QUIÑENCO S.A.

For further information contact:
Quiñenco S.A.
Pilar Rodríguez-IRO
(56-2) 750-7221
E-mail: prodriguez@lq.cl

QUIÑENCO S.A. ANNOUNCES CONSOLIDATED RESULTS FOR THE SECOND QUARTER OF 2012

(Santiago, Chile, September 3, 2012) Quiñenco S.A., a leading Chilean business conglomerate, announced today its consolidated financial results under IFRS, for the second quarter ended June 30, 2012.

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, 2012 (Ch$501.84 = US$1.00), unless indicated otherwise, and are only provided for the reader's convenience.

2Q 2012 HIGHLIGHTS

- **Net income[1] amounted to a gain of Ch$20,629 million in the second quarter of 2012, below the same period in 2011, primarily due to losses posted during the period by Quiñenco's equity investment CSAV. However, CSAV improved its operating performance significantly during the quarter, reducing its operating loss by 84% over 2Q 2011. Quarterly results were also affected by lower financial income and higher financial costs, mostly at the corporate level.**

- **Consolidated revenues reached Ch$403 billion with the incorporation of Enex's revenues as of June 2011.**

- **The contribution of operating companies during the second quarter of 2012 was boosted by the incorporation of Enex as of June 2011 and of SM-SAAM as of February 2012, as well as by the positive results obtained by Madeco and CCU. Banco de Chile posted lower net income mainly due to higher credit loss provisions, despite a reduction in operating expenses.**

- **Earnings per ordinary share amounted to a gain of Ch$15.56 for the second quarter of 2012.**

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

GROUP HIGHLIGHTS – SECOND QUARTER 2012 AND SUBSEQUENT EVENTS

Quiñenco – Dividend Distribution

At the Ordinary Shareholders Meeting held on April 26, 2012, shareholders approved a dividend distribution corresponding to 2011 net income of Ch$32.71 per share, payable as of May 7, 2012, to those shareholders registered with the company as of May 6, 2012. The total amount of the dividend is Ch$43,982 million, equivalent to 50.00% of 2011 net income.

Quiñenco – Reaches 55.4% of Madeco

During June 2012, Quiñenco subscribed 156,178,783 shares of $3,108 million in Madeco's capital increase, thus increasing its share in the company to 55.4%.

Madeco increases its stake in Nexans to 21.25%

In accordance with the agreement reached with Nexans in early 2011, Madeco further increased its share in the French multinational leading cable company to 21.25% as of June 2012.

Madeco purchases flexible packaging company in Colombia

In June, 2012, Madeco's subsidiary Alusa purchased, together with its partner in Peruplast Nexus Capital Partners III, the flexible packaging company Empaques Flexa S.A.S. in Colombia, at an amount of US$35 million for the company's assets, subject to adjustments for working capital variations and net financial debt. Through this investment Madeco seeks to strengthen its position in Central America.

QUIÑENCO S.A.
Enrique Foster Sur Nº 20, 14th Floor
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101

FORMAT OF FINANCIAL STATEMENTS

As of 2012, the Superintendency of Securities and Insurance (SVS) has modified the format of the Income Statement, adding the line "Gains (losses) of operating activities". As defined by the SVS this sub-total includes the following concepts: Gross income, Other operating income, Distribution Costs, Administrative expenses, Other operating expenses, and Other gains (losses). In accordance with this definition, this document refers to Gains (losses) of operating activities or Operating Income in the same manner. It is worth noting that until the year 2011, Operating Income as defined by Quiñenco did not include the item Other gains (losses), and therefore is not comparable to the definition of operating income used as of the second quarter in 2012.

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 (CSAV), SM-SAAM, Banchile Seguros de Vida (Banchile Vida) and eliminations)

The companies composing this sector reported their financial statements in accordance with IFRS. Madeco reports its financial statements in US dollars, and translates them to Chilean pesos for consolidation purposes.

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. During January and February 2012, Quiñenco and its subsidiaries subscribed an additional 16.8% share from the capital increase carried out by CSAV. Thus, as of June 30, 2012, Quiñenco holds directly and indirectly a 37.4% share in CSAV. As of February 15, 2012, SAAM (port & shipping services) was spun-off from CSAV, and SM-SAAM was established as the controlling entity of SAAM. CSAV shareholders as of February 29 received 1.1168666991 shares of SM-SAAM for each share of CSAV. SM-SAAM shares are traded as of March 1, 2012 on local stock exchanges. Quiñenco's share in SM-SAAM is also 37.44%.

QUIÑENCO S.A.
Enrique Foster Sur Nº 20, 14th Floor
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101

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. In May and June, Quiñenco's indirect subsidiaries Inversiones Río Cobre Ltda. And Inversiones Río Aurum S.A., were merged in Enex S.A. The energy sector's results correspond to only one month in 2Q 2011, following the acquisition on May 31st, 2011.

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	
	2Q 11	2Q 12	2Q 11	2Q 12	2Q 11	2Q 12	2Q 11	2Q 12	2Q 11	2Q 12
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Consolidated Income (Loss) Industrial Sector	3,158	**7,382**	(4,661)	**(945)**	223	**3,263**	7,777	**(10,621)**	6,497	**(921)**
Consolidated Income Banking Sector	-	**-**	89,675	**90,540**	-	**-**	-	**-**	89,676	**90,540**
Consolidated Net Income (Loss)	3,158	**7,382**	85,014	**89,595**	223	**3,263**	7,777	**(10,621)**	96,172	**89,619**
Net income (loss) attributable to Non-controlling interests	1,869	3,764	61,016	63,117	-	-	1,361	2,109	64,247	68,990
Net Income (loss) attributable to Controllers' Shareholders	1,289	3,618	23,998	26,478	223	3,263	6,416	(12,730)	31,926	20,629

Net Income – 2Q 2012

Quiñenco reported a net gain of Ch$20,629 million in the second quarter of 2012, below the net income reported for the same period in 2011, primarily due to losses posted during the period by Quiñenco's equity investment CSAV. In addition, financial income dropped mainly at the corporate level, due primarily to a lower cash balance, and financial costs increased due to a higher level of debt, following Quiñenco's bond issuances and the Bank debt at Enex. CCU, Madeco, Enex, LQIF holding and Banchile Vida contributed with positive results during the quarter, as did SM-SAAM, as of 2012. Banco de Chile, however, reported lower net income due to higher credit loss provisions, despite a reduction in operating expenses.

Earnings per ordinary share amounted to a gain of Ch$15.56 in the second quarter of 2012.

QUIÑENCO S.A.
Enrique Foster Sur Nº 20, 14th Floor
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101

Consolidated Income Statement Breakdown

	2Q 11		2Q 12	
	MCh$	MUS$	MCh$	MUS$
Industrial Sector				
Revenues	**177,289**	**353.3**	**402,855**	**802.8**
Manufacturing - Madeco	53,634	106.9	53,051	105.7
Financial - LQIF holding	**-**	**-**	-	-
Energy - Enex	95,030	189.4	321,728	641.1
Other - Quiñenco & others	28,625	57.0	28,076	55.9
Operating income (loss)	**3,906**	**7.8**	**16,122**	**32.1**
Manufacturing - Madeco	5,438	10.8	11,948	23.8
Financial - LQIF holding	(2,713)	(5.4)	(1,545)	(3.1)
Energy - Enex	659	1.3	(40)	(0.1)
Other - Quiñenco & others	522	1.0	5,759	11.5
Non-operating income (loss)	**2,607**	**5.2**	**(21,749)**	**(43.3)**
Interest income	7,086	14.1	6,223	12.4
Interest expense	(3,739)	(7.5)	(6,025)	(12.0)
Share of net income/loss from related co.	2,960	5.9	(20,630)	(41.1)
Foreign exchange gain (loss)	(141)	(0.3)	(44)	(0.1)
Indexed units of account restatement	(3,560)	(7.1)	(1,272)	(2.5)
Income (loss) tax	(17)	(0.0)	4,706	9.4
Net income (loss) from discontinued operations	-	-	-	-
Consolidated Net Income (Loss) Industrial Sector	**6,497**	**12.9**	**(921)**	**(1.8)**
Banking Sector				
Operating revenues	326,590	650.8	327,315	652.2
Provision for loan losses	(37,099)	(73.9)	(50,287)	(100.2)
Operating expenses	(164,211)	(327.2)	(156,561)	(312.0)
Operating income (loss)	125,280	249.6	120,467	240.1
Non-operating income (loss)	(23,239)	(46.3)	(17,180)	(34.2)
Income (loss) tax	(12,365)	(24.6)	(12,747)	(25.4)
Consolidated Net Income (Loss) Banking Sector	**89,676**	**178.7**	**90,540**	**180.4**
Consolidated Net Income (Loss)	96,172	191.6	89,619	178.6
Net income attributable to Non-controlling interests	64,247	128.0	68,990	137.5
Net income attributable to Controllers' shareholders	**31,926**	**63.6**	**20,629**	**41.1**

QUIÑENCO S.A.
Enrique Foster Sur Nº 20, 14th Floor
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101

I. Industrial Sector

Revenues – 2Q 2012

Consolidated revenues totaled Ch$402,855 million in the second quarter of 2012, significantly above those of the same period in 2011, primarily due to the incorporation of Enex's results as of June 2011, which contributed Ch$321,728 million in sales in 2012. Revenues from Banchile Seguros de Vida, included in Quiñenco and others, however, decreased 2.0% during the quarter. Madeco's sales also diminished a slight 1.1% with respect to 2Q 2011, mainly due to lower revenues from brass mills, reflecting a lower sales volume and lower average copper prices, partially compensated by higher sales of the profiles unit, boosted by increased activity in the construction sector, and higher revenues of flexible packaging, reflecting the incorporation of the new associate in Colombia[2].

Consolidated sales in the second quarter of 2012 can be broken down as follows: Enex (79.9%), Madeco (13.2%), and others (6.9%).

Operating Income - 2Q 2012[3]

Operating income for the second quarter of 2012 reached a gain of Ch$16,122 million, compared to a gain of Ch$3,906 million in the second quarter of 2011. The improvement in consolidated operating results is primarily attributable to Madeco's growth in operating income, mainly reflecting negative goodwill arising from the change in the accounting method of its investment in Nexans. Also, Banchile Vida's operating results grew by 143.1% during the quarter. Enex, however, obtained a slight operating loss during the quarter, mostly due to administrative expenses that more than offset gross income for the period.

EBITDA[4] – 2Q 2012

EBITDA amounted to Ch$12,093 million in 2Q 2012, remaining stable in comparison to Ch$12,097 million obtained in 2Q 2011, generated mainly by Enex's and Banchile Seguros de Vida's operations, and to a lesser extent by Madeco.

Non-Operating Results[5] – 2Q 2012

Non-operating income amounted to a loss of Ch$21,749 million in the second quarter of 2012, compared to non-operating income of Ch$2,607 million in the same quarter of 2011. The variation between the two periods is mostly explained by losses from equity investments.

---

[2] 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.

[3] Operating income includes: Gross income (revenues minus cost of sales), Distribution costs, Administrative expenses, Other operating revenue, Other operating expenses, and Other gains/losses.

[4] EBITDA is calculated as: Operating income minus/plus others gains/losses plus depreciation plus amortization of intangibles.

[5] Non-operating results include the following items: Financial income, Financial costs, Proportionate share of equity method investments, Foreign currency exchange differences, and Indexed units of account restatement.

QUIÑENCO S.A.
Enrique Foster Sur Nº 20, 14th Floor
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101

Proportionate share of net income of equity method investments (net) – 2Q 2012

Quiñenco's proportionate share of net income from equity method investments (net), which primarily includes the results from CCU, CSAV, and SM-SAAM reached a loss of Ch$20,630 million, compared to a gain of Ch$2,960 million in 2Q 2011.

Quiñenco's proportionate share of net income from CCU increased by 16.1% to Ch$3,672 million.
Quiñenco's proportionate share of net income from CSAV amounted to a loss of Ch$26,061 million.
Quiñenco's proportionate share of net income from SM-SAAM amounted to a gain of Ch$2,726 million.

Interest Income - 2Q 2012

Interest income for the second quarter of 2012 amounted to Ch$6,223 million, 12.2% below that obtained in 2Q 2011. This variation corresponds mainly to lower financial income at Quiñenco, mostly reflecting a lower balance of cash. It is worth noting that as of the second quarter of 2011, Quiñenco values its financial assets related with its cash position at the Corporate level at fair value, with effect on the income statement. LQIF also reported lower financial income during the quarter.

Interest Expense - 2Q 2012

Interest expense for the second quarter of 2011 amounted to Ch$6,025 million, substantially higher than the Ch$3,739 million reported in 2Q 2011. The variation is mainly explained by the addition of Enex's debt as of June 2011, as well as higher interest expense at Quiñenco reflecting its bond issuances carried out in June 2011 and January 2012, and to a lesser extent at Madeco. LQIF, however, reported positive financial costs due to the reasonable value of derivatives that more than compensated interest expenses.

Foreign currency exchange differences – 2Q 2012

In 2Q 2012, the gains (losses) specific to foreign currency translation differences amounted to a loss of Ch$44 million, compared to a loss of Ch$140 million reported in 2Q 2011, primarily attributable to a gain at Quiñenco due to a net asset position in US dollars, partially offset by losses at Madeco.

Indexed units of account restatement – 2Q 2012

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$1,272 million in the second quarter of 2011, compared to a loss of Ch$3,560 million reported in the same period of 2011, due to the lower rate of inflation prevailing in the current quarter and its adjustment effect on liabilities in UFs, together with a lower level of debt at LQIF.

Income Taxes – 2Q 2012

The industrial sector reported an income tax credit of Ch$4,706 million, compared to income tax of Ch$17 million reported in the second quarter of 2011, primarily due to an income tax credit at Enex, mostly corresponding to deferred taxes, partially offset by higher income tax at Banchile Vida.

QUIÑENCO S.A.
Enrique Foster Sur Nº 20, 14th Floor
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101

Non-controlling Interests – 2Q 2012

In the second quarter of 2012, at a consolidated level (including both industrial and banking net income), net income attributable to non-controlling interests amounted to Ch$68,990 million. Of the total amount reported in 2Q 2012, Ch$36,133 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 - 2Q 2012

Operating revenues for the second quarter of 2012 amounted to Ch$327,315 million, barely 0.2% above the second quarter of 2011. Growth in net financial income at Banco de Chile was offset by a decrease in fee income and lower other operating income.

Provision for Credit Risk - 2Q 2012

Provisions for loan losses at Banco de Chile amounted to Ch$50,285 million in the second quarter of 2012, 35.5% higher than the provisions registered in the second quarter of 2011, primarily attributable to the strong 16.9% growth in average loans during the year, as well as increasing levels of overdue loans in the industry.

Operating expenses - 2Q 2012

Operating expenses decreased by 4.7% to Ch$156,561 million, mainly explained by a decrease of 4.7% in Banco de Chile's operating expenses to Ch$156,498 million, mostly due to contingency provisions that totaled Ch$22.4 billion in 2Q 2011, related to collective bargaining agreements that were under negotiation. Also, personnel expenses grew reflecting salary increases resulting from the collective bargaining process carried out in 2011 and 2012.

Non-operating Results - 2Q 2012

During the second quarter of 2012 non-operating results amounted to a loss of Ch$17,180 million as compared to a loss of Ch$23,239 million in the second quarter of 2011, 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 second quarter of 2012, and to a lesser extent due to lower income from related companies.

Net Income - 2Q 2012

Net income for the banking sector amounted to Ch$90,540 million up by 1.0% over the same period in 2011, due to lower operating expenses and lower accrued interest expense of the Subordinated Debt, that compensated higher provisions for credit risk and flat operating revenues.

QUIÑENCO S.A.
Enrique Foster Sur Nº 20, 14th Floor
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101

CONSOLIDATED BALANCE SHEET ANALYSIS (vis-à-vis the 1st quarter of 2012)

Condensed Consolidated Balance Sheet

	03-31-2012		06-30-2012	
	MCh$	MUS$	MCh$	MUS$
Current assets industrial sector	715,831	1,426.4	**607,657**	1,210.9
Non-current assets industrial sector	2,238,832	4,461.2	**2,222,704**	4,429.1
Assets financial sector	21,954,299	43,747.6	**22,471,245**	44,777.7
Total assets	**24,908,962**	**49,635.3**	**25,301,605**	**50,417.7**
Current liabilities industrial sector	253,049	504.2	**200,374**	399.3
Long-term liabilities industrial sector	767,853	1,530.1	**734,620**	1,463.9
Liabilities financial sector	20,479,439	40,808.7	**20,959,149**	41,764.6
Non-controlling interests	1,576,034	3,140.5	**1,574,765**	3,138.0
Shareholders' equity	1,832,586	3,651.7	**1,832,697**	3,652.0
Total liabilities & shareholders' equity	**24,908,962**	**49,635.3**	**25,301,605**	**50,417.7**

Current Assets Industrial Sector

Current assets decreased by 15.1% compared to the first quarter of 2012, mainly due to dividend payments by Quiñenco, and dividend payments to third parties by LQIF. Also, trade receivables diminished mostly at Enex and Banchile Vida, partially compensated by an increase at Madeco. These reductions were partially offset by higher inventories at Madeco and Enex.

Non Current Assets Industrial Sector

Non current assets decreased by a slight 0.7% compared to the first quarter of 2012, mainly due to CSAV's loss during the quarter, and lower deferred taxes. These variations were compensated by increases in property, plant, and equipment mainly at Madeco, and higher long term deposits mostly at Banchile Vida.

Assets Banking Sector

Total assets of the banking sector increased by 2.4% compared to the first quarter of 2012. Loans to customers increased by 3.5% with respect to March 2012, reflecting growth in all segments, and particularly of commercial and residential mortgage loans.

Current Liabilities Industrial Sector

Current liabilities decreased by 20.8% over the first quarter of 2012, mainly due to lower liabilities at LQIF and Enex, partly offset by higher debt at Madeco, and also lower dividend provisions at Quiñenco.

QUIÑENCO S.A.
Enrique Foster Sur Nº 20, 14th Floor
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101

Long-term Liabilities Industrial Sector

Long-term liabilities decreased by 4.3% in comparison to the first quarter of 2012, mainly explained by lower deferred taxes.

Liabilities Banking Sector

Liabilities corresponding to the banking sector increased by 2.3% compared to the first quarter of 2012.

Non-controlling Interests

Non-controlling interests remained flat with respect to March 2012.

Equity

Shareholders' equity did not vary with respect to March 2012.

QUIÑENCO S.A.
Enrique Foster Sur Nº 20, 14th Floor
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101

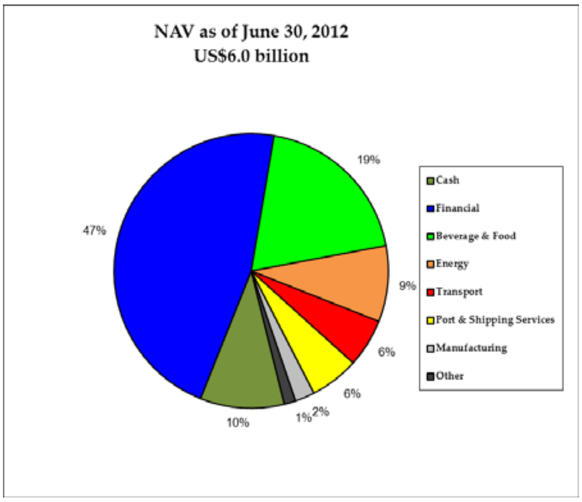
Quiñenco Corporate Level Debt and Cash

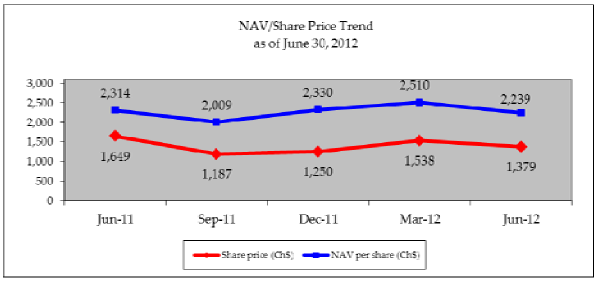
As of June 30, 2012	Debt		Cash & equivalents		Total Net Debt	
	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$
Corporate level	318,525	634.7	336,555	670.6	(18,030)	(35.9)
Adjusted for:						
50% interest in LQIF	78,699	156.8	1,773	3.5	76,926	153.3
50% interest in IRSA	3,585	7.1	223	0.4	3,362	6.7
Total	**400,809**	**798.7**	**338,551**	**674.6**	**62,258**	**124.1**

The debt to total capitalization ratio at the corporate level (unadjusted) was 14.6% as of June 30, 2012.

NAV

As of June 30, 2012, the estimated net asset value (NAV) of Quiñenco was US$6.0 billion (Ch$2,239 per share) and market capitalization was US$3.7 billion (Ch$1,379 per share). The discount to NAV is estimated at 38.4% as of the same date.





QUIÑENCO S.A.
Enrique Foster Sur Nº 20, 14th Floor
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101

SEGMENT /OPERATING COMPANY ANALYSIS

Sector /Segment	Manufacturing		Financial		Energy		Other		Total	
	2Q 11	2Q 12	2Q 11	2Q 12	2Q 11	2Q 12	2Q 11	2Q 12	2Q 11	2Q 12
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Industrial Sector										
Net income (loss) from continued operations before taxes	4,756	**9,459**	(5,289)	**(1,603)**	349	**(551)**	6,698	**(12,932)**	6,513	**(5,627)**
Income (loss) tax	(1,598)	**(2,077)**	628	**658**	(125)	**3,814**	1,079	**2,311**	(17)	**4,706**
Net loss from discontinued operations	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**
Net income (loss) industrial sector	3,158	**7,382**	(4,661)	**(945)**	223	**3,263**	7,777	**(10,621)**	6,497	**(921)**
Banking Sector										
Net income before taxes	-	**-**	102,040	**103,287**	-	**-**	-	**-**	102,041	**103,287**
Income (loss) tax	-	**-**	(12,365)	**(12,747)**	-	**-**	-	**-**	(12,365)	**(12,747)**
Net income banking sector	-	**-**	89,675	**90,540**	-	**-**	-	**-**	89,676	**90,540**
Consolidated net income (loss)	3,158	**7,382**	85,014	**89,595**	223	**3,263**	7,777	**(10,621)**	96,172	**89,619**
Net income (loss) attributable to Non-controlling interests	1,869	**3,764**	61,016	**63,117**	-	**-**	1,361	**2,109**	64,247	**68,990**
Net income (loss) attributable to Controllers' shareholders	1,289	3,618	23,998	26,478	223	3,263	6,416	(12,730)	31,926	20,629

MANUFACTURING SEGMENT

The following table details the contribution of the investments in the Manufacturing segment during 2011 and 2012 to Quiñenco's net income:

	2Q 11		2Q 12	
	MCh$	MUS$	MCh$	MUS$
Madeco	1,289	2.6	3,618	7.2
Total Manufacturing Segment	**1,289**	**2.6**	**3,618**	**7.2**

As of June 30, 2012 and 2011, Quiñenco's ownership of Madeco was 55.4% and 47.7%, respectively.

QUIÑENCO S.A.
Enrique Foster Sur Nº 20, 14th Floor
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101

MADECO

	2Q 11		2Q 12		2Q 11	2Q 12
	MCh$	MUS$	MCh$	MUS$	ThUS$	ThUS$
Sales	53,634	106.9	53,051	105.7	**114,295**	**106,880**
Operating income	5,438	10.8	11,948	23.8	**11,597**	**23,973**
Net loss discontinued operations	-	-	-	-	**-**	**-**
Net income (loss) Controller	2,705	5.4	6,531	13.0	**5,768**	**13,134**
Total assets			470,040	936.6		**936,632**
Shareholders' equity			308,043	613.8		**613,827**

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.

Until 2011, the investment in Nexans was valued as a financial asset available for sale. As of January 11, 2012, Madeco gained significant influence in Nexans with the appointment of a member of the Compensations Committee, in addition to three Board members, therefore as of that date Nexans is valued as an equity method investment.

2Q 2012 Results

Madeco's sales declined 6.5% to US$106,880 thousand in the second quarter of 2012 compared to the same period of 2011, primarily due to lower sales of brass mills, partially compensated by higher sales of profiles and, to a lesser extent, flexible packaging. Sales of brass mills decreased 25.7% due to a lower sales volume and lower average prices, reflecting the drop in copper prices. Sales of the profiles unit increased 10.1% based on increased activity in the construction sector. Flexible packaging sales remained stable with respect to 2Q 2011, mainly due to the addition of the new associate in Colombia, offset by lower sales in Chile.

During the second quarter of 2012, sales of the flexible packaging unit accounted for 56.7% of sales, followed by brass mills (26.8%), and profiles (16.5%).

Gross income reached US$19,277 thousand, decreasing 11.4% with respect to 2Q 2011, mainly due to lower gross income from brass mills, due to the decrease in sales and a lower gross margin amid a more competitive environment. Gross income from profiles decreased by 8.8% due to an unfavorable change in sales mix. The flexible packaging unit, however, recorded an increase in gross income of 5.4%, reflecting lower costs in relation to the previous quarter.

QUIÑENCO S.A.
Enrique Foster Sur Nº 20, 14th Floor
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101

Operating income reached US$23,973 thousand, more than doubling the US$11,597 thousand reported in 2Q 2011. This positive variation is primarily due to negative goodwill of US$14,550 thousand during the quarter, arising from the change in the accounting method of Madeco's investment in Nexans, from a financial asset to an equity method investment, and US$3,961 of negative goodwill arising from the acquisition of Flexa, a flexible packaging company in Colombia, in June, 2012. These increments were partially offset by the lower gross income explained above.

Non-operating income for the quarter amounted to a loss of US$4,983 thousand, compared to a loss of US$1,453 thousand in 2Q 2011. This variation is mainly explained by higher financial costs due to the financing required for the investments in Nexans' shares, and by Madeco's accounting of its proportional investment in Nexans. This company reported net income of 13 million euros for the first semester of 2012, an improvement over the loss of 151 million euros reported in the same period of 2011. Madeco adjusted its share in this result to reflect the effect of the reasonable value it determined for the French company, thus generating a net loss of US$2,086 thousand for the period.

Madeco reported a net gain of US$13,134 thousand for the second quarter of 2012, due to the higher operating income explained above, partially offset by lower non-operating results and higher income tax in 2Q 2012 than in 2Q 2011, mainly due to deferred taxes arising from the change in the accounting method of the investment in Nexans.

FINANCIAL SEGMENT

The following table details the contribution of the investments in the Financial Segment during 2011 and 2012 to Quiñenco's net income:

	2Q 11		2Q 12	
	MCh$	MUS$	MCh$	MUS$
LQIF holding	(2,328)	(4.6)	(472)	(0.9)
Banking sector	26,326	52.5	26,950	53.7
Total Financial Segment	**23,998**	**47.8**	**26,478**	**52.8**

As of June 30, 2012 and 2011, Quiñenco's ownership of LQIF was 50.0%. LQIF's economic rights in Banco de Chile were 39.7% as of June 30, 2011 and 39.8% as of June 30, 2012.

LQIF Holding

LQIF holding registered a loss of Ch$945 million compared to a loss of Ch$4,661 million in 2Q 2011, mainly due to positive financial costs, owing to the reasonable value of derivatives that more than offset interest expense, reduced losses related to the effect of lower inflation on financial obligations denominated in UFs, a drop in the amortization of intangibles due to the completion in December 2011 of the amortization period of certain intangibles arising from the merger with Citibank in 2008, and lower administrative expenses. These positive variations were slightly offset by lower financial income during the quarter.

QUIÑENCO S.A.
Enrique Foster Sur Nº 20, 14th Floor
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101

Banking Sector

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

BANCO DE CHILE

	2Q 11		2Q 12	
	MCh$	MUS$	MCh$	MUS$
Operating revenues	326,770	651.1	**326,188**	650.0
Provision for loan losses	(37,100)	(73.9)	**(50,283)**	(100.2)
Operating expenses	(164,155)	(327.1)	**(156,498)**	(311.8)
Net income (loss)	114,025	227.2	**106,964**	213.1
Loan portfolio	15,875,576	31,634.7	**18,378,678**	36,622.6
Total assets	20,250,650	40,352.8	**22,480,472**	44,796.1
Shareholders' equity	1,635,080	3,258.2	**1,795,724**	3,578.3
Net financial margin	5.2%		**4.7%**	
Efficiency ratio	50.2%		**48.0%**	
ROAE	26.5%		**22.2%**	
ROAA	2.3%		**1.9%**	

2Q 2012 Results

Banco de Chile reported net income of Ch$106,964 million in the second quarter of 2012, diminishing by 6.2% with respect to the second quarter of 2011. These results are explained by a lower rate of inflation that reduced the revenues from the Bank's net asset position in UFs, greater provisions for loan losses, and lower fee income, despite strong portfolio growth that has remained at two digits, and controlled operating expenses.

Operating revenues, which include net financial income, fee income and other operating income, remained flat at Ch$326,188 million in the second quarter of 2012. Growth in net financial income was offset by a decrease in fee income and lower other operating income.

Net financial income reached Ch$247,153 million, growing 3.3% with respect to that obtained in the second quarter of 2011, due to strong loan portfolio growth of 15.8% that more than offset a decrease in lending spreads; the net financial margin decreased from 5.2% in 2Q 2011 to 4.7% in 2Q 2012, growth of 11.1% in the average balance of current accounts and demand deposits together with higher nominal interest rates that increased the contribution from these non-interest bearing liabilities, and a positive exchange rate effect on the Bank's asset position in US$, that hedges its loan loss provisions in that currency. These positive aspects were partially offset by lower income from the Bank's net asset position in UFs given a lower rate of inflation. Net financial income comprised 75.8% of operating revenues in 2Q 2012.

QUIÑENCO S.A.
Enrique Foster Sur Nº 20, 14th Floor
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101

Fee income decreased by 6.4% to Ch$76,306 million, mainly due to lower fees from specialized financial services (mutual funds and stock brokerage), which were only partly compensated by higher fee income from credit cards and cash management services.

Provisions for loan losses amounted to Ch$50,285 as compared to Ch$37,100 million reported in 2Q 2011. This increase of 35.5% is explained by the strong 16.9% growth in average loans during the year, a change in the mix due to higher growth in retail banking than in wholesale banking, the moderate rise in overdue loans across the whole industry, and a negative exchange rate effect on US$ denominated loan provisions.

Operating expenses decreased by 4.7% to Ch$156,498 million, mainly due to contingency provisions that totaled Ch$22.4 billion in 2Q 2011, related to collective bargaining agreements that were under negotiation. Personnel and administrative expenses increased due to salary increases resulting from the collective bargaining process mentioned above, greater headcount in the commercial areas, inflation adjustments, and the collective bargaining process carried out by the Bank's collection services subsidiary in 2Q 2012.

As of June 2012, the Bank's loan portfolio had demonstrated a strong annual growth of 15.8% and a quarterly increase of 3.5% with respect to March 2012. Annual portfolio growth is driven by all credit products, but particularly by commercial loans that grew 14.3% based on greater demand for credit from both small/medium sized companies and large companies. Residential mortgage loans continued with a strong growth of 21.5% over the past year, based on a competitive cost of funding and tailor-made financing alternatives for individuals. Consumer loans also posted strong growth of 26.4%, based on increased activity in credit cards and installment loans.

Banco de Chile is the first ranked bank in the country with a market share of 19.2% of total loans according to information published by the Chilean Superintendency of Banks for the period ended June 30, 2012. Its return on equity after taxes (annualized) reached 25.4%, compared to 15.9% for the local financial system, according to the same source.

Interest Subordinated Debt

In the second quarter of 2012 accrued interest expense of the Subordinated Debt with the Chilean Central Bank was 27.6% lower than the second quarter of 2011, due to the effect of the lower rate of inflation in 2Q 2012 as compared to the previous period.

QUIÑENCO S.A.
Enrique Foster Sur Nº 20, 14th Floor
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101

ENERGY SEGMENT

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

	2Q 11		2Q 12	
	MCh$	MUS$	MCh$	MUS$
Enex	223	0.4	3,263	6.5
Total Energy Segment	**223**	**0.4**	**3,263**	**6.5**

As of June, 2012, Quiñenco controls 100% of the energy segment. Results correspond to one month in 2Q 2011, following the acquisition on May 31, 2011, and the complete quarter in 2012.

ENEX[6]

	2Q 11		2Q 12	
	MCh$	MUS$	MCh$	MUS$
Sales	95,030	189.4	321,728	641.1
Operating income (loss)	659	1.3	(40)	(0.1)
Net income (loss) Controller	223	0.4	3,263	6.5
Total assets			474,747	946.0
Shareholders' equity			304,542	606.9

Enex's consolidated sales during 2Q 2012 reached Ch$321,728 million, compared to Ch$95,030 million in 2Q 2011, that included only one month of operations, based on higher sales of fuels, asphalts and chemicals, along with higher average prices. The total volume dispatched during the quarter amounted to 546 thousand cubic meters, of which 95% corresponds to fuels.

Gross income during the period reached Ch$19,515 million, compared to Ch$6,358 million in 2Q 2011, reflecting a slightly lower gross margin due to cost increases, mainly of fuel, in the current period. Operating income during the quarter reached a loss of Ch$40 million, primarily due to sales and administrative expenses of Ch$22,452 million which offset gross income, partly compensated by dividend income from Sonacol amounting to Ch$2,172 million.

Non-operating income amounted to a loss of Ch$510 million, mostly attributable to financial costs, partially compensated by higher financial income during the quarter.

[6] Enex corresponsd to the consolidated financial statements of Enex S.A.

QUIÑENCO S.A.
Enrique Foster Sur Nº 20, 14th Floor
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101

Net income for the 2Q 2012 amounted to Ch$3,263 million, despite the operating and non-operating losses, due to income tax credit corresponding primarily to deferred taxes.

OTHER SEGMENT

The following table details the contribution from investments in the Segment Others during 2011 and 2012 to Quiñenco's net income:

	2Q 11		2Q 12	
	MCh$	MUS$	MCh$	MUS$
IRSA (CCU)	3,163	6.3	3,672	7.3
CSAV	-	-	(26,061)	(51.9)
SM-SAAM	-	-	2,726	5.4
Quiñenco & other	3,253	6.5	6,933	13.8
Total Segment Others	**6,416**	**12.8**	**(12,730)**	**(25.4)**

As of June 30, 2012 and 2011, Quiñenco's ownership of CCU was 33.1%. As of June 30, 2012, Quiñenco's ownership of both CSAV and SM-SAAM was 37.44%.

CCU

	2Q 11		2Q 12	
	MCh$	MUS$	MCh$	MUS$
Sales	191,389	381.4	218,020	434.4
Operating income (loss)	19,371	38.6	19,810	39.5
Net income (loss)	10,197	20.3	11,311	22.5
Total assets			1,241,550	2,474.0
Shareholders' equity			586,541	1,168.8

2Q 2012 Results

CCU's sales grew by 13.9% in the second quarter of 2012 compared to the second quarter of 2011, as a result of higher consolidated sales volumes and higher average prices. The 7.3% growth in sales volumes was led by spirits (+19.9%), non-alcoholic beverages (+18.0%), wine (+10.1%), and the Chilean beer segment (+5.8%). The Argentine beer segment, however, decreased 10.3%. The growth of the spirits segment reflects the successful addition of Pernod Ricard products. Average prices increased by 6.2%, mainly reflecting a higher average price of beer in Argentina, due to the exchange rate, increased prices of spirits based on a change in sales mix, also reflecting the Pernod Ricard products, and to a lesser extent of wine and non-alcoholic beverages in Chile, compensating a decline of beer prices in Chile.

QUIÑENCO S.A.
Enrique Foster Sur Nº 20, 14th Floor
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101

Gross profit rose by 12.9% to Ch$107,321 million, slightly below the growth in sales due to increased cost of sales, which went up by 14.9%. The gross margin as a percentage of sales decreased from 49.7% in 2Q 2011 to 49.2% in 2Q 2012.

Operating income reached Ch$19,810 million, growing by 2.3% from 2011, lower than the strong growth in gross profit mainly due to higher SG&A expenses in 2Q 2012, primarily explained by inflationary pressures in Argentina and higher distribution costs in Chile. As a percentage of sales, SG&A expenses rose from 39.3% in 2Q 2011 to 40.7% in 2Q. These increased expenses were partially offset by higher other operating income and hedging gains in 2012. 2Q 2012 EBITDA amounted to Ch$33,071 million, increasing 2.8% with respect to 2Q 2011.

CCU reported non-operating losses of Ch$2,437 million compared to a loss of Ch$4,511 million in 2Q 2011. The variation is mainly explained by lower losses related to the effect of the lower rate of inflation on financial obligations denominated in UFs together with a lower level of obligations in UFs, as well as increased results from the associate Foods during the quarter. On the other hand, net financial expenses decreased slightly.

Net income for the second quarter of 2012 amounted to Ch$11,311 million, up by 10.9% from the same quarter in 2011, primarily due to the improved non-operating results, and to a lesser extent growth in operating income, partially offset by higher income tax in 2Q 2012 mostly due to the effect of foreign exchange fluctuations.

CSAV

	2Q 11	2Q 12
	ThUS$	ThUS$
Sales	1,250,883	**933,116**
Operating income (loss)	(381,395)	**(61,735)**
Net income (loss) Controller	(338,762)	**(140,234)**
Total assets		**2,536,835**
Shareholders' equity		**818,880**

Due to SAAM's spin-off in February 2012, SAAM has been classified as a discontinued operation.

2Q 2012 Results

Since IFRS was implemented, operating revenue and cost of sales of shipping services in course are registered according to their degree of completion. For those voyages that cannot be estimated precisely, revenue is registered only if related costs can be recovered, accounting the same amount as revenues and costs. If the voyage is estimated beforehand to present losses, then this loss is provisioned as cost of sales only.

CSAV's consolidated sales in 2Q 2012 reached US$933 million, decreasing by 25.4% with respect to 2011, primarily due to a 44.1% reduction in transported volume, as a result of the restructuring plan implemented in the second quarter of 2011, which reduced the company's operating scale, suspending some services and modifying others, thus

QUIÑENCO S.A.
Enrique Foster Sur Nº 20, 14th Floor
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101

changing the markets and service mix of the company's operations. This lower volume was partly compensated by an 18.3% increase in average rates.

During 2Q 2012 gross income amounted to a loss of US$2.9 million, a significant improvement with respect to the loss of US$306 million reported in 2Q 2011, due to a drop in cost of sales in line with the drop in transported volumes explained above, together with a more efficient cost structure, both in variable and fixed costs. Operating income was a loss of US$61.7 million in 2Q 2012, an improvement of 83.8% over the loss obtained in 2Q 2011, primarily due to an 11.5% reduction in administrative expenses, explained by the reduction in organizational levels and headcount, consistent with the new scale of operation. Also, 2Q 2011 included a non-recurring loss from the sale of a vessel of US$10.3 million.

Non-operating income for the quarter amounted to a loss of US$10.9 million as compared to a loss of US$0.6 million reported in 2Q 2011. This negative variation is primarily due to exchange rate losses in 2Q 2012, arising from the company's liabilities in UFs, lower results of equity investments, and higher financial costs reflecting the company's higher level of liabilities.

Discontinued operations registered a loss of US$75.1 million compared to a gain of US$9.5 million in 2Q 2011. The gain in 2011 mainly reflects the results of SAAM that amounted to US$15.2 million, whereas as 2Q 2012 corresponds to costs related to the restructuring plan, including onerous contracts signed during the period for vessel subleases (US$45.3 million), additional costs to those provisioned for the period (US$25.8 million), and a provision for costs related to excess capacity for the second semester of 2012 (US$57.7 million).

CSAV reported a net loss of US$140 million in 2Q 2012, an improvement of 58.6% with respect to 2Q 2011, based on an important reduction of operating losses, which was partly offset by the losses from discontinued operations and an increment in non-operating losses during the quarter.

SM-SAAM

	SM-SAAM		SAAM	
	2Q 11	2Q 12	2Q 11	2Q 12
	ThUS$	ThUS$	ThUS$	ThUS$
Sales	-	**109,934**	99,801	**109,934**
Operating income (loss)	-	**17,076**	11,340	**17,577**
Net income (loss) Controller	-	**14,682**	14,599	**15,187**
Total assets		**965,424**		**965,895**
Shareholders' equity		**629,710**		**639,803**

SM-SAAM started its operations as such in February 2012. However, in the following analysis some comparisons are made with SAAM's stand-alone figures in 2011.

QUIÑENCO S.A.
Enrique Foster Sur Nº 20, 14th Floor
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101

2Q 2012 Results

In the second quarter of 2012 SM-SAAM's consolidated sales, which correspond entirely to SAAM, reached US$110 million, increasing 10.2% with respect to SAAM's sales in 2Q 2011. This positive variation is mainly explained by growth in the port and tugboat segments. The consolidated sales mix during the quarter was: logistics (37.4%), tugboats (39.4%), and ports (23.3%).

During 2Q 2012 gross income, corresponding entirely to SAAM, amounted to a gain of US$27 million, 28.2% higher than that obtained by SAAM in the previous period, boosted by lower cost of sales as a percentage of sales, in all business segments. SM-SAAM's operating income reached US$17.1 million in 2Q 2012. Operating income for SAAM reached US$17.6 million, increasing by 55.0% based on growth in the port and tugboat segments, as well as insurance recoveries and the reasonable value of derivatives. SM-SAAM's slightly lower operational result in comparison with SAAM is primarily explained by administrative expenses incurred in its listing on the local Stock Exchange. SM-SAAM's consolidated EBITDA reached US$22.6 million in 2Q 2012. SAAM's EBITDA, in turn, reached US$23.1 million, increasing 14.7% from 2Q 2011.

Non-operating income for the quarter, for both SM-SAAM and SAAM, amounted to a gain of US$2.7 million, compared to a gain of US$6.6 million reported by SAAM in 2Q 2011. The variation is mainly explained by a lower contribution from equity investments, higher exchange rate losses, and lower financial income in 2Q 2012.

SM-SAAM reported a net gain of US$14.7 million in 2Q 2012, mainly based on the company's positive operating result, together with a non-operating gain during the quarter, partially offset by income tax. SAAM, in turn, obtained a net gain of US$15.2 million, increasing by 4.0% with respect to 2Q 2011.

QUIÑENCO and Others

The variation of Quiñenco and others is mainly explained by Banchile Vida, which contributed with a significant growth of 166.3% in net income in the quarter. This strong growth was partially offset by higher financial costs at the corporate level, reflecting the increment in the level of debt in 2012 following the bond issuances carried out by Quiñenco in June 2011 and January 2012, lower financial income due to a lower cash balance, and greater adjustment losses due to increased liabilities in UFs, all also at the corporate level.

#

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

QUIÑENCO S.A.
Enrique Foster Sur Nº 20, 14th Floor
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101