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## **QUIÑENCO S.A. ANNOUNCES CONSOLIDATED RESULTS FOR THE FOURTH QUARTER AND YEAR END 2012**

(Santiago, Chile, March 26, 2013) Quiñenco S.A., a leading Chilean business conglomerate, announced today its consolidated financial results under IFRS, for the fourth quarter and year ended December 31, 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 December 31, 2012 (Ch\$479.96 = US\$1.00), unless indicated otherwise, and are only provided for the reader's convenience.

### **2012 HIGHLIGHTS**

- **Net income<sup>1</sup> amounted to a gain of Ch\$139,643 million in 2012, up by 58.7% from 2011. This strong growth is primarily explained by the positive contribution of Quiñenco's operating companies, including the most recent investments as well as the companies that have formed part of the group for a longer period of time.**
- **At the corporate level, financial income decreased with respect to 2011, reflecting a lower cash balance, and financial costs went up, due to a higher level of debt.**
- **Consolidated revenues reached Ch\$1,654 billion, up by 56.7% mostly due to higher revenues at Enex.**
- **Earnings per ordinary share amounted to a gain of Ch\$104.34 in 2012.**

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

## GROUP HIGHLIGHTS – FOURTH QUARTER 2012 AND SUBSEQUENT EVENTS

### **Banco de Chile – Capital increase of \$250,000 million**

The Extraordinary Shareholders Meeting of Banco de Chile held on October 17, 2012, approved a capital increase of \$250 billion, through the issuance of 3,939,489,442 common shares of “Banco de Chile-T” series). This new series has the same rights as other Banco de Chile shares, with the exception that its holders will not receive dividends and fully paid-in shares with charge to distributable earnings for the fiscal year 2012. Once these dividends and fully paid-in shares have been distributed and paid, “Banco de Chile-T” shares will automatically become “Banco de Chile” shares. This capital increase will enable the Bank to support its organic growth, maintain suitable capital indicators and increase the free-float of its shares. The capital raised in 2011, which was intended to support 3 years of growth, given the rapid expansion of the Bank’s business, was only sufficient for 2011 and 2012.

LQIF, controlling entity of Banco de Chile, announced its intention to subscribe the shares corresponding to the ordinary preemptive rights period, and to not subscribe the shares corresponding to the special preemptive rights period (corresponding to the rights of the shareholders of SAOS).

### **CCU invests in water businesses in Chile**

On October 16, 2012, CCU announced an agreement to acquire 51% of Manantial, a Chilean home and office delivery of purified water in bottles with the use of dispensers (HOD). The transaction was completed on December 24, 2012. A shareholder’s agreement with Manantial was subscribed.

### **Madeco signs amendment of agreement with Nexans**

On November 26, 2012, Madeco and Nexans signed an amendment to their agreement from early 2011. This amendment will allow Madeco to increase its stake in Nexans’ shares and voting rights from 22.5% up to 28%, extending the ten year agreement to November 2022. Also, during a 3 year period ending November 26, 2015, Madeco’s share in Nexans must be least 20% (lock-up) and no more than 28% (stand-still). If, during this 3 year period, Madeco’s stake in Nexans surpasses 25%, the lock-up obligation automatically increases to 25%. This amendment does not impact Madeco’s participation in Nexans’ Board of Directors, and maintains its voting rights limited at 20% regarding major transactions. As of December 2012, Madeco’s stake in Nexans is 22.41%.

### **Quiñenco increases its stake in Madeco to 64.3%**

In January, 2013, Quiñenco acquired an additional 8.9% stake in Madeco, thus reaching a total share of 64.3%.

### **Quiñenco - Terpel acquisition**

On January 2, 2013, the Supreme Court overruled the Antitrust Court, allowing the acquisition of the assets of Terpel in Chile to be acquired by Quiñenco, subject to certain mitigations. On March 15, 2013, Quiñenco announced a new adjusted price for the transaction of UF5,567,069 (approximately US\$270 million), taking into consideration that Quiñenco must divest 61 service stations, or around 30% of the service stations to be acquired. The transaction is expected to be completed within 90 days.

## 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 first 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 Other. However, in order to allow a better understanding of the consolidated financial statements, the latter and the subsequent analysis, have been divided in Banking and Non-banking (industrial) activities, as follows:

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

**i) Manufacturing**

- Madeco

**ii) Financial**

- LQ Inversiones Financieras (LQIF holding)

**iii) Energy**

- Enx

**iv) Other**

- Quiñenco and others (includes CCU, Compañía Sud Americana de Vapores (CSAV), Sociedad Matriz SAAM (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%.

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.

**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	
	4Q 11	4Q 12	4Q 11	4Q 12	4Q 11	4Q 12	4Q 11	4Q 12	4Q 11	4Q 12
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Consolidated Income (Loss) Industrial Sector	4,552	5,874	(2,662)	(4,352)	2,484	45	(22,778)	19,100	(18,404)	20,668
Consolidated Income Banking Sector	-	-	79,428	117,751	-	-	-	-	79,428	117,750
<b>Consolidated Net Income (Loss)</b>	<b>4,552</b>	<b>5,874</b>	<b>76,766</b>	<b>113,399</b>	<b>2,484</b>	<b>45</b>	<b>(22,778)</b>	<b>19,100</b>	<b>61,023</b>	<b>138,418</b>
Net income attributable to Non-controlling interests	2,757	2,816	54,726	80,526	-	-	147	3,834	57,631	87,176
<b>Net Income (loss) attributable to Controllers' Shareholders</b>	<b>1,795</b>	<b>3,058</b>	<b>22,040</b>	<b>32,873</b>	<b>2,484</b>	<b>45</b>	<b>(22,925)</b>	<b>15,266</b>	<b>3,392</b>	<b>51,242</b>

#### Net Income – Full Year 2012

Quiñenco reported net income of Ch\$139,643 million in 2012, 58.7% higher than that reported in 2011, primarily attributable to the positive contribution of the operating companies. Enex contributed with sound operational results and an income tax credit due to deferred taxes, Banchile Vida posted growth of 149.6% in net income, while Banco de Chile's net income increased by 8.6%, boosted by growth particularly in the retail segment. The proportional loss from CSAV improved substantially, as the company successfully implemented a restructuring of its business. Madeco also contributed with positive results, mainly based on the revaluation of its investment in Nexans at fair value, and growth in the flexible packaging unit. SM SAAM showed sound operating performance. CCU, in turn, reported a decline in net income, despite favorable results from its business units, due to a non-recurring gain from an insurance settlement in 2011.

Earnings per ordinary share amounted to Ch\$104.34 in 2012.

#### Net Income – 4Q 2012

Quiñenco reported a net gain of Ch\$51,242 million in the fourth quarter of 2012, a significant improvement over the gain of Ch\$3,392 million reported for the same period in 2011, primarily due to positive contribution of Banco de Chile, Banchile Vida, and to a lesser extent, SM SAAM and Madeco, as well as the significant reduction in the proportional loss from CSAV during the period. CCU reported a slight increase in net income, whereas net income from Enex declined compared to the previous quarter. At a corporate level, financial costs increased due to a higher level of debt, but were compensated by higher financial income during the quarter.

Earnings per ordinary share amounted to a gain of Ch\$38.11 in the fourth quarter of 2012.

### Consolidated Income Statement Breakdown

	Quarters				Year to Date			
	4Q 11		4Q 12		Dec-11		Dec-12	
	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$
<b>Industrial Sector</b>								
<b>Revenues</b>	<b>417,940</b>	<b>870.8</b>	<b>429,358</b>	<b>894.6</b>	<b>1,055,401</b>	<b>2,198.9</b>	<b>1,653,895</b>	<b>3,445.9</b>
Manufacturing - Madeco	50,917	106.1	51,034	106.3	210,878	439.4	205,778	428.7
Financial - LQIF holding	-	-	-	-	-	-	-	-
Energy - Enx	339,191	706.7	350,564	730.4	731,728	<b>1,524.6</b>	1,340,623	2,793.2
Other - Quiñenco & others	27,832	58.0	27,761	57.8	112,795	235.0	107,494	224.0
<b>Operating income (loss)</b>	<b>11,213</b>	<b>23.4</b>	<b>19,672</b>	<b>41.0</b>	<b>17,721</b>	<b>36.9</b>	<b>64,044</b>	<b>133.4</b>
Manufacturing - Madeco	2,261	4.7	9,138	19.0	15,825	33.0	44,054	91.8
Financial - LQIF holding	1,108	2.3	(1,530)	(3.2)	(6,187)	(12.9)	(6,187)	(12.9)
Energy - Enx	4,428	9.2	1,446	3.0	6,710	14.0	7,613	15.9
Other - Quiñenco & others	3,416	7.1	10,618	22.1	1,373	2.9	18,564	38.7
<b>Non-operating income (loss)</b>	<b>(32,284)</b>	<b>(67.3)</b>	<b>6,287</b>	<b>13.1</b>	<b>(34,148)</b>	<b>(71.1)</b>	<b>(38,869)</b>	<b>(81.0)</b>
Interest income	(45)	(0.1)	5,073	10.6	22,618	47.1	21,254	44.3
Interest expense	(6,665)	(13.9)	(8,207)	(17.1)	(19,966)	(41.6)	(31,450)	(65.5)
Share of net income/loss from related co.	(21,877)	(45.6)	14,363	29.9	(29,574)	(61.6)	(13,329)	(27.8)
Foreign exchange gain (loss)	1,458	3.0	10	0.0	3,756	7.8	(3,100)	(6.5)
Indexed units of account restatement	(5,155)	(10.7)	(4,953)	(10.3)	(10,981)	(22.9)	(12,244)	(25.5)
Income tax	2,667	5.6	(5,291)	(11.0)	1,011	2.1	6,089	12.7
<b>Consolidated Net Income (Loss) Industrial Sector</b>	<b>(18,404)</b>	<b>(38.3)</b>	<b>20,668</b>	<b>43.1</b>	<b>(15,416)</b>	<b>(32.1)</b>	<b>31,264</b>	<b>65.1</b>
<b>Banking Sector</b>								
Operating revenues	284,878	593.5	373,577	778.3	1,226,214	2,554.8	1,345,404	2,803.2
Provision for loan losses	(16,453)	(34.3)	(50,605)	(105.4)	(124,841)	(260.1)	(188,189)	(392.1)
Operating expenses	(156,529)	(326.1)	(162,417)	(338.4)	(614,102)	(1,279.5)	(634,058)	(1,321.1)
Operating income (loss)	111,896	233.1	160,554	334.5	487,271	1,015.2	523,158	1,090.0
Non-operating income (loss)	(20,312)	(42.3)	(21,592)	(45.0)	(77,995)	(162.5)	(73,939)	(154.1)
Income tax	(12,156)	(25.3)	(21,212)	(44.2)	(59,664)	(124.3)	(54,040)	(112.6)
<b>Consolidated Net Income (Loss) Banking Sector</b>	<b>79,428</b>	<b>165.5</b>	<b>117,750</b>	<b>245.3</b>	<b>349,612</b>	<b>728.4</b>	<b>395,179</b>	<b>823.4</b>
<b>Consolidated Net Income</b>	<b>61,023</b>	<b>127.1</b>	<b>138,418</b>	<b>288.4</b>	<b>334,196</b>	<b>696.3</b>	<b>426,443</b>	<b>888.5</b>
Net income attributable to Non-controlling interests	57,631	120.1	87,176	181.6	246,230	513.0	286,800	597.6
<b>Net income attributable to Controllers' shareholders</b>	<b>3,392</b>	<b>7.1</b>	<b>51,242</b>	<b>106.8</b>	<b>87,966</b>	<b>183.3</b>	<b>139,643</b>	<b>290.9</b>

## **I. Industrial Sector**

### **Revenues – Full Year 2012**

Consolidated revenues totaled Ch\$1,653,895 million in 2012, 56.7% higher than in 2011, mainly owing to the consolidation as of June 2011 of Enex's revenues that amounted to Ch\$1,340,623 million in 2012, partially offset by lower revenue from Banchile Vida and Madeco. Sales at Enex increased reflecting a full year of operations, as well as higher average prices. Sales at Madeco decreased 2.4% mainly due to lower sales of brass mills reflecting a drop in export volumes, partially offset by higher sales of the flexible packaging unit in Peru and Argentina, and the addition of the new operation in Colombia, and also higher sales of the windows and facades unit (ex-profiles) boosted by growth in sales volume<sup>2</sup>.

Consolidated sales in 2012 can be broken down as follows: Enex (81.1%), Madeco (12.4%), and others (6.5%).

### **Revenues – 4Q 2012**

Consolidated revenues totaled Ch\$429,358 million in the fourth quarter of 2012, 2.7% above those of the same period in 2011, primarily due to higher sales at Enex, which registered 3.4% growth during the quarter based mainly on higher sales volumes of fuels. Madeco's sales remained flat, mostly due to lower revenues from brass mills, primarily reflecting a lower export volume, compensated by higher sales of the flexible packaging unit, boosted by the incorporation of the new associate in Colombia, and to a lesser extent, by sales growth in the windows and facades unit. Revenues from Banchile Vida, included in Quiñenco and others, decreased a slight 0.3% during the quarter.

Consolidated sales in the fourth quarter of 2012 can be broken down as follows: Enex (81.6%), Madeco (11.9%), and others (6.4%).

### **Operating Income - Full Year 2012<sup>3</sup>**

Operating income improved from a gain of Ch\$17,721 million to a gain of Ch\$64,044 million in 2012. The variation is mostly attributable to the contribution from Madeco, Banchile Vida, and to a lesser extent, Enex. Growth at Madeco is primarily explained by negative goodwill arising from fair value accounting of Nexans, and to a lesser extent negative goodwill related to the acquisition of Empaques Flexa in Colombia. Banchile Vida posted a 141.9% rise in operating income, boosted by higher gross income. Operating income at Enex increased by 13.5%, boosted mostly by sales of fuels and dividend income.

<sup>2</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. In addition, the classification of some accounts by Quiñenco and Madeco differs. For analysis of Madeco's results in US dollars as reported to the SVS, refer to Segment/Operating company analysis.

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

#### Operating Income - 4Q 2012

Operating income for the fourth quarter of 2012 reached a gain of Ch\$19,672 million, compared to a gain of Ch\$11,213 million in the fourth quarter of 2011. The improvement in consolidated operating results is primarily attributable to Banchile Vida's operating results that grew 342.9%, boosted by a lower cost of sales, reflecting the release of reserves during the quarter, following the implementation in December 2012 of a new mortality table defined by the company, as authorized by the SVS. Madeco also contributed with growth of 304.2%, primarily reflecting negative goodwill arising from its investment in Nexans. Operating income at Enex, however, fell 67.3% during the quarter, mostly due to a lower gross margin. LQIF holding reported a higher operating loss, mainly due to a non-recurring gain reported in 4Q 2011.

#### EBITDA – Full Year 2012<sup>4</sup>

EBITDA amounted to Ch\$47,025 million in 2012, up 23.4% from 2011, generated mainly by Banchile Vida, and also by Enex's and Madeco's operations.

#### EBITDA – 4Q 2012

EBITDA amounted to Ch\$19,127 million in 4Q 2012, growing 32.6% with respect to 4Q 2011, generated mainly by Banchile Vida, and also by Madeco's and Enex's operations.

#### Non-Operating Results – Full Year 2012<sup>5</sup>

Non-operating income amounted to a loss of Ch\$38,869 million in 2012, 13.8% higher than the loss reported in 2011 of Ch\$34,148 million. The main items included in non-operating results are discussed below:

##### Proportionate share of net income of equity method investments (net) – Full Year 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\$13,329 million, compared to a loss of Ch\$29,574 million in 2011. In the case of CSAV and SM SAAM, the proportionate share is adjusted by the fair value accounting for these investments at Quiñenco. (For more detail see Segment/operating Company Analysis).

Quiñenco's proportionate share of net income from CCU decreased by 6.1% to Ch\$37,500 million.

Quiñenco's proportionate share of net income from CSAV improved to a loss of Ch\$59,351 million.

Quiñenco's proportionate share of net income from SM SAAM amounted to a gain of Ch\$8,542 million.

##### Interest Income – Full Year 2012

Interest income in 2012 amounted to Ch\$21,254 million, down by 6.0% from 2011. This variation is primarily explained by lower financial income at Quiñenco and others, due to a lower cash balance. It is worth noting

<sup>4</sup> EBITDA is calculated as: Operating income minus/plus Other gains/losses plus Depreciation plus Amortization of intangibles.

<sup>5</sup> 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.



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. To a lesser extent, LQIF and Madeco also registered lower interest income during the year. These reductions were partially compensated by higher financial income at Enex.

#### Interest Expense – Full Year 2012

Interest expense in 2012 amounted to Ch\$31,450 million, up 57.5% with respect to 2011, mainly due to higher interest expense at Enex in 2012, reflecting higher debt, at Quiñenco, reflecting its bond issuances carried out in June 2011 and January 2012, and also at Madeco, reflecting a higher level of debt.

#### Foreign currency exchange differences – Full Year 2012

In 2012, the gains/losses specific to foreign currency translation differences amounted to a loss of Ch\$3,100 million, compared to a gain of Ch\$3,756 million reported in 2011, primarily attributable to a loss at Quiñenco due to a USD denominated loan granted to CSAV, partially offset by gains at Enex and Madeco.

#### Indexed units of account restatement – Full Year 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\$12,244 million in 2012, compared to a loss of Ch\$10,981 million reported in 2011, mainly due to higher liabilities in UFs at Quiñenco, partially offset by the effect of lower inflation during 2012 on liabilities in UFs at LQIF and Banchile Vida.

#### Non-Operating Results – 4Q 2012

Non-operating income amounted to a gain of Ch\$6,287 million in the fourth quarter of 2012, compared to a non-operating loss of Ch\$32,284 million in the same quarter of 2011. The variation between the two periods is mostly explained by an improvement in results of equity investments.

#### Proportionate share of net income of equity method investments (net) – 4Q 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 gain of Ch\$14,363 million, compared to a loss of Ch\$21,877 million in 4Q 2011. In the case of CSAV and SM SAAM, the proportionate share is adjusted by the fair value estimated for these investments at Quiñenco. (For more detail see Segment/operating Company Analysis).

Quiñenco's proportionate share of net income from CCU increased by 1.9% to Ch\$14,962 million.

Quiñenco's proportionate share of net income from CSAV improved to a loss of Ch\$4,371 million.

Quiñenco's proportionate share of net income from SM SAAM amounted to a gain of Ch\$3,127 million.

#### Interest Income - 4Q 2012

Interest income for the fourth quarter of 2012 amounted to Ch\$5,073 million, mainly attributable to financial income at Quiñenco and, to a lesser extent, Enex, partially offset by lower financial income at LQIF.

#### Interest Expense - 4Q 2012

Interest expense for the fourth quarter of 2011 amounted to Ch\$8,207 million, 23.1% higher than the Ch\$6,665 million reported in 4Q 2011. The variation is mainly explained by higher financial expenses at Quiñenco, reflecting its bond issuances carried out in January 2012, and to a lesser extent at Madeco.

#### Foreign currency exchange differences – 4Q 2012

In 4Q 2012, the gains (losses) specific to foreign currency translation differences amounted to a gain of Ch\$10 million, compared to a gain of Ch\$1,458 million reported in 4Q 2011, primarily attributable to a gain at Quiñenco in 4Q 2011, due to a net asset position in US dollars, partially offset by lower exchange rate losses at Enex.

#### Indexed units of account restatement – 4Q 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\$4,953 million in the fourth quarter of 2011, compared to a loss of Ch\$5,155 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.

#### Income Taxes – Full Year 2012

The industrial sector reported an income tax credit of Ch\$6,089 million, compared to income tax credit of Ch\$1,011 million reported in 2011, mainly due to an income tax credit at Enex corresponding primarily to deferred taxes, partially offset by higher income tax at Madeco, LQIF, and Banchile Vida.

#### Income Taxes – 4Q 2012

The industrial sector reported income tax of Ch\$5,291 million, compared to an income tax credit of Ch\$2,667 million reported in the fourth quarter of 2011, primarily due to higher income tax at Madeco and Banchile Vida.

#### Non-controlling Interests – Full Year 2012

In 2012, at a consolidated level (including both industrial and banking net income), net income attributable to non-controlling interests amounted to Ch\$286,800 million. Of the total amount reported in 2012, Ch\$155,329 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.

#### Non-controlling Interests – 4Q 2012

In the fourth quarter of 2012, at a consolidated level (including both industrial and banking net income), net income attributable to non-controlling interests amounted to Ch\$87,176 million. Of the total amount reported in 4Q 2012, Ch\$47,292 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 – Full Year 2012

Operating revenues in 2012 amounted to Ch\$1,345,404 million, 9.7% higher than in 2011. Operating revenues correspond almost entirely to Banco de Chile, which grew 9.7% during the period, mainly due to strong growth in average loans and higher balances of current accounts and demand deposits, partially offset by a lower contribution from the bank's net asset position in UFs due to a lower rate of inflation, as well as lower fee income.

#### Operating Revenues - 4Q 2012

Operating revenues for the fourth quarter of 2012 amounted to Ch\$373,577 million, up by 31.1% from the fourth quarter of 2011. At Banco de Chile operating revenues increased by 31.3%, mainly owing to strong loan portfolio growth, higher balances in current accounts and demand deposits, as well as growth in fee income.

#### Provision for Credit Risk - Full Year 2012

Provisions for loan losses at Banco de Chile amounted to Ch\$188,190 million in 2012 as compared to Ch\$124,840 million in 2011, mainly attributable to the release of approximately Ch\$45 billion in allowances due to the sale of a non-performing loan portfolio in 2011, growth related to the increase in loans, particularly in the retail segment, and a moderate deterioration in credit quality. These variations were partially offset by countercyclical provisions established in 2012.

#### Provision for Credit Risk - 4Q 2012

Provisions for loan losses at Banco de Chile amounted to Ch\$50,605 million in the fourth quarter of 2012, 207.6% higher than the provisions registered in the fourth quarter of 2011, primarily attributable to the release of provisions in 4Q 2011, together with a volume effect following growth in total loans and a moderate deterioration in credit quality.

#### Operating expenses - Full Year 2012

Operating expenses increased by 3.2% to Ch\$634,058 million, explained primarily by growth in Banco de Chile's business activity, leading to higher personnel and administrative expenses, as well as increased expenses related to the implementation of a new online checking platform.

#### Operating expenses - 4Q 2012

Operating expenses increased by 3.8% to Ch\$162,417 million, mainly explained by an increase of 3.8% in Banco de Chile's operating expenses to Ch\$162,362 million, mostly due to higher administrative expenses and marketing expenses.

#### Non-operating Results - Full Year 2012

During 2012 non-operating results amounted to a loss of Ch\$73,939 million as compared to a loss of Ch\$77,995 million in 2011, primarily explained by lower accrued interest expense of the Subordinated Debt with the Chilean Central Bank, resulting from the effect of lower inflation during the period on said expenses, partially offset by lower results from Banco de Chile's associates.

#### Non-operating Results - 4Q 2012

During the fourth quarter of 2012 non-operating results amounted to a loss of Ch\$21,592 million as compared to a loss of Ch\$20,312 million in the fourth 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 fourth quarter of 2012, offset by lower income from related companies.

#### Net Income – Full Year 2012

Net income for the banking sector amounted to Ch\$395,179 million up by 13.0% from 2011, resulting from higher operating revenues and non-operating results, partially offset by higher provisions for loan losses during the year and increased operating expenses.

#### Net Income - 4Q 2012

Net income for the banking sector amounted to Ch\$117,750 million up by 48.2% over the same period in 2011, due to growth in operating revenues, lower accrued interest expense of the Subordinated Debt, and lower income tax, arising from the recently approved tax reform that increased the corporate tax rate in Chile. These variations compensated higher loan loss provisions and higher operating expenses during the period.

**CONSOLIDATED BALANCE SHEET ANALYSIS (vis-à-vis the 3rd quarter of 2012)**

**Condensed Consolidated Balance Sheet**

	09-30-2012		12-31-2012	
	MCh\$	MUS\$	MCh\$	MUS\$
Current assets industrial sector	601,681	1,253.6	<b>623,294</b>	1,298.6
Non-current assets industrial sector	2,238,010	4,662.9	<b>2,247,847</b>	4,683.4
Assets financial sector	22,731,960	47,362.2	<b>23,252,873</b>	48,447.5
<b>Total assets</b>	<b>25,571,651</b>	<b>53,278.7</b>	<b>26,124,014</b>	<b>54,429.6</b>
Current liabilities industrial sector	236,443	492.6	<b>360,056</b>	750.2
Long-term liabilities industrial sector	718,427	1,496.8	<b>725,685</b>	1,512.0
Liabilities financial sector	21,144,889	44,055.5	<b>21,449,801</b>	44,690.8
Non-controlling interests	1,608,662	3,351.7	<b>1,694,753</b>	3,531.0
Shareholders' equity	1,863,229	3,882.1	<b>1,893,720</b>	3,945.6
<b>Total liabilities &amp; shareholders' equity</b>	<b>25,571,651</b>	<b>53,278.7</b>	<b>26,124,014</b>	<b>54,429.6</b>

**Current Assets Industrial Sector**

Current assets increased by 3.6% compared to the third quarter of 2012, mainly due to higher cash and cash equivalents at Banchile Vida and Enex, and higher tax assets at Enex, partially offset by lower trade receivables at Enex, and lower cash at Quiñenco.

**Non Current Assets Industrial Sector**

Non current assets increased by a slight 0.4% compared to the third quarter of 2012, mainly due to a higher balance of equity investments, explained by an increase in the value of the investment in Nexans, primarily due to higher negative goodwill and additional share purchases, and an increase of the investment in IRSA, owing mainly to CCU's quarterly earnings, and higher fixed assets at Enex. This increase was mostly offset by lower financial investments at Banchile Vida.

**Assets Banking Sector**

Total assets of the banking sector increased by 2.3% compared to the third quarter of 2012. Loans to customers increased by 2.1% with respect to September 2012, reflecting growth in residential mortgage, consumer loans, and to a lesser extent, in commercial loans during the quarter.

**Current Liabilities Industrial Sector**

Current liabilities increased by 52.3% over the third quarter of 2012, mainly due to higher liabilities at LQIF, higher dividend provisions at Quiñenco, and increased trade payables mainly at Enex and Banchile Vida.

**Long-term Liabilities Industrial Sector**

Long-term liabilities increased by 1.0% in comparison to the third quarter of 2012, mainly explained by higher long term debt at Madeco.

**Liabilities Banking Sector**

Liabilities corresponding to the banking sector increased by 1.4% compared to the third quarter of 2012.

**Non-controlling Interests**

Non-controlling interests increased by 5.4% with respect to September 2012, mainly due to higher non-controlling interest of minority shareholders of Banco de Chile and SM-Chile, and to a lesser extent, of LQIF.

**Equity**

Shareholders' equity increased by 1.6% with respect to September 2012, due to period earnings net of dividends provisioned, partially offset by the conversion effect of translating CSAV, SM SAAM, and Madeco's financial statements from dollars to Chilean pesos, producing a decline in other reserves.



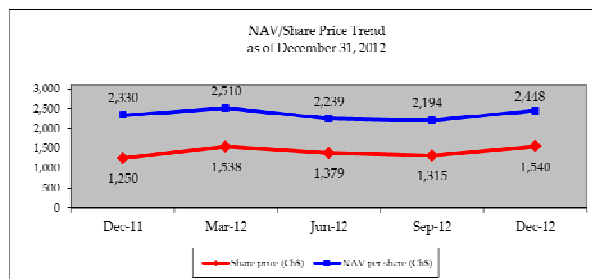
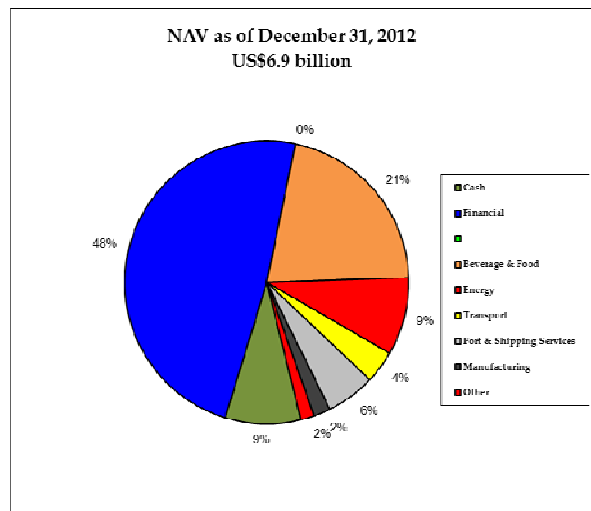
Quiñenco Corporate Level Debt and Cash

As of December 31, 2012	Debt		Cash & equivalents		Total Net Debt	
	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$
Corporate level	309,996	645.9	321,534	669.9	(11,538)	(24.0)
Adjusted for:						
50% interest in LQIF	130,920	272.8	744	1.5	130,177	271.2
50% interest in IRSA	3,688	7.7	215	0.4	3,473	7.2
<b>Total</b>	<b>444,604</b>	<b>926.3</b>	<b>322,493</b>	<b>671.9</b>	<b>122,112</b>	<b>254.4</b>

The debt to total capitalization ratio at the corporate level (unadjusted) was 13.7% as of December 31, 2012.

NAV

As of December 31, 2012, the estimated net asset value (NAV) of Quiñenco was US\$6.9 billion (Ch\$2,448 per share) and market capitalization was US\$4.3 billion (Ch\$1,540 per share). The discount to NAV is estimated at 37.1% as of the same date.



**SEGMENT /OPERATING COMPANY ANALYSIS**

Sector /Segment	Manufacturing		Financial		Energy		Other		Total	
	4Q 11	4Q 12	4Q 11	4Q 12	4Q 11	4Q 12	4Q 11	4Q 12	4Q 11	4Q 12
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
<b>Industrial Sector</b>										
Net income (loss) from continued operations before taxes	1,336	8,129	(3,064)	(5,412)	2,769	969	(22,112)	22,272	(21,071)	25,958
Income tax	3,216	(2,255)	402	1,060	(285)	(924)	(666)	(3,172)	2,667	(5,291)
Net loss from discontinued operations	-	-	-	-	-	-	-	-	-	-
<b>Net income (loss) industrial sector</b>	<b>4,552</b>	<b>5,874</b>	<b>(2,662)</b>	<b>(4,352)</b>	<b>2,484</b>	<b>45</b>	<b>(22,778)</b>	<b>19,100</b>	<b>(18,404)</b>	<b>20,668</b>
<b>Banking Sector</b>										
Net income before taxes	-	-	91,584	138,963	-	-	-	-	91,584	138,963
Income tax	-	-	(12,156)	(21,212)	-	-	-	-	(12,156)	(21,212)
<b>Net income banking sector</b>	<b>-</b>	<b>-</b>	<b>79,428</b>	<b>117,751</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>79,428</b>	<b>117,750</b>
<b>Consolidated net income (loss)</b>	<b>4,552</b>	<b>5,874</b>	<b>76,766</b>	<b>113,399</b>	<b>2,484</b>	<b>45</b>	<b>(22,778)</b>	<b>19,100</b>	<b>61,023</b>	<b>138,418</b>
Net income (loss) attributable to Non-controlling interests	2,757	2,816	54,726	80,526	-	-	147	3,834	57,631	87,176
Net income (loss) attributable to Controllers' shareholders	1,795	3,058	22,040	32,873	2,484	45	(22,925)	15,266	3,392	51,242

**MANUFACTURING SEGMENT**

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

	Quarter				Year to Date			
	4Q 11		4Q 12		Dec-2011		Dec-2012	
	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$
Madeco	1,795	3.7	3,058	6.4	4,656	9.7	14,174	29.5
<b>Total Manufacturing Segment</b>	<b>1,795</b>	<b>3.7</b>	<b>3,058</b>	<b>6.4</b>	<b>4,656</b>	<b>9.7</b>	<b>14,174</b>	<b>29.5</b>

As of December 31, 2012 and 2011, Quiñenco's ownership of Madeco was 55.4% and 54.4%, respectively.



**MADECO**

	Quarters			
	4Q 11		4Q 12	
	MCh\$	MUS\$	MCh\$	MUS\$ <sup>6</sup>
Sales	50,917	106.1	51,034	106.3
Operating income	2,261	4.7	9,138	19.0
Net income controller	3,297	6.9	5,521	11.5
Total assets			458,386	955.1
Shareholders' equity			295,063	614.8

Quarters		Year to Date	
4Q 11	4Q 12	Dec-11	Dec-12
ThUS\$ <sup>7</sup>	ThUS\$	ThUS\$	ThUS\$
99,400	<b>106,813</b>	436,825	<b>423,146</b>
4,431	<b>19,159</b>	32,940	<b>90,127</b>
6,486	<b>11,586</b>	19,157	<b>53,013</b>
		741,369	<b>955,050</b>
		465,468	<b>614,767</b>

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.

**Full Year 2012 Results**

Madeco's sales decreased by 3.1% in 2012 to US\$423,146 thousand, mainly due to lower sales of brass mills, resulting from lower export volumes and lower copper prices. This fall was partially offset by higher sales of flexible packaging, reflecting growth in sales volumes in Peru and Argentina as well as the incorporation of the new associate in Colombia, and higher sales of windows and facades (ex-profiles), owing to growth in sales volumes following the positive cycle of the construction sector.

During 2012, sales of the flexible packaging unit accounted for 57.3% of sales, followed by brass mills (26.4%), and windows and facades (16.3%).

Operating income grew 173.6% to US\$90,127 thousand in 2012, mainly due to negative goodwill amounting to US\$84,149 thousand from the revaluation of Madeco's investment in Nexans following its change in accounting from a financial investment to the equity method, after Madeco reached significant influence in the French company in 2012. Negative goodwill related to the investment in Empaques Flexa in Colombia, also contributed to this growth, although to a lesser extent. On the other hand, a slight dilution of the stake in Nexans, due to shares issued to

<sup>6</sup> Converted to US\$ at the observed exchange rate on December 31, 2012 (Ch\$479.96 = US\$1.00).

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

employees, and operating losses from brass mills due to the drop in sales, partly offset the positive effects mentioned. Also, higher expenses related to legal contingencies in Brazil were incurred.

Non-operating results amounted to a loss of US\$11,284 thousand, compared to a loss of US\$8,270 thousand in 2011. This negative variation is primarily explained by higher financial costs, and by Madeco's accounting of its proportional investment in Nexans. This company reported net income of 27 million euros for 2012, an improvement over the loss of 178 million euros reported in 2011. Madeco adjusted its share in this result to reflect the effect of the fair value it determined for the French company, thus generating a net loss of US\$1,465 thousand for the period.

Madeco reported a net gain of US\$53,013 thousand in 2011, compared to a gain of US\$19,157 thousand in 2011, due to the improved operating results explained above, partially offset by lower non-operating income and higher taxes during the period, mostly related to deferred taxes arising from the revaluation of the investment in Nexans.

#### **4Q 2012 Results**

Madeco's sales increased by 7.5% to US\$106,813 thousand in the fourth quarter of 2012 compared to the same period of 2011, primarily due to higher sales of flexible packaging and windows and facades, offsetting lower sales of brass mills. Sales of the flexible packaging unit increased 18.4% with respect to 4Q 2011, mainly due to the addition of the new associate in Colombia. Sales of the windows and facades unit increased by 25.5% based on increased activity in the construction sector. Sales of brass mills, however, decreased 18.4%, primarily due to a lower sales volume of exports.

During the fourth quarter of 2012, sales of the flexible packaging unit accounted for 58.3% of sales, followed by brass mills (24.6%), and windows and facades (17.1%).

Gross income reached US\$21,423 thousand, increasing 28.8% with respect to 4Q 2011, mainly due to growth of 34.7% in gross income from the flexible packaging unit, mostly reflecting the incorporation of the associate in Colombia. Gross income from windows and facades also increased, rising by 58.4% due to a more favorable sales mix. Gross income from brass mills, however, decreased by 26.5% due to the drop in sales and a lower gross margin amid a more competitive environment.

Operating income reached a gain of US\$19,159 thousand, up from US\$4,431 thousand in 4Q 2011, primarily due to a gain registered at the corporate level, from the revaluation of Madeco's investment in Nexans. To a lesser extent, operating income from the flexible packaging unit increased, in line with the growth in gross income. Operating income of the profile unit also increased due to the rise in gross income, slightly mitigated by higher SG&A expenses. Operating income from brass mills, however, dropped due to the lower level of sales.

Non-operating income for the quarter amounted to a loss of US\$2,109 thousand, compared to a loss of US\$2,244 thousand in 4Q 2011, corresponding mainly to financial costs, partially offset by Madeco's accounting of its proportional investment in Nexans. This company reported net income of 27 million euros for 2012 (13 million euros for the first semester of 2012), an improvement over the loss of 178 million euros reported in the same period of 2011 (a loss of 151 million euros for the first half of 2011). Madeco adjusts its share in this result to reflect the effect of the

fair value it determined for the French company. It is also worth noting that since Nexans does not report results as of September, the fourth quarter includes the proportional result of this equity investment for the second semester, in said quarter. Thus, for 4Q 2012, a net gain of US\$621 thousand was registered for this investment.

Madeco reported a net gain of US\$11,586 thousand for the fourth quarter of 2012, compared to a gain of US\$6,486 thousand in 4Q 2011. The variation is primarily due to the higher operational results explained above, partially offset by higher income tax during the quarter.

## FINANCIAL SEGMENT

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

	Quarter				Year to Date			
	4Q 11		4Q 12		Dec-2011		Dec-2012	
	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$
LQIF holding	(1,329)	(2.8)	(2,173)	(4.5)	(7,991)	(16.6)	(10,232)	(21.3)
Banking sector	23,369	48.7	35,046	73.0	104,178	217.1	118,683	247.3
<b>Total Financial Segment</b>	<b>22,040</b>	<b>45.9</b>	<b>32,873</b>	<b>68.5</b>	<b>96,187</b>	<b>200.4</b>	<b>108,451</b>	<b>226.0</b>

As of December 31, 2012 and 2011, Quiñenco's ownership of LQIF was 50.0%. LQIF's economic rights in Banco de Chile were 39.5% as of December 31, 2011 and 39.8% as of December 31, 2012.

### LQIF Holding – Full Year 2012

LQIF holding registered a loss of Ch\$20,489 million, greater than the loss registered in 2011, mainly owing to higher tax expense in 2012 due to the effect of the higher corporate tax rate on deferred taxes, following the tax reform in September 2012. This negative effect was partially offset by a lower non-operating loss during the year, resulting from decreased losses arising from the effect of inflation on liabilities denominated in UFs (indexed to inflation), due to lower inflation in 2012. Financial income, however, decreased and financial costs increased with respect to the previous period. Operating income remained stable in 2012 with respect to 2011. Lower expenses due to the completion in December 2011 of the amortization of certain intangibles arising from the merger with Citibank in 2008 and, to a lesser extent, lower administrative expenses, offset a non-recurring gain in 2011 on the sale of the options SAOS had in Banco de Chile's capital increase.

### LQIF Holding - 4Q 2011 Results

LQIF holding registered a loss of Ch\$4,352 million compared to a loss of Ch\$2,663 million in 4Q 2011, mainly due to a non-recurring gain reported in 2011 on the sale of the options SAOS had in Banco de Chile's capital increase, partially offset by 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 losses related to the effect of inflation on financial obligations denominated in UFs during the quarter.

### 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

	Quarters				Year to Date			
	4Q 11		4Q 12		Dec-11		Dec-12	
	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$
Operating revenues	284,116	592.0	<b>373,182</b>	777.5	1,223,782	2,549.8	<b>1,342,039</b>	2,796.1
Provision for loan losses	(16,452)	(34.3)	<b>(50,606)</b>	(105.4)	(124,840)	(260.1)	<b>(188,190)</b>	(392.1)
Operating expenses	(156,478)	(326.0)	<b>(162,362)</b>	(338.3)	(613,848)	(1,279.0)	<b>(633,819)</b>	(1,320.6)
Net income	99,587	207.5	<b>137,940</b>	287.4	428,805	893.4	<b>465,850</b>	970.6
Loan portfolio					17,377,793	36,206.8	<b>18,761,765</b>	39,090.3
Total assets					21,740,947	45,297.4	<b>23,261,066</b>	48,464.6
Shareholders' equity					1,739,173	3,623.6	<b>2,007,057</b>	4,181.7
Net financial margin	4.5%		<b>5.5%</b>		5.0%		<b>4.9%</b>	
Efficiency ratio	55.1%		<b>43.5%</b>		50.1%		<b>47.2%</b>	
ROAE	20.4%		<b>25.8%</b>		23.9%		<b>23.2%</b>	
ROAA	1.8%		<b>2.4%</b>		2.1%		<b>2.1%</b>	

### Full Year 2012 Results

Banco de Chile reported net income of Ch\$465,850 million in 2012, 8.6% higher than in 2011, reflecting strong growth in loans, particularly in more profitable segments, greater balances of current accounts and demand deposits together with slightly higher nominal interest rates, lower income tax due to tax benefits from deferred tax assets and the increase in the corporate tax rate in Chile, and increased results from trading of fixed-income and derivative securities.

Operating revenues, which include net financial income, fee income and other operating income, grew by 9.7% to Ch\$1,342,039 million in 2012. This growth is mainly due to a 13.8% annual growth in average loans, a 10.5% rise in average balances of current accounts and demand deposits, together with a higher nominal interest rate, and higher revenues from trading activities in 2012 compared to 2011. Also, 2011 includes a loss from the sale of a non-performing corporate loan portfolio. These positive variations were partially offset by a lower contribution from the Bank's net asset position due to a lower rate of inflation during 2012, a flatter yield curve that reduced the possibilities for term gapping, exchange rate losses from the hedging of USD-denominated loan loss provisions, and lower accrued gains from the securities portfolio, also mostly due to lower inflation.

Provisions for loan losses amounted to Ch\$188,190 million as compared to Ch\$124,840 million reported in 2011. This increase of 50.7% is mainly attributable to both recurring and non-recurring effects: the release of approximately Ch\$45 billion in 2011 in allowances due to the sale of the non-performing portfolio mentioned above; the 13.8%

annual growth in loans; and a moderate deterioration in the credit quality, mostly of the retail segment, owing more to social than economic factors, that led the Bank to tighten credit assessment and enhance collection procedures. On the other hand, countercyclical provisions were established in 2011 for Ch\$24 billion.

Operating expenses increased by 3.3% to Ch\$633,819 million compared to 2011, mostly due to the growth in the Bank's business activity, that led to higher personnel and administrative expenses, as well as higher expenses related to the implementation of a new online checking platform. It is worth noting that 2011 includes a special bonus of Ch\$28 billion to the Bank's staff as part of the collective bargaining agreements.

As of December 2012, the Bank's loan portfolio posted a strong annual expansion of 8.0%, placing the Bank as number 2 in total loans. This growth is the result of a special focus on retail banking, which was the main engine of expansion during 2012. Thus, residential mortgage loans grew by 16.4%, consumer loans by 10.4%, and commercial loans by 4.7%.

Banco de Chile is the second ranked bank in the country with a market share of 18.6% of total loans, according to information published by the Chilean Superintendency of Banks for the period ended December 31, 2012. Its return on capital and reserves after taxes (annualized) reached 23.2%, compared to 14.7% for the local financial system, according to the same source.

#### 4Q 2012 Results

Banco de Chile reported net income of Ch\$137,940 million in the fourth quarter of 2012, increasing by 38.5% with respect to the fourth quarter of 2011. These positive results are explained by growth in the retail segment of loans, greater average balances of current accounts and demand deposits, which are not interest bearing and therefore improve the Bank's funding structure, and increased results from trading of fixed-income and derivative securities.

Operating revenues, which include net financial income, fee income and other operating income, increased by 31.3% to Ch\$373,182 million in the fourth quarter of 2012. This strong growth is mainly attributable to a 7.9% annual growth in average loans, a 7.6% annual increment in average balances of current accounts and demand deposits, an increase of 8.7% in net fee income, and greater results from trading of fixed-income and derivative securities in 4Q 2012. Also, 4Q 2011 includes a loss from the sale of a loan portfolio. These positive variations were partially offset by a lower contribution from the Bank's net asset position due to a slightly lower rate of inflation during 4Q 2012.

Provisions for loan losses amounted to Ch\$50,606 as compared to Ch\$16,452 million reported in 4Q 2011. This significant increase is mainly explained by the release of Ch\$44 billion in 4Q 2011 due to the sale of a loan portfolio, partially offset by countercyclical provisions amounting to Ch\$22.5 billion in the same quarter, reducing the basis of comparison. Discounting these non-recurring effects, provisions for loan losses posted an increase of 27.5%. This rise is explained by a moderate deterioration in credit quality towards the end of the year, and the change in the commercial mix resulting from higher growth in retail loans than in wholesale loans.

Operating expenses increased by 3.8% to Ch\$162,362 million, mainly due to higher administrative expenses, mostly reflecting higher IT expenses and additional marketing expenses focused on maintaining brand recognition.

Personnel expenses increased in 2012 due to a salary increase following the collective bargaining process in 2011, higher headcount related to the reinforcement of collection activities, and an extraordinary bonus of Ch\$4 billion granted to the Bank's staff in 4Q 2012, based on the Bank's positive performance in 2012.

**Interest Subordinated Debt – Full year 2012**

In 2012 accrued interest expense of the Subordinated Debt with the Chilean Central Bank decreased by 9.3% with respect to 2011, due to the lower rate of inflation in 2012.

**Interest Subordinated Debt – 4Q 2012**

In the fourth quarter of 2012 accrued interest expense of the Subordinated Debt with the Chilean Central Bank was 1.7% lower than the fourth quarter of 2011, due to the effect of the slightly lower rate of inflation in 4Q 2012 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:

	Quarter				Year to Date			
	4Q 11		4Q 12		Dec-2011		Dec-2012	
	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$
Enex	2,484	5.2	45	0.1	3,028	6.3	28,387	59.1
<b>Total Energy Segment</b>	<b>2,484</b>	<b>5.2</b>	<b>45</b>	<b>0.1</b>	<b>3,028</b>	<b>6.3</b>	<b>28,387</b>	<b>59.1</b>

As of December 31, 2012, Quiñenco controls 100% of the energy segment.

**ENEX<sup>s</sup>**

	Quarters				Year to Date			
	4Q 11		4Q 12		Dec-11		Dec-12	
	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$
Sales	339,191	706.7	350,564	730.4	731,728	1,524.6	<b>1,340,623</b>	2,793.2
Operating income	4,428	9.2	1,446	3.0	6,710	14.0	<b>7,613</b>	15.9
Net income controller	2,484	5.2	45	0.1	3,028	6.3	<b>28,387</b>	59.1
Total assets					438,886	914	<b>522,561</b>	1,088.8
Shareholders' equity					229,059	477	<b>331,372</b>	690.4

#### Full Year 2012 Results

During 2012 Enx reported sales of Ch\$1,340,623 million, corresponding primarily to sales of fuels, followed by lubricants, asphalts, chemical products and services. The figures for 2011 correspond to seven months of operations. The total volume of dispatches amounted to 2.3 million cubic meters during the period, of which 94% were fuel. Sales were boosted by growth in sales volume and higher average prices.

Gross income during the period reached Ch\$94,372 million. The gross margin was negatively affected by the sale of inventories valued at average historical costs, within a context of falling prices, particularly towards the end of the year. Net operating expenses amounted to Ch\$86,759 million, corresponding mainly to administrative expenses of Ch\$91,573 million, partially offset by dividend income of Ch\$3,502 million from Sonacol. Thus, operating income during the period reached a gain of Ch\$7,613 million.

Non-operating income amounted to a loss of Ch\$2,547 million, corresponding mainly to financial costs, partially mitigated by higher financial income and the proportional gain from equity investments.

Net income for the year reached Ch\$28,387 million, substantially higher than the Ch\$3,028 million reported in 2011, largely explained by an income tax credit corresponding mainly to deferred taxes arising from the merger between Enx and its parent company Inversiones Río Aurum, as well as improved operating and non-operating results.

#### 4Q 2012 Results

Enx's consolidated sales during 4Q 2012 reached Ch\$350,564 million, up by 3.4% from 4Q 2011, mainly based on 9% growth in the volume of fuel dispatches, partially offset by a decrease in the volume of asphalts. The total volume dispatched during the quarter amounted to 598 thousand cubic meters, of which 94% corresponds to fuels, increasing by 4.7% with respect to 4Q 2011.

Gross income during the period reached Ch\$24,506 million, decreasing 10.4% over 4Q 2011, reflecting the negative impact of price drops during the quarter on the company's gross margin, since inventories are valued at average historical cost. Operating income during the quarter reached a gain of Ch\$1,446 million, falling 67.3% with respect to the previous period, mostly due to the drop in gross income during the quarter. SG&A expenses increased a slight 1.6%, and other operating income remained stable.

Non-operating income amounted to a loss of Ch\$477 million, an improvement over the loss of \$1,659 million reported in 4Q 2011. The variation is mostly attributable to higher financial income and lower exchange rate losses, partially offset by the absence of losses from the restatement of indexed units of account in 2012.

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<sup>8</sup> Enx corresponds to the consolidated financial statements of Enx S.A.

Net income for the 4Q 2012 amounted to Ch\$45 million, substantially lower than the Ch\$2,484 million reported in 4Q 2011, due to the lower operating result explained above, partially offset by lower non-operating losses, and also due to higher income tax expense during the quarter.

**OTHER SEGMENT**

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

	Quarter				Year to Date			
	4Q 11		4Q 12		Dec-2011		Dec-2012	
	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$
IRSA (CCU) <sup>9</sup>	14,681	30.6	14,962	31.2	39,921	83.2	37,500	78.1
CSAV	(36,973)	(77.0)	(4,371)	(9.1)	(70,181)	(146.2)	(59,351)	(123.7)
SM SAAM	-	-	3,127	6.5	-	-	8,542	17.8
Quiñenco & other	(633)	(1.3)	1,548	3.2	14,356	29.9	1,939	4.0
<b>Total Segment Others</b>	<b>(22,925)</b>	<b>(47.8)</b>	<b>15,266</b>	<b>31.8</b>	<b>(15,904)</b>	<b>(33.1)</b>	<b>(11,370)</b>	<b>(23.7)</b>

As of December 31, 2012 and 2011, Quiñenco's ownership of CCU was 33.1%. As of December 31, 2012 and 2011, Quiñenco's ownership of CSAV was 37.4% and 20.6%, respectively. As of December 2012, Quiñenco's ownership of SM SAAM was 37.44%.

The contribution from CSAV and SM SAAM corresponds to Quiñenco's proportional share in their respective net income for the period, adjusted by the fair value accounting for these investments at Quiñenco (CSAV is accounted for by the equity method since July 2011). The adjustment in the case of CSAV amounted to Ch\$377 million for the period January-December 2012, and to Ch\$957 million for the period July-December 2011. The total adjustments for both periods were booked during 2012. In the case of SM SAAM the adjustment for the period January-December 2012 amounted to Ch\$2,264 million. In the fourth quarter of 2012, the adjustments were Ch\$98 million for CSAV and Ch\$540 million for SM SAAM.

**CCU**

	Quarters				Year to Date			
	4Q 11		4Q 12		Dec-11		Dec-12	
	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$
Sales	315,857	658.1	332,211	692.2	969,551	2,020.1	<b>1,075,690</b>	2,241.2
Operating income	72,193	150.4	69,205	144.2	195,828	408.0	<b>176,710</b>	368.2
Net income	44,990	93.7	45,509	94.8	122,752	255.8	<b>114,433</b>	238.4
Total assets					1,298,365	2,705.2	<b>1,326,448</b>	2,763.7
Shareholders' equity					568,976	1,185.5	<b>613,220</b>	1,277.6

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



#### Full Year 2012 Results

CCU's sales in 2012 increased by 10.9% compared to 2011, due to higher consolidated sales volumes together with higher average prices. The 7.9% growth in sales volumes was led by non-alcoholic beverages (16.5%) and spirits (15.7%), and followed by wine (5.3%), and the Chilean beer segment (1.1%). Growth in non-alcoholic beverages includes the effect of the investment in Manantial, whereas beer volumes in Chile were affected by the new Zero Tolerance Law passed in March 2012 to prevent drinking and driving. Sales of Cristal Cero that does not contain alcohol, however, tripled with respect to the previous year. CCU Argentina experienced a slight decline (-1.6%). Higher average prices of 4.4% were across the board. Revenues by core businesses can be broken down as follows: beer Chile (29.8%), CCU Argentina (23.3%), non-alcoholic beverages (27.2%), wine (13.9%), spirits (5.9%) and others (-0.1%).

Operating income diminished by 9.8% to Ch\$176,710 million in 2012 despite growth of 11.7% in gross income, in line with sales growth, mainly due to the positive effect in 2011 of the insurance settlement related to the 2010 earthquake, amounting to Ch\$13,289 million, and higher SG&A expenses, mainly reflecting higher distribution costs in Chile and Argentina. In addition, hedging losses were registered in 2012 vs. hedging gains in 2011, and other operating income decreased, due to non-recurring income from the sale of a site of Viña San Pedro Tarapacá in 2011. It is also worth noting that as of 2012 CCU changed its accounting of its investments in Promarca (Watt's brands, 50% stake) and Compañía Písquera Bauzá (49% stake) from the equity method to joint operations, thus consolidating its proportional share in assets, liabilities, revenues, and expenses. The impact on 2011 and 2012 operating income was Ch\$2,057 million and Ch\$2,417 million, respectively, with no impact on net income or equity. The consolidated operating margin was 16.4% of sales, compared to 20.2% in 2011. EBITDA amounted to Ch\$235,948 million, decreasing 1.9% over 2011.

CCU reported non-operating losses of Ch\$15,600 million, 1.5% lower than the loss reported in 2011, mainly due to a lower rate of inflation in 2012 and therefore lower losses from liabilities indexed to inflation (denominated in UFs). Also, 2011 included the proportional loss of Viña Valles de Chile, which as of December 2011 is a fully-owned subsidiary of VSPT, and therefore no longer accounted for under the equity method. These positive variations were partially offset by increased financial costs during 2012, primarily attributable to higher debt in Argentina.

Net income in 2012 amounted to Ch\$114,433 million, 6.8% lower than in 2011, primarily due to the lower operating income explained above, partially offset by improved non-operating results, and lower income tax during the year, explained by lower profits during the period and a settlement with the Chilean IRS reported in 2011, which offset the effect of the higher corporate income tax rate in Chile for 2012.

#### 4Q 2012 Results

CCU's sales grew by 5.2% in the fourth quarter of 2012 compared to the fourth quarter of 2011, as a result of higher consolidated sales volumes and slightly higher average prices. The 8.6% growth in sales volumes was led by non-alcoholic beverages (+17.9%) and spirits (+10.3%), followed by wine (+1.6%), and CCU Argentina (+0.5%). The Chilean beer segment, however, decreased 6.3%. The growth in non-alcoholic beverages includes the effect of the Manantial acquisition. Average prices increased by 1.0%, mainly reflecting higher average prices of CCU Argentina,

due to the exchange rate, a change in mix, and price increases in order to partially compensate inflation. Average prices of beer in Chile also increased reflecting a change in sales mix, while average wine prices rose responding to prices increases. These increases were partially offset by lower prices in the spirits segment.

Gross profit rose by 7.1% to Ch\$189,886 million, higher than the growth in sales due to growth of only 2.7% in cost of sales. The gross margin as a percentage of sales increased from 56.1% in 4Q 2011 to 57.2% in 4Q 2012.

Operating income reached Ch\$69,205 million, decreasing by 4.1% from 2011 despite the growth in gross profit, mainly due to higher SG&A expenses, primarily explained by higher distribution costs in Chile and Argentina, owing to higher real salaries in Chile and increased transportation costs in both countries. As a percentage of sales, SG&A expenses rose from 34.8% in 4Q 2011 to 36.5% in 4Q 2012. Also, 4Q 2011 included the gain on the sale of a site of Viña San Pedro Tarapacá. EBITDA amounted to Ch\$84,464 million, decreasing 0.5% with respect to 4Q 2011.

CCU reported non-operating losses of Ch\$7,215 million compared to a loss of Ch\$5,098 million in 4Q 2011. The variation is mainly explained by higher net financial expenses, due to higher debt in Argentina, and higher losses in 4Q 2012 related to the effect of inflation on financial obligations denominated in UFs during 4Q 2012. The proportional loss from equity investments improved slightly reflecting a better result of Foods.

Net income for the fourth quarter of 2012 amounted to Ch\$45,509 million, up by 1.2% from the same quarter in 2011, primarily due to the decline in both operating and non-operating income explained above, offset by lower tax expenses due to a tax settlement registered in 4Q 2011.

## CSAV

	Quarters		Year to Date	
	4Q 11	4Q 12	Dec-11	Dec-12
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Sales	1,025,547	774,662	4,795,916	3,431,782
Operating income (loss)	(158,051)	8,443	(1,107,267)	(191,296)
Net income (loss) Controller	(381,822)	23,923	(1,249,775)	(313,611)
Total assets			3,179,509	2,482,650
Shareholders' equity			585,472	855,437

Due to SAAM's spin-off in February 2012, SAAM was classified as a discontinued operation in 2011.

## Full Year 2012 Results

CSAV's results in 2012 reflect the profound restructuring carried out in the company as of the second quarter of 2011, reducing the company's scale of operations, as well as an improvement in freight rates towards the end of the first quarter in 2012.

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. This implied revenues and cost of sales of US\$8 million in 2012 and of US\$21 million in 2011.

CSAV's consolidated sales in 2012 decreased by 28.4% with respect to 2011, primarily due to a significant drop in transported volumes, reflecting the restructuring implemented.

During 2012 gross income amounted to a gain of US\$43.4 million, compared to a loss of US\$834.6 million reported in 2011, mostly due to an important reduction in costs based on increased efficiencies, as well lower transported volumes. Operating income was a loss of US\$191.3 million in 2012, an improvement of 82.7% over the loss reported in 2011. This variation is mainly due to higher gross income, and lower administrative expenses reflecting the reduction in the size of the organization and headcount. Also, 2011 included a loss on the sale of a ship whereas 2012 includes compensations received.

Non-operating income for the year amounted to a loss of US\$49.4 million, significantly higher than the loss of US\$11.2 million reported in 2011. This negative variation is primarily due to exchange rate losses in 2012 versus gains in 2011, related to loans and, to a lesser extent, account payables, in currencies other than the USD. Also, in 2012 the company reported lower income from equity investments and higher financial costs.

The loss from discontinued operations amounted to US\$126.2 million (after taxes) in 2012, 41.6% below the losses of US\$216.2 million in 2011. The loss in 2011 corresponds to US\$64 million of net income from SAAM, and restructuring costs of US\$280 million. In 2012, the loss is explained by onerous contracts subscribed in 2012, and provisions for estimated costs of excess fleet in 2012 and 2013.

CSAV reported a net loss of US\$313.6 million in 2012, an improvement of 74.9% over the loss reported in 2011, based on a significant reduction in operating losses and lower losses from discontinued operations, partially offset by the decrease in non-operating results explained above. The change to the corporate tax rate in Chile implied a net credit to income tax of US\$41 million for continuing operations and of US\$4 million for discontinued operations, in 2012.

#### 4Q 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. This implied revenues and cost of sales of US\$70.7 million in 4Q 2012 and of US\$29.5 million in 4Q 2011.

CSAV's consolidated sales in 4Q 2012 reached US\$774.7 million, decreasing by 24.5% with respect to 4Q 2011, primarily due to a 23.7% reduction in transported volume to 463,484 TEUs<sup>10</sup>, as a result of the restructuring plan implemented in the fourth quarter of 2011, which reduced the company's operating scale, including the suspension of services in the Transpacific, Asia-Europe, and Intra-Asia routes, and reductions in operated capacity due to joint-service agreements. Thus, services in South America increased from a 64.3% share in 4Q 2011 to a 75.8% share of total volumes in 4Q 2012. The lower volume transported was partly compensated by a 9.9% increase in average revenue per TEU.

During 4Q 2012 gross income amounted to a gain of US\$76.8 million, a significant improvement with respect to the loss of US\$92.0 million reported in 4Q 2011, due to a drop in cost of sales exceeding the drop in transported volumes explained above, resulting from a more efficient cost structure, both in variable and fixed costs. Operating income reached a gain of US\$8.4 million in 4Q 2012, an improvement over the loss of US\$158.1 million obtained in 4Q 2011, primarily explained by higher gross income. Administrative expenses, however, increased by 9.5%.

Non-operating income for the quarter amounted to a loss of US\$4.6 million as compared to a loss of US\$13.1 million reported in 4Q 2011. This positive variation is primarily due to exchange rate gains in 4Q 2012 vis-à-vis exchange rate losses in 4Q 2011, arising from the company's loans and account payables in currencies other than the USD, and lower financial costs, partially offset by lower results of equity investments.

Discontinued operations registered a net loss of US\$20.3 million (US\$27.5 million before taxes), compared to a loss of US\$219.1 million in 4Q 2011. The loss in 4Q 2011 primarily reflects restructuring costs. In 4Q 2012, the loss corresponds to costs related to the restructuring plan, including onerous contracts signed during the period for vessel subleases (US\$33.3 million), additional provisions (US\$11.5 million), and a reduction in provisioned costs (US\$17.2 million).

CSAV reported a net loss of US\$23.9 million in 4Q 2012, a significant improvement with respect to the loss of US\$397.4 million reported in 4Q 2011, based on the positive operating income explained above, and a lower loss from discontinued operations, partially offset by higher non-operating losses.

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<sup>10</sup> TEU: Twenty-foot equivalent unit, representing the capacity of a standard 20-foot long intermodal container.

### SM SAAM

	SM SAAM			
	Quarters		Year to Date	
	4Q 11	4Q 12	Dic-11	Dic-12
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Sales	-	116,365	-	448,047
Operating income	-	16,655	-	59,177
Net income controller	-	20,523	-	59,511
Total assets				1,014,582
Shareholders' equity				655,982

	SAAM			
	Quarters		Year to Date	
	4Q 11	4Q 12	Dec-11	Dec-12
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
	113,148	116,365	425,841	448,047
	13,523	17,580	57,199	61,776
	14,932	21,442	60,217	62,134
			894,855	1,016,099
			603,353	657,821

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.

### Full Year 2012 Results

In 2012 SM SAAM's consolidated sales, which correspond entirely to SAAM, reached US\$448.0 million, increasing 5.2% with respect to SAAM's sales in 2011. This positive variation is explained by growth in all business segments. The consolidated sales mix during the year was: tugboats (40.1%), logistics (38.6%), and ports (21.3%).

During 2012, SM SAAM's operating income amounted to a gain of US\$59.2 million. SAAM's operating income amounted to US\$61.8 million in 2012, increasing by 8.0% compared to 2011. The difference between SM SAAM and SAAM is mainly explained by SM SAAM's expenses related to its listing on the Chilean Stock Exchange. SAAM's operating income, in turn, increased due to gains from derivatives, partially offset by higher costs, mainly reflecting increased depreciation due to the investments undertaken by the company, and an increment in sales and administrative expenses during the year. SM SAAM's consolidated EBITDA reached US\$88.7 million in 2012. SAAM's consolidated EBITDA, in turn, reached US\$90.8 million, up 1.7% from 2011.

Non-operating income in 2012 at SM SAAM amounted to a gain of US\$18.4 million. SAAM reported a non-operating gain of US\$18.4 million in 2012, compared to a gain of US\$20.7 million in 2011. This variation is mainly explained by a lower contribution from equity investments, partly offset by lower exchange rate losses.

SM SAAM reported a net gain of US\$59.5 million in 2012, based mainly on the company's favorable operating result, together with a non-operating gain during the year, partially offset by income tax. SAAM, in turn, obtained a net gain of US\$62.1 million, increasing by 3.2% with respect to 2011, due to higher operational and non-operational results, partially offset by higher income tax. The latter is explained by the September 2012 tax reform that increased the corporate tax rate to 20%.

#### 4Q 2012 Results

In the fourth quarter of 2012 SM SAAM's consolidated sales, which correspond entirely to SAAM, reached US\$116.4 million, increasing 2.8% with respect to SAAM's sales in 4Q 2011. This positive variation is mainly explained by growth in the logistic, and to a lesser extent the tugboat and port segments. The consolidated sales mix during the quarter was: tugboats (40.6%), logistics (39.0%), and ports (20.4%).

SM SAAM's operating income reached US\$16.7 million in 4Q 2012. Operating income for SAAM reached US\$17.6 million, increasing by 30.0% mainly due to a correction in tugboats' depreciable life in Peru, gains from derivatives, and a gain on the sale of land. These non-recurring gains compensated lower gross income during the quarter, mainly due to a higher cost of sales, explained by higher depreciation due to investments undertaken by the company. In addition, sales and administrative expenses decreased compared to 4Q 2011. SM SAAM's slightly lower operational result in comparison with SAAM is primarily explained by administrative expenses related to its listing on the local Stock Exchange. SM SAAM's consolidated EBITDA reached US\$21.8 million in 4Q 2012. SAAM's EBITDA, in turn, reached US\$22.5 million, increasing by 4.3% from 4Q 2011.

Non-operating income for the quarter for SM SAAM amounted to a gain of US\$7.4 million. SAAM reported a non-operating gain of US\$7.4 million in 4Q 2012, compared to a gain of US\$7.1 million 4Q 2011. This variation is mainly explained by a higher contribution from equity investments, partly offset by exchange rate losses.

SM SAAM reported a net gain of US\$20.5 million in 4Q 2012, based mainly on the company's favorable 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\$21.4 million, increasing by 43.6% with respect to 4Q 2011, due to higher operational and non-operational results, and lower income tax. The latter is explained by higher tax depreciation, mainly from the acquisition of new tugboats.

## QUIÑENCO and Others

### Full Year 2012 Results

The decrease of Ch\$12,417 million in Quiñenco and others, is primarily explained by exchange rate losses in 2012, mostly attributable to a credit in USD granted by Quiñenco to CSAV, versus a gain due to the same concept in 2011, as well as higher financial costs related to the bond issuances carried out by Quiñenco in June 2011 and January 2012. This higher level of debt in UFs also implied higher adjustment losses reflecting the effect of inflation on these liabilities. Financial income during the year decreased compared to 2011, mainly due to the lower balance of cash at the corporate level. These negative variations were partially mitigated by the higher contribution from Banchile Vida, with an increase of 149.6% in 2012 over 2011, based on sound operating performance.

### 4Q 2011 Results

The variation of Quiñenco and others is mainly explained by Banchile Vida, which contributed with an increase of 367.6% in net income in the quarter, reflecting high growth of operating results, boosted by a change in the mortality table used by the company as of December 2012, that led to release reserves reducing the cost of sales, and to a lesser extent by higher financial income at the corporate level. These variations were 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 January 2012, and the absence of exchange rate gains reported in 4Q 2011.

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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)  
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