 Results

Madeco's sales declined by a slight 0.8% to US\$114,642 thousand in the third quarter of 2011 compared to the same period of 2010, due to higher sales of flexible packaging and of profiles, which offset lower sales of brass mills. Flexible packaging sales grew by 9.0% mainly in Chile and Peru, based primarily on higher average prices. Sales of the profiles unit increased by 14.4%, boosted by 15.6% volume growth reflecting increased activity in the construction sector. Sales of brass mills were down by 17.0% due to a drop of 29.6% in sales volumes, reflecting the closure at the end of 2010 of the copper sheet production lines in Chile, partly offset by higher copper prices.

During the third quarter of 2011, sales of the flexible packaging unit accounted for 52.1% of sales, followed by brass mills (34.1%), and profiles (13.8%).

Operating income grew by 13.8% in 3Q 2011 compared to 3Q 2010, attributable to the profiles and brass mills units, compensating lower results at the flexible packaging unit. The profiles unit obtained significant growth in operating income 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. Operating income from brass mills showed strong growth during the quarter, primarily due to an improved gross margin in Chile in pipes. The flexible packaging unit registered a decrease in operating income despite sales growth, mainly due to higher administrative expenses in Argentina.

<sup>7</sup> Converted to US\$ at the observed exchange rate on September 30, 2011 (Ch\$521.76 = US\$1.00).

<sup>8</sup> Correspond to Financial Statements in US dollars as reported by Madeco to the Superintendency of Securities and Insurance (SVS).

<sup>9</sup> 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 loss of US\$4,107 thousand, compared to a gain of US\$664 thousand in 3Q 2010. This variation is mainly explained by higher financial costs due to the financing required for the investments in Nexans' shares and in the flexible packaging unit, and exchange rate losses due to the company's exposure in Brazilian reales and the depreciation of this currency with respect to the US dollar.

Madeco reported a net loss of US\$362 thousand for the third quarter of 2011, due to the lower non-operating income explained above, as well as higher income tax in 3Q 2011 than in 3Q 2010, period in which the exchange rate exposure of the parent company's tax assets in Chilean pesos led to higher tax losses, 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:

Financial Segment	Quarter			
	3Q 10		3Q 11	
	MCh\$	MUS\$	MCh\$	MUS\$
LQIF holding	(2,375)	(4.6)	(1,617)	(3.1)
Banking sector	25,544	49.0	23,676	45.4
<b>Total Financial Segment</b>	<b>23,169</b>	<b>44.4</b>	<b>22,059</b>	<b>42.3</b>

As of September 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 September 30, 2010 and 39.5% as of September 30, 2011.

### LQIF Holding

LQIF holding registered a loss of Ch\$1,617 million compared to a loss of Ch\$2,375 million in 3Q 2010, mainly due to lower financial costs during the quarter and lower losses related to 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			
	3Q 10		3Q 11		Sep-10		Sep-11	
	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$
Operating revenues	282,794	542.0	<b>309,500</b>	593.2	870,698	1,668.8	<b>939,666</b>	1,801.0
Provision for loan losses	(38,039)	(72.9)	<b>(45,168)</b>	(86.6)	(133,163)	(255.2)	<b>(108,388)</b>	(207.7)
Operating expenses	(136,243)	(261.1)	<b>(151,812)</b>	(291.0)	(399,261)	(765.2)	<b>(457,370)</b>	(876.6)
Net income (loss)	100,019	191.7	<b>98,308</b>	188.4	308,633	591.5	<b>329,218</b>	631.0
Loan portfolio					13,659,667	26,180.0	<b>16,776,474</b>	32,153.6
Total assets					17,549,572	33,635.3	<b>21,433,798</b>	41,079.8
Shareholders' equity					1,375,767	2,636.8	<b>1,697,745</b>	3,253.9
Net financial margin	5.0%		<b>4.7%</b>		5.3%		<b>5.0%</b>	
Efficiency ratio	48.2%		<b>49.1%</b>		45.9%		<b>48.7%</b>	
ROAE	26.1%		<b>21.0%</b>		27.5%		<b>25.1%</b>	
ROAA	2.3%		<b>1.9%</b>		2.4%		<b>2.2%</b>	

**3Q 2011 Results**

Banco de Chile reported net income of Ch\$98,308 million in the third quarter of 2011, declining by 1.7% with respect to the third quarter of 2010. Although loan portfolio growth has continued, net income during the quarter was affected by lower revenues derived from the lower rate of inflation, higher operating expenses, and a higher effective tax rate.

Operating revenues, which include net financial income, fee income and other operating income, increased by 9.4% to Ch\$309,500 million in the third quarter of 2011. This growth in operating revenues was primarily due to higher net financial income.

Net financial income reached Ch\$227,734 million, growing 12.6% with respect to that obtained in the third quarter of 2010, due to strong loan portfolio growth of 22.8% that more than offset a decrease in lending spreads, the net financial margin decreased from 5.0% in 3Q 2010 to 4.7% in 3Q 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, net financial operating and foreign exchange income increased strongly, due to the hedge of allowances denominated in dollars. On the other hand, the Bank's net asset position in UFs was negatively affected by the lower rate of inflation in 3Q 2011. Net financial income comprised 73.6% of operating revenues in 3Q 2011.

Fee income decreased by a slight 0.8% to Ch\$75,704 million, mainly due to lower activity in the securities and mutual funds businesses, following the higher level of risk of the external economic scenario which led to higher demand of fixed income instruments.

Provisions for loan losses amounted to Ch\$45,168 as compared to Ch\$38,039 million reported in 3Q 2010. This 18.7% increase, despite continued positive figures in terms of credit quality, is attributable to higher business volumes and



the devaluation of the Chilean peso with respect to the US dollar, affecting the provisions of USD denominated loans. However, the Bank currently hedges these exposures, including the positive effect in operating revenue.

Operating expenses increased by 19.5% to Ch\$151,870 million, mainly explained by an increase of 11.4% in Banco de Chile's operating expenses to Ch\$151,812 million, mostly related to the collective bargaining process completed in August 2011. Although Ch\$22.4 billion were provisioned during the second quarter and included in other operating expenses, in August 2011 these expenses were reclassified as personnel expenses, and therefore are included in 3Q 2011 expenses. An additional amount of Ch\$5.7 billion granted as a bonus in the aforementioned collective bargaining process is also included in 3Q 2011 expenses.

As of September 2011, the Bank's loan portfolio had demonstrated a strong annual growth of 22.8% and a quarterly increase of 5.7% with respect to June 2011. Annual portfolio growth is driven by all credit products, but particularly by commercial loans that grew 24.5% based on increasing investment rates and commercial dynamism. Residential mortgage loans continued with a strong growth of 20.9% 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. Consumer loans also posted strong growth of 18.5%, based on increased activity in credit cards and installment loans.

Banco de Chile is the second ranked bank in the country with a market share of 19.8% of total loans according to information published by the Chilean Superintendency of Banks for the period ended September 30, 2011. Its return on equity after taxes (annualized) reached 25.9%, compared to 18.2% for the local financial system, according to the same source.

### Interest Subordinated Debt

In the third quarter of 2011 accrued interest expense of the Subordinated Debt with the Chilean Central Bank was 3.2% lower than the third quarter of 2010, due to the effect of the lower rate of inflation in 3Q 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:

	3Q 11	
	MCh\$	MUS\$
Enex	320	0.6
<b>Total Energy Segment</b>	<b>320</b>	<b>0.6</b>

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

**ENEX<sup>10</sup>**

	3Q 11		Sep-11	
	MCh\$	MUS\$	MCh\$	MUS\$
Sales	297,507	570.2	392,537	752.3
Operating income (loss)	1,746	3.3	2,346	4.5
Net income (loss) Controller	320	0.6	544	1.0
Total assets			400,044	766.7
Shareholders' equity			226,907	434.9

During the 3Q 2011, Enex reported net income of Ch\$320 million. Sales during the period reached Ch\$297,507 million, corresponding primarily to sales of fuels, followed by lubricants and other products. Operating income during the quarter reached a gain of Ch\$1,746 million, with a significant contribution from fuels, followed by lubricants and other derived products. Non-operating income amounted to a loss of Ch\$1,570 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:

Segment Others	Quarter			
	3Q 10		3Q 11	
	MCh\$	MUS\$	MCh\$	MUS\$
IRSA (CCU)	6,324	12.1	7,181	13.8
Quiñenco & other	(1,171)	(2.2)	(30,025)	(57.5)
<b>Total Segment Others</b>	<b>5,153</b>	<b>9.9</b>	<b>(22,844)</b>	<b>(43.8)</b>

As of September 30, 2011 and 2010, Quiñenco's ownership of CCU was 33.1%.

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

CCU

	Quarters				Year to Date			
	3Q 10		3Q 11		Sep-10		Sep-11	
	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$
Sales	188,607	361.5	215,471	413.0	587,533	1,126.1	<b>653,694</b>	1,252.9
Operating income (loss)	29,358	56.3	32,716	62.7	111,208	213.1	<b>118,766</b>	227.6
Net income (loss)	19,569	37.5	22,050	42.3	73,855	141.5	<b>77,761</b>	149.0
Total assets							<b>1,212,392</b>	2,323.7
Shareholders' equity							<b>548,789</b>	1,051.8

3Q 2011 Results

CCU's sales in the third quarter of 2011 grew by 13.9% compared to the third quarter of 2010, as a result of higher consolidated sales volumes and higher average prices. The 5.3% growth in sales volumes was led by non-alcoholic beverages (+7.2%), spirits (+5.5%), the Argentine beer segment (+4.0%), and wine (+1.0%), while the Chilean beer segment remained flat. Average prices grew by 8.4%, reflecting a higher average price of beer in Argentina, due to the exchange rate, higher beer prices in Chile, increased prices of spirits based on a change in sales mix, and to a lesser extent of non-alcoholic beverages and wine.

Gross profit rose by 13.4% to Ch\$112,643 million, slightly below the growth in sales due to increased cost of sales, which went up by 14.5%, mainly due to higher costs of raw material, energy and fuel. The gross margin as a percentage of sales decreased from 51.4% in 3Q 2010 to 51.2% in 3Q 2011.

Operating income reached Ch\$32,716 million, growing by 11.4% from 2010, lower than the strong growth in gross profit due to increased SG&A expenses during the quarter. The higher SG&A expenses are mainly attributable to higher expenses of the cider operation acquired in Argentina in late 2010, the inflationary pressures in Argentina and higher distribution costs. As a percentage of sales, SG&A expenses rose from 36.2% in 3Q 2010 to 36.8% in 3Q 2011. The consolidated operating margin was 14.9% of sales, compared to 15.2% in the same period of 2010. EBITDA amounted to Ch\$44,644 million, increasing 10.2% with respect to 3Q 2010.

CCU reported non-operating gains of Ch\$1,257 million compared to a loss of Ch\$6,375 million in 3Q 2010. The improvement is mainly explained by gains related to hedges (included in exchange rate differences and other gains/losses), and lower losses related to the effect of the lower rate of inflation on financial obligations denominated in UFs. On the other hand, the associate Foods obtained lower results during the current quarter.

Net income for the third quarter of 2011 amounted to Ch\$22,050 million, up by 12.7% from the same quarter in 2010, primarily due to the aforementioned higher operating and non-operating results, partially offset by higher income tax in 3Q 2011 due to the higher prevailing tax rate, the effect of foreign exchange fluctuations on taxes, and a non-recurring tax loss at Aguas CCU Nestlé.



## QUIÑENCO AND OTHERS

The variation of Quiñenco and others is mainly explained by the negative contribution of CSAV during the quarter, reflecting the company's losses during the period. On the other hand, 3Q 2011 includes higher financial income, reflecting the higher market value of financial assets at the corporate level, and exchange rate gains at the corporate level, derived from USD denominated loans to CSAV and the revaluation of the USD with respect to the Chilean peso during the quarter.

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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](http://www.quinenco.cl)  
[www. quinencogroup.com](http://www. quinencogroup.com)