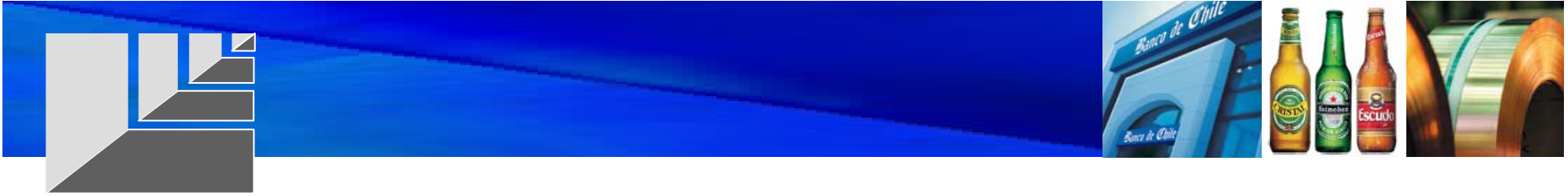


**QUIÑENCO S.A.**

**August, 2010**



- Overview
- Financial Results
- Main Operating Companies
- Recent Events
- Conclusions

# Quiñenco Group of Companies



**Banco de Chile**



ABRE TU MUNDO  
**CCU**

**MADECO**

- Quiñenco is one of Chile's largest business conglomerates with US\$40 billion in assets under its management
- Companies managed by Quiñenco generated sales revenue of US\$4 billion in 2009
- The Quiñenco group of companies employs over 22,000 people in Chile and abroad



# Quiñenco – Attractive Fundamentals

## Dominant position in its markets

- Quiñenco's companies are leaders in their respective industries

## Proven track record in value creation

- Holding has proven track record in value creation evidenced by sale of investments of approx. US\$ 4 bln and gains on sale of US\$ 1.7 bln mil over the last 13 years

## Sound financial position

- Low debt level and close to **US\$1,400 million** in cash - attentive to business opportunities

## Controlling interests in its investments

- Quiñenco currently holds a controlling interest in all of its investments

## Diversified Chile risk

- Quiñenco's holdings are diversified in three key sectors in the Chilean economy

# Ownership Structure



ANTOFAGASTA  PLC  
Mining

Luksic Group

83%

Chilean Stock  
Exchanges

QUIÑENCO

Industrial/ Financial Services

17%

Market Capitalization\*:  
US\$3.5 billion

\*As of August 3, 2010

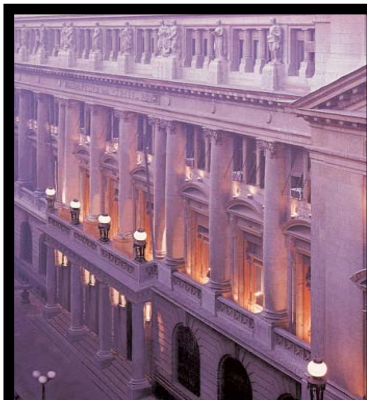
# Quiñenco: Main Operating Companies



61.7%

% Control  
66.1%

47.7%



Banco de Chile

Mkt Cap: US\$10.6 bln

- 2nd ranked bank
- Merged with Citibank Chile on 1/1/08
- Jointly controlled with Citigroup through Shareholders Agreement



CCU

Mkt Cap: US\$3.4 bln

- N°1 beer producer with 86% market share
- Largest beverage producer in Chile
- Jointly controlled with Heineken



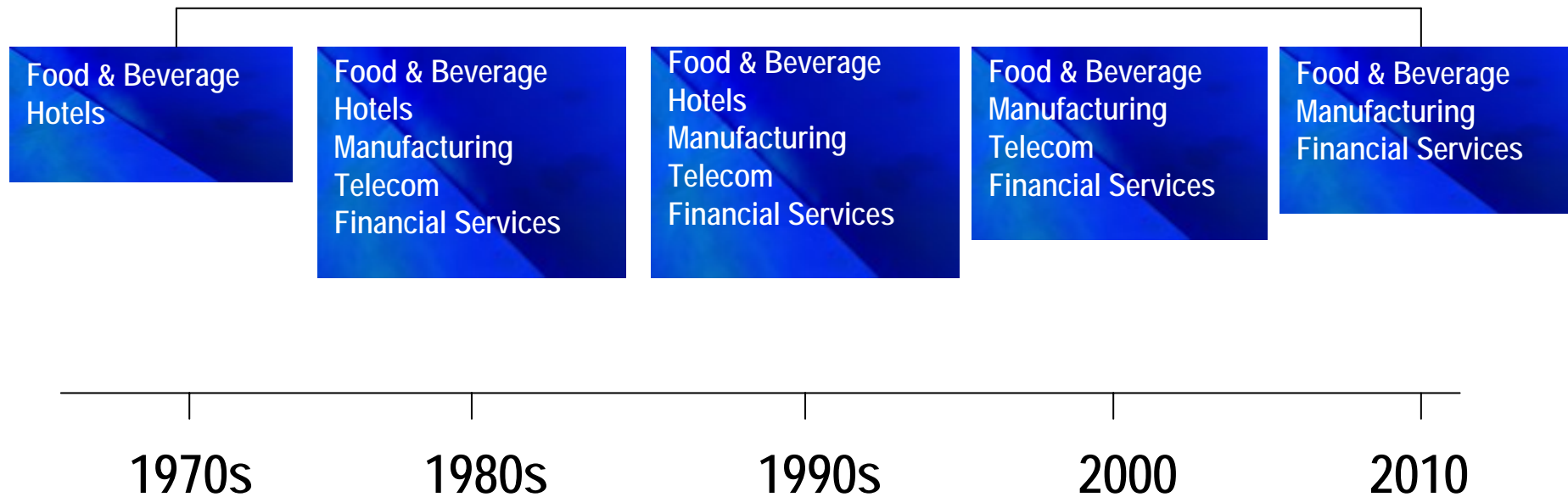
Madeco

Mkt Cap: US\$324 mln

- Manufacturer of copper & aluminum and flexible packaging products
- Main shareholder of French cable producer Nexans

Note: Based on most recent market data available

# Focused Diversification



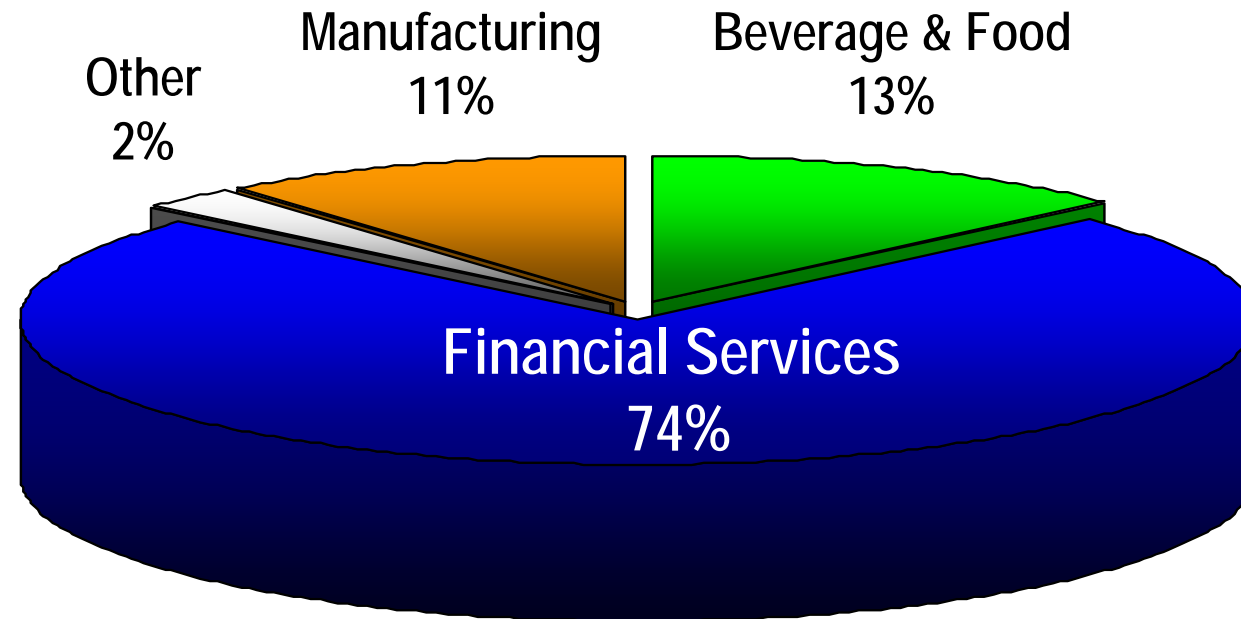
Quiñenco is one of the most diversified holdings in Chile although historically it has invested in the same business segments where it has a proven track record and industry expertise.

# Holdings by Sector



## Corporate Level Book Value

As of March 31, 2010



US\$2.4 billion

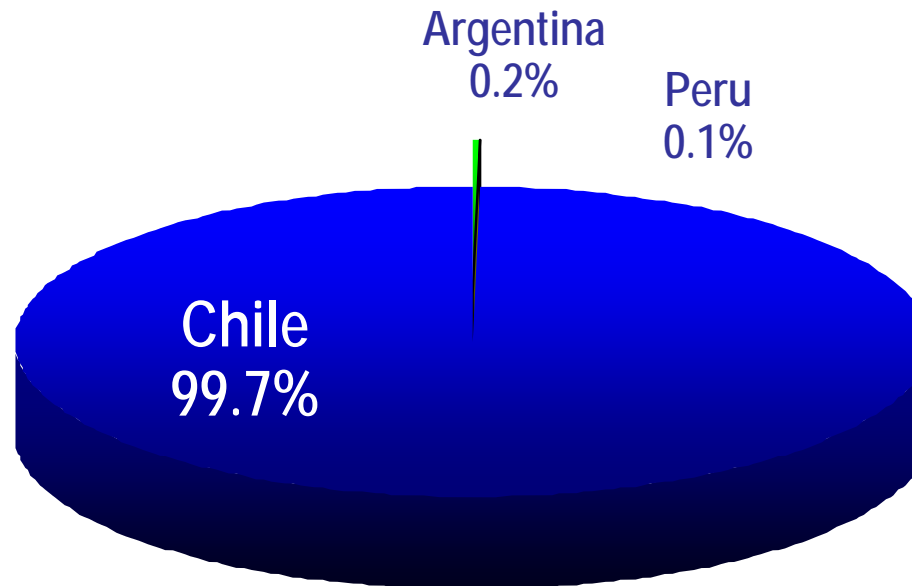


# Chilean Conglomerate



## Consolidated Assets by Country

US\$38.1 billion



Note: Figures translated from Chilean pesos as of December 31, 2009, at exchange rate of: Ch\$507.10= 1US\$

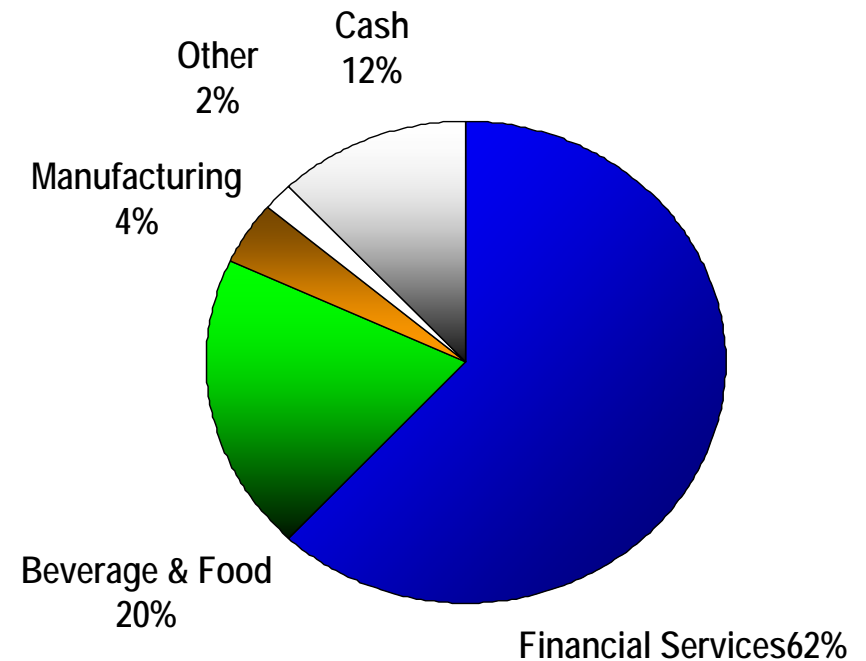
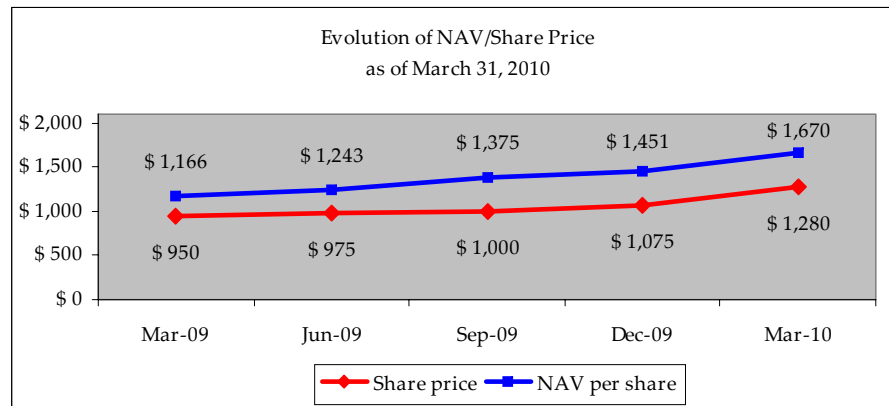
Consolidated assets are concentrated in Chile.  
Investments abroad are all at the subsidiary level.

# NAV/Share Price Evolution



NAV US\$3.6 billion  
Market Cap US\$2.8 billion

Share price / NAV in Ch\$



*Discount to NAV*  
**23%**

Note: Market information as of March 31, 2010  
Book values as of March 31, 2010  
Does not consider transaction with Citigroup



# Quiñenco – Investment Criteria

→ Brand & consumer franchise development potential

→ Sufficient critical mass

→ Prior operating or industry experience

→ Access to strategic partners/commercial alliances

→ Growth platform or add-on acquisition potential

→ Controlling stakes

# World Class Strategic & Commercial Alliances



**Nestlé**

Good Food, Good Life



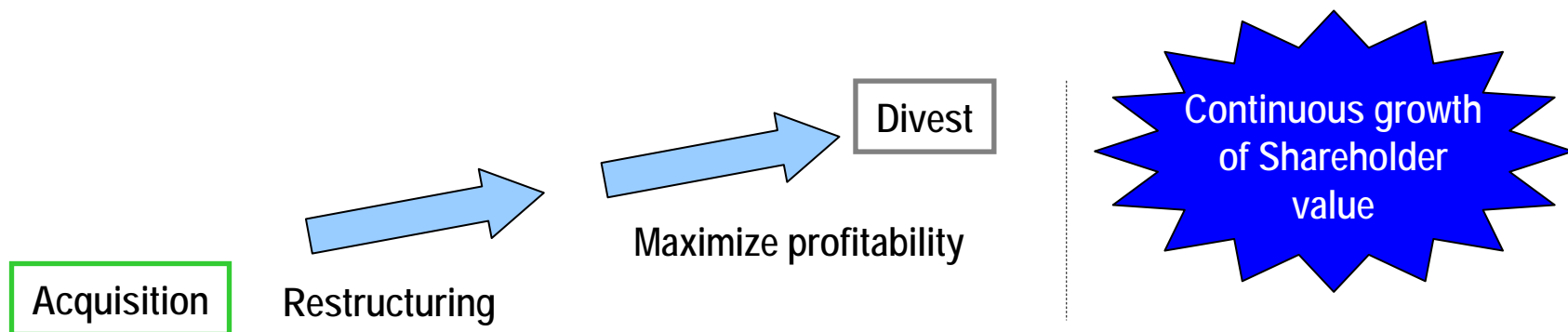
Quiñenco partners with world class players to develop its markets & products to take advantage of combined know-how, experience and capital capacity

# Value Creation System



## Value creation stems from:

- Acquisitions
- Restructurings
- Development & maximization of profitability of business portfolio
- Divestments



Quiñenco has developed a process of value creation through the professional management of its ownership interests

# Corporate Level Transactions



In US\$ mlns

SECTOR	DIVESTITURE	YR SOLD	PROCEEDS	GAIN ON SALE
Financial Services	LQIF (17%)	2010	1,031.9	322.2 *
Telecom	Telsur shares	2010	109.1	16.6
Telecom	Entel shares	2009	92.1	61.8
Retail	D&S shares	2009	23.4	3.9
Telecom	Entel shares	2007	107.8	76.3
Retail	Paris/Cencosud	2005	132.9	50.8
RE/Hotels	Hotel Araucano	2005	6.5	(2.3)
Retail	Others	2005	27.6	4.4
Food & Beverage	Lucchetti Chile	2004	134.3	6.9
RE/Hotels	Hotel Carrera	2003	33.4	(11.2)
Telecom	Entel shares	2001	220.2	122.9
RE/Hotels	Plava Laguna	2001	48.1	3.2
Food & Beverage	Lucchetti Argentina	2001	44.4	(18.2)
Telecom	Entel shares	2000	28.9	18.9
Financial Services	OHCH	1999	785.6	408.6
Utility	Energis shares	1999	96.3	18.0
Telecom	Hipercable	1999	335.6	194.2
Telecom	VTR Long Distance	1998	133.5	39.1
Telecom	Startel	1997	540.5	410.7
Utility	Endesa shares	1997	131.2	20.0
<b>Total</b>			<b>4,063</b>	<b>1,747</b>

Note: Figures translated from constant Chilean pesos as of March 31, 2010, at the exchange rate of: \$524.46= 1US\$

\* Corresponds to estimated gain reported in first quarter 2010 press release.

Periodic sales of assets also contribute to a healthy cash position

# Acquisitions & Capital Increases



En millones de US\$

## ACQUISITIONS

Financial Services	2008	Banco de Chile	2.7%	82.0
Retail	2004	Almacenes Paris	11.4%	82.3
Retail	2004	Others	1.0%	23.0
Financial Services	2001	Banco de Chile	52.7%	1,049.7
Financial Services	1999	Banco Edwards	51.2%	502.2
Telecom	1999	Entel	14.5%	137.9
RE/Hotels	1999	Plava Laguna	39.4%	40.6
Telecom	1999	VTR	44.1%	221.3
Food & Beverage	1999	Lucchetti	10.2%	<u>15.5</u>

**2,154.4**

## CAPITAL INCREASES IN SUBSIDIARIES

Financial Services	2006 - 2009	Banco de Chile	231.1
Manufacturing	2000 - 2005	Madeco	157.4
Food & Beverage	1999 - 2003	Lucchetti	136.4
RE/Hotels	1998 - 2001	Habitaria/Carrera	<u>26.8</u>

**551.6**

Note: Figures translated from constant Chilean pesos as of March 31, 2010, at the exchange rate of: \$524.46= 1US\$

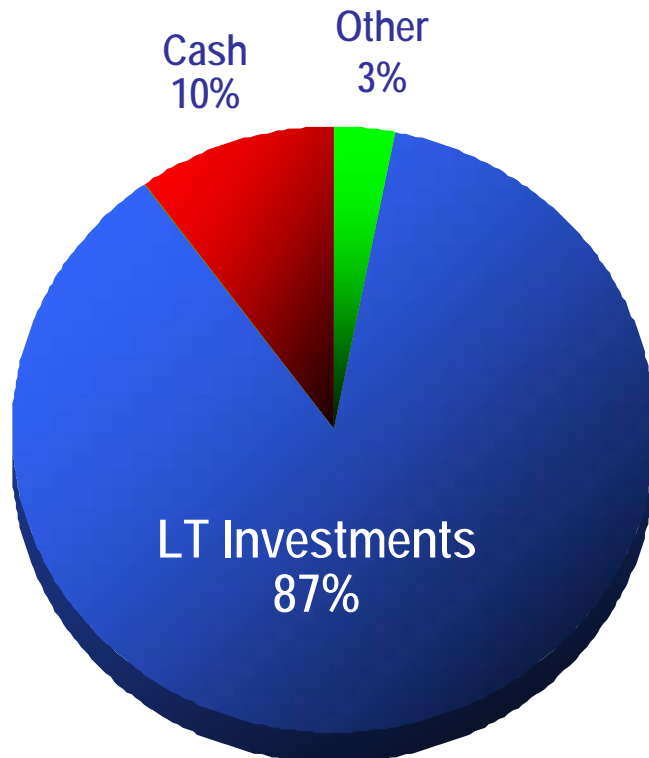
Proceeds from divestitures have contributed to fund acquisitions and capital increases for US\$2.7 billion

# Healthy Financial Structure

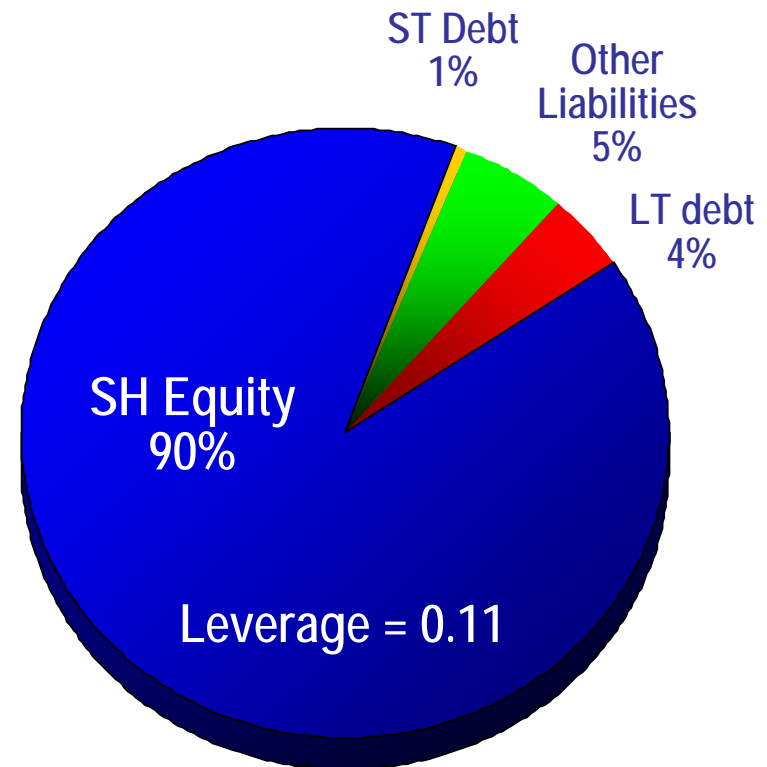


## Corporate Level

**Assets**  
US\$2.8 billion



**Liabilities and SH Equity**  
US\$2.8 billion



As of March 31, 2010

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Long-term investments are financed with equity and long-term debt in Chilean pesos



# Net Debt

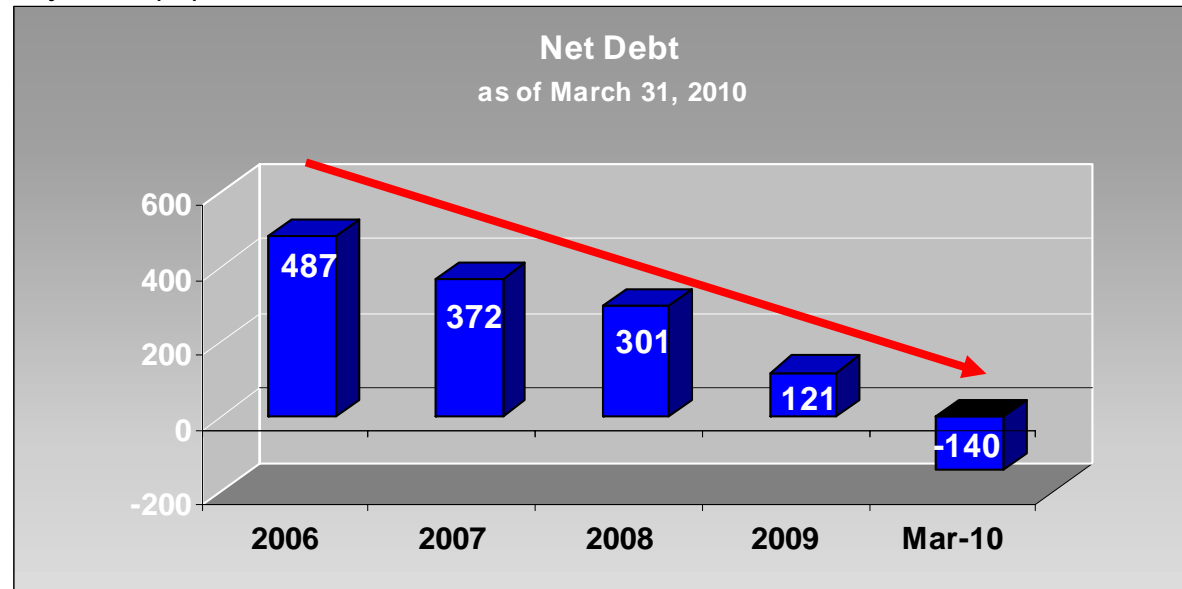


## Corporate Level (adjusted)

In US\$ mlns

	2006	2007	2008	2009	Mar-10
Debt	681	694	402	318	323
Cash	-194	-322	-102	-197	-463
<b>Net Debt</b>	<b>487</b>	<b>372</b>	<b>301</b>	<b>121</b>	<b>-140</b>

\* Adjusted for proportionate share of debt and cash of IRSA (50%), and of LQIF (67.04%) as of 2008.



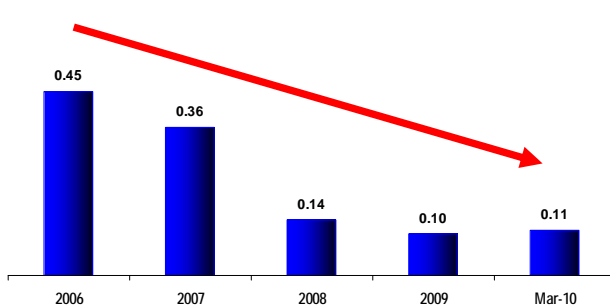
Note: Figures translated from nominal Chilean pesos at the exchange rate of: Ch\$524.46= 1US\$  
Cash from transaction with Citigroup amounted to US\$1,032 million

**Asset disposals and strong dividend flow have allowed Quiñenco  
to reduce its debt significantly**

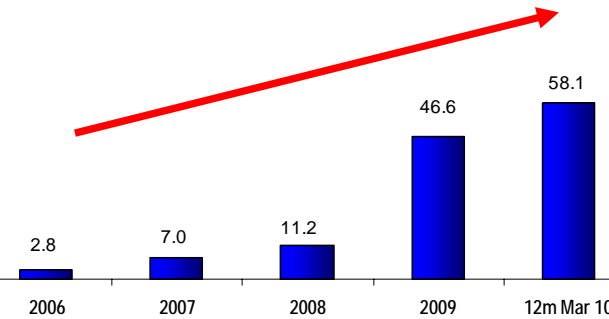
# Main Indicators Corporate Level

- Debt reduction has implied lower leverage
- High interest coverage
- Negative net debt

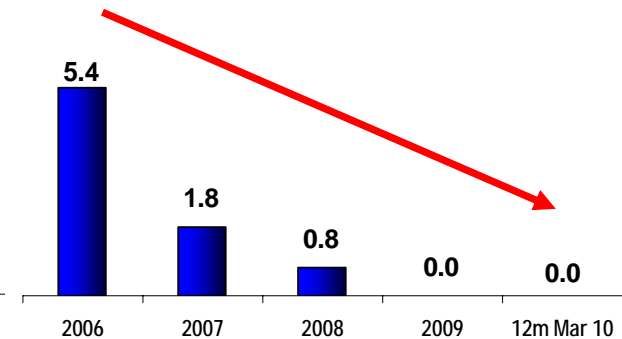
## LEVERAGE \*



## INTEREST COVERAGE



## YEARS TO PAY DEBT



\* Leverage = Tot Liabilities / [Equity + Min Int]

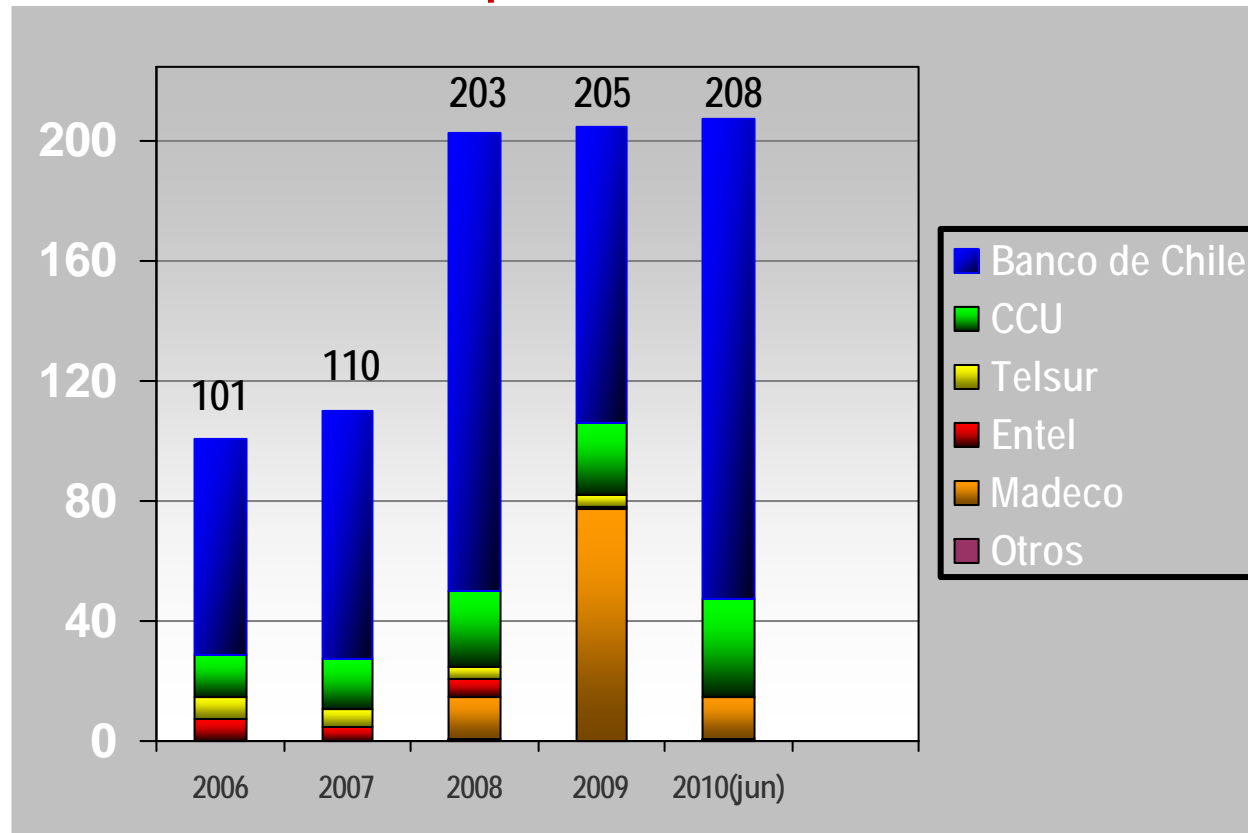
Quiñenco's healthy financial position lays the foundation for future growth

# Dividend Cashflow



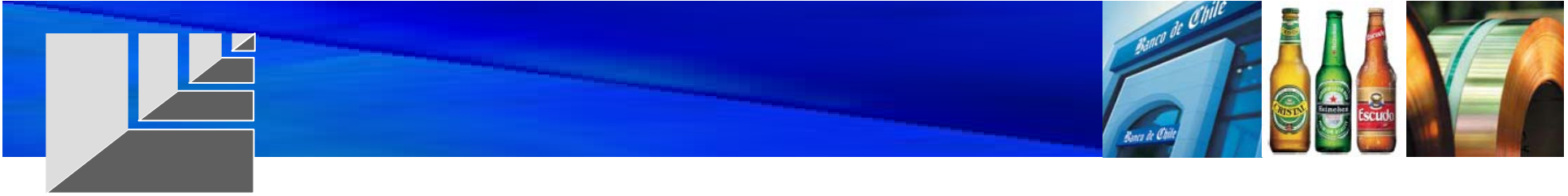
In US\$ mlns

## Corporate Level



Note: Figures translated from nominal Chilean pesos at the exchange rate of : Ch\$524.46= 1US\$

Good operating company performance allows  
for a strong dividend flow to Quiñenco



- Overview
- **Financial Results**
- Recent Events
- Main Operating Companies
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# Consolidated Results 2009 - IFRS

- As of 2009, Quiñenco prepares its Financial Statements in accordance with IFRS.
- Main changes with respect to Chilean GAAP:
  - Consolidation with Banco de Chile, SM Chile and Banchile Seguros de Vida
  - On-Balance accounting of Banco de Chile's Subordinated Debt with Chilean Central Bank
  - Elimination of price-level restatement
- Segment Information: Quiñenco has defined 3 segments - Manufacturing, Financial and Others. To simplify understanding, financial statements have also been divided in Banking and Non-Banking or Industrial activities.

# Consolidated Results



En MMUS\$

	12/31/2008	12/31/2009	% Change	03/31/2009	03/31/2010	% Change
Sales	504.1	484.6	-3.9%	116.0	125.7	8.3%
Operating income*	(18.9)	(7.5)	-60.5%	(5.7)	(4.2)	-26.7%
Non-operating income	110.8	142.5	28.6%	73.0	31.8	-56.4%
Income tax	4.8	(1.8)	-136.2%	-4.9	(6.0)	23.4%
Net income from discontinued operations	228.0	7.9	-96.5%	6.0	-	-100.0%
Net income Industrial Sector	324.7	141.2	-56.5%	68.4	21.6	-68.4%
Net income Banking Sector	445.6	406.2	-8.8%	94.0	159.9	70.0%
Consolidated Net Income	770.3	547.5	-28.9%	162.4	181.5	11.8%
Net income attributable to Minority interest	289.8	251.2	-13.3%	60.9	88.4	45.2%
Net income attributable to Controller	480.5	296.3	-38.3%	101.5	93.1	-8.3%

## 2009 Highlights

- Sale of Entel and D&S shares: gain of MUS\$65
- Sale of 29.9% of Aguas CCU to Nestlé: gain of MUS\$46 at CCU
- Positive impact of negative inflation and low indebtedness on financial costs in UFs
- 2008 includes gain on sale of Madeco's cable unit to Nexans and the gain generated by the association with Citigroup in LQIF.

## 1Q 2010 Highlights

- Sale of Telsur generates profit of MUS\$17
- Gains from negative inflation in 1Q 2009 become losses in 1Q 2010 with positive inflation
- Banking sector reported positive results

Note: Figures translated from nominal Chilean pesos at the exchange rate of : Ch\$524.46= 1US\$

Operating Income includes: gross margin, Distribution costs, Administrative expenses, Other income, and Other expenses.

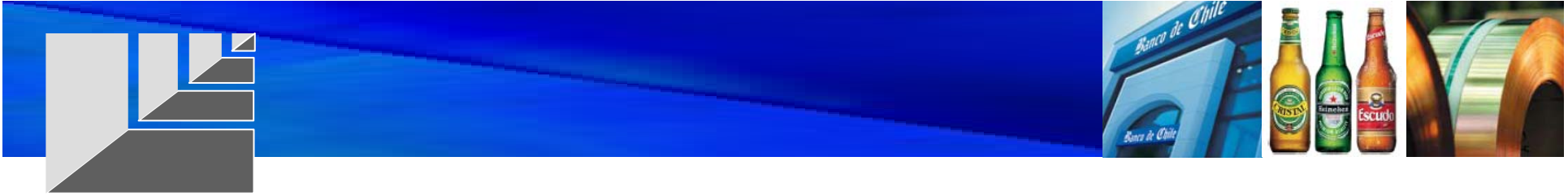
# Contribution to Quiñenco's Net Income by Segment



In US\$ mlns

	12/31/2008	12/31/2009	%Change	03/31/2009	03/31/2010	%Change
Manufacturing	104.8	34.6	-67%	7.7	(1.6)	-121%
Financial	389.6	386.8	-1%	94.3	152.5	62%
Other	275.9	126.0	-54%	60.4	30.6	-49%
Consolidated Net Income	770.3	547.5	-29%	162.4	181.5	12%
Minority Interest	(299.7)	(259.8)	-13%	(60.9)	(88.4)	45%
Net Income attributable to Controller	470.6	287.7	-39%	101.5	93.1	-8%

- Manufacturing segment: 2008 includes gain on sale of Madeco's cable unit to Nexans
- Financial Segment: Banco de Chile's results affected by adverse global and local scenario, were compensated by lower accrued interest of the Subordinated Debt.
- Other Segment: 2008 includes the gain generated by the association with Citigroup in LQIF. 2009 results boosted by transactions at the corporate level and by CCU's results.
- First quarter 2010: the positive performance of the Financial segment is worth noting, boosted by Banco de Chile's results.



- Overview
- Financial Results
- Recent Events
- Main Operating Companies
- Conclusions



# Telsur: Sold to GTD Manquehue

- Quiñenco signs agreement with GTD Grupo Teleducto on sale of 74.4% of Telsur on December 1, 2009.
- Price of Ch\$341.54 values Telsur at **US\$156 million**, share of Quiñenco amounts to **US\$113 million**.
- Transaction reported Quiñenco a gain of **US\$17 million** in the first quarter of 2010.
- Public Offering completed successfully in January, 2010, reaching 96.37% of total shares.
- Telsur formed part of the Luksic Group for almost three decades.



**Telefónica  
del Sur**  
*Siempre más cerca*



# Citigroup exercises options in LQIF



- Citigroup exercises both options, reaching a share of 50.0% of LQIF
- Options materialized on April 30, 2010 with payment of US\$1 billion in cash.
- During 2Q 2010 Quiñenco will report gain of approx. US\$322 million arising from exercise of first option, and an increment in equity of approx. US\$322 million due to the exercise of the second option.
- Strategic alliance with Citigroup complements the Bank's financial services of excellence for its customers and gives access to one of the most important financial platforms in the world.





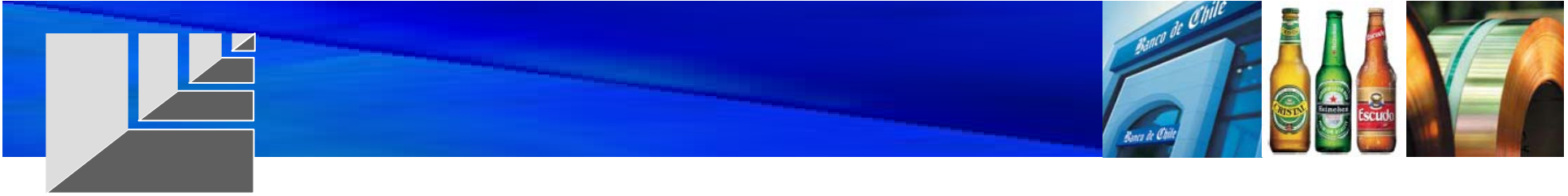
**US\$1,380 million in Cash**

## Corporate Level

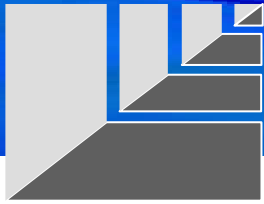
- Significant liquidity gives flexibility to take investment opportunities
- 100% of the funds are invested in Chile in debt instruments, denominated in local currency, with an average duration of less than a year.
- Investment portfolio includes repurchase agreements, notes issued by the Central Bank, and time deposits in banks.

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After the transactions with Citigroup and GTD Manquehue, Quiñenco has significant funds available



- Overview
- Financial Results
- Recent Events
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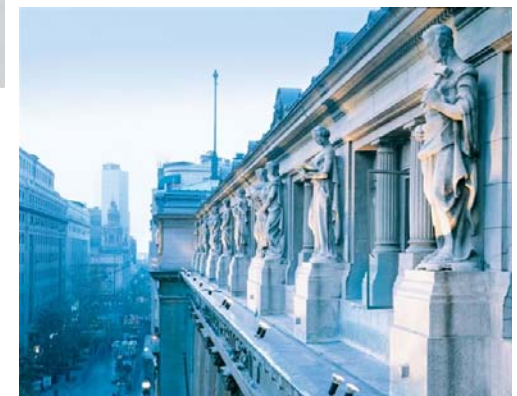
# Banco de Chile



## Financial Services



- Established in 1893, Banco de Chile has a highly recognized name in Chile
- 2nd largest bank in the Chilean financial system
- One of the most profitable banks in terms of return on assets and equity
- Assets of US\$34.4 billion
- Over 14,000 employees
- Nationwide network of 398 branches and 1,588 ATMs
- Traded on the NYSE, LSE, Latibex and Santiago Stock Exchanges
- Merged with Citibank Chile on January 1st, 2008
- Strategic alliance with Citigroup complements the Bank's financial services of excellence for its customers and gives access to one of the most important financial platforms in the world.



	Mkt Share	Mkt Size
Loans	18.9%	US\$132 billion
Deposits	19.9%	US\$113 billion

**BANCO EDWARDS** | **citi**  
del Banco de Chile

# Banco de Chile

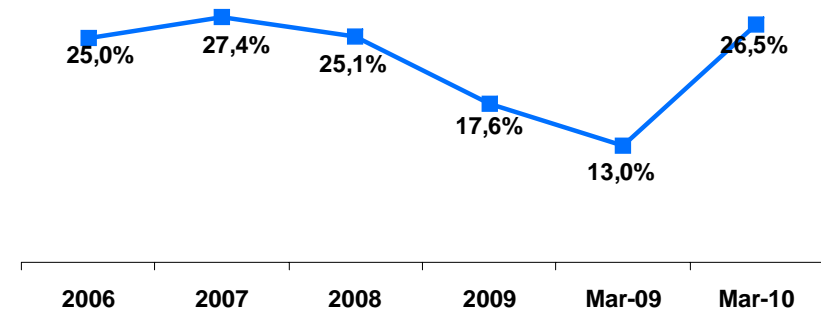


## Financial Services

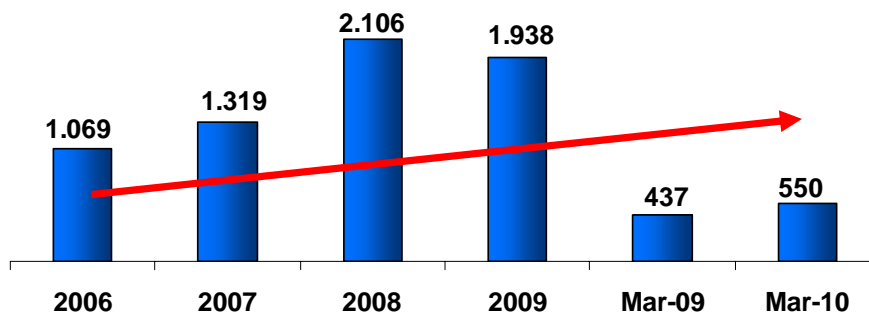
(MUS\$, as of March 31, 2010)

- In 1Q 2010 operating income increased **26%** reaching **MUS\$550** due to improved economic conditions and the favorable effect of positive inflation
- Net income in 1Q 2010 was **MUS\$192**, more than doubling 1Q 2009 results
- Loan portfolio grew **1.6%** over the past twelve months
- ROAE = **26.5%**, one of the highest in the Chilean financial system

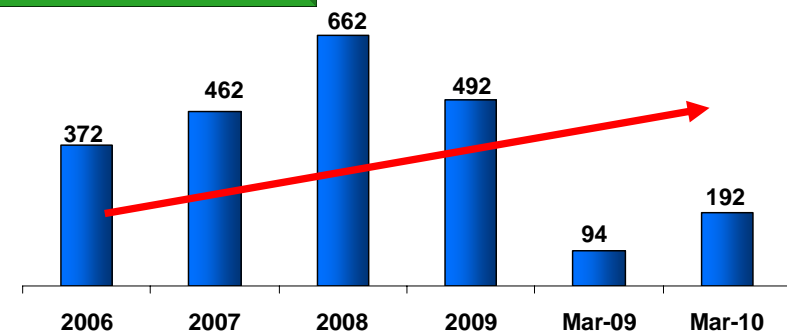
### ROAE



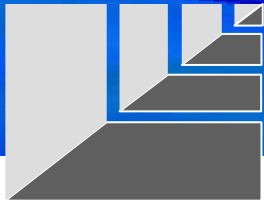
### OPERATING INCOME



### NET INCOME



Note: Figures translated from nominal Chilean pesos at the exchange rate of : Ch\$524.46= 1US\$



CCU

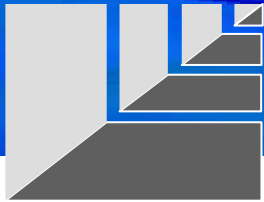


## Beverage & Food

- Founded in 1850, CCU is the largest brewery and beverage producer in Chile, and the second brewery in Argentina.
- Assets of US\$2.2 billion.
- Over 5,300 employees.
- 18 facilities in Chile.
- 4 facilities in Argentina.
- Extensive distribution network reaching over 90,000 sales points throughout Chile.
- Jointly controlled with Heineken, 2nd largest brewery worldwide.
- Affiliate Foods participates in sweet snack business
- Entered purified water segment through joint venture with Nestlé S.A.
- Viña San Pedro merged with Viña Tarapacá
- Traded on NYSE and Santiago Stock Exchanges



	Ranking	Mkt Share
Beer in Chile	1	85%
Beer in Argentina	2	22%
Soft drinks	3	24%
Juices & Nectars	1	57%
Mineral Water	1	60%
Wine in Chile	2	23%
Wine exports	2	12%
Pisco	2	48%



CCU

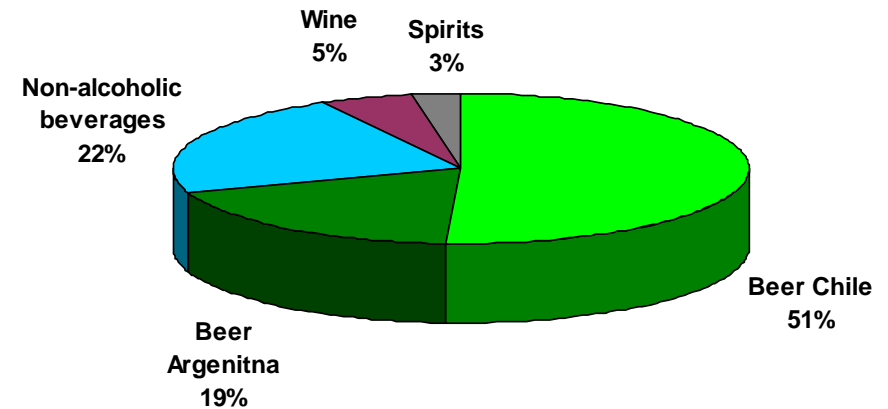


## Beverage & Food

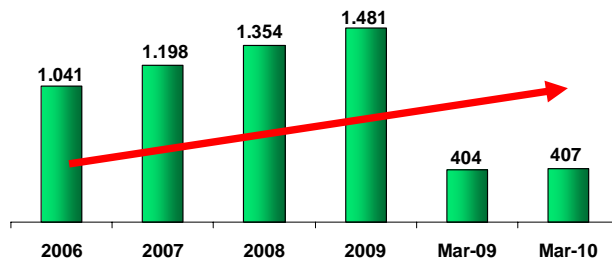
(MUS\$, as of March 31, 2010)

- Sales grew 1% in 1Q 2010 to MUS\$407
- Net income for the period reached MUS\$64, 23% less than the previous period, due to a lower non-operating results.
- EBITDA was MUS\$111, increasing by 2% from 1Q 2009

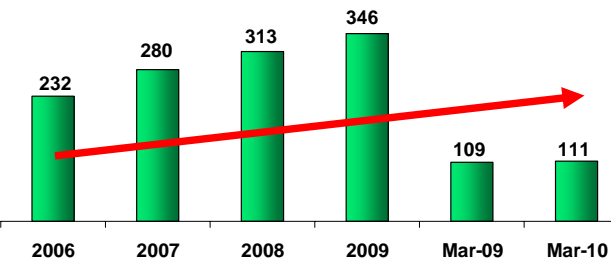
EBITDA by Business Segment  
March 2010



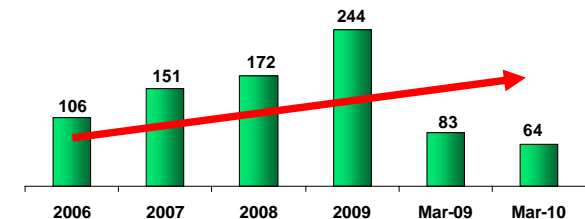
### SALES



### EBITDA

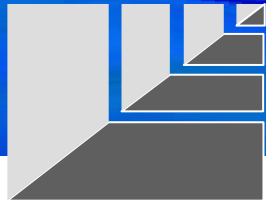


### NET INCOME



Note: Figures translated from nominal Chilean pesos at the exchange rate of : Ch\$524.46= 1US\$





# Madeco



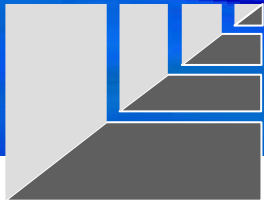
# MADECO

## Manufacturing

- Founded in 1944, Madeco is the main Latin American manufacturer of copper and aluminum products as well as flexible packaging.
- Global presence through exports of a variety of copper and aluminum products to the North American and European markets with over 3,000 customers.
- 12 facilities in Chile, Argentina and Peru
- Assets of US\$728 million
- Approx. 2,400 employees
- Annual sales volumes of 50,000 tons.
- Traded on Santiago Stock Exchange
- Historic agreement with French cable producer Nexans closed in Sept. 2008
- Madeco is now main shareholder of Nexans with one director on its Board and 9.2% share.



	Ranking	Mkt Share
Flex. Packaging Chile	1	32%
Flex. Packaging Peru	1	58%
Flex. Packaging Arg.	3	8%
Brass mills Chile	1	58%
Alum. Profiles Chile	1	51%



# Nexans



## Manufacturing



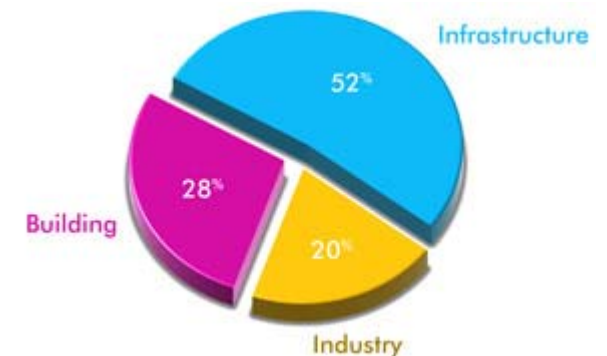
- Nexans is the worldwide leader in the cable industry with presence in 39 countries and commercial activities worldwide, after over a century of progress.
- Headquartered in Paris, France, Nexans produces cables and cabling systems at more than 90 production sites across 5 continents.
- 2009 sales of 5.0 billion Euros.
- 22,700 employees
- Nexans is listed on Euronext Paris.



2009 Sales by Origin



2009 Sales by Key-end Markets



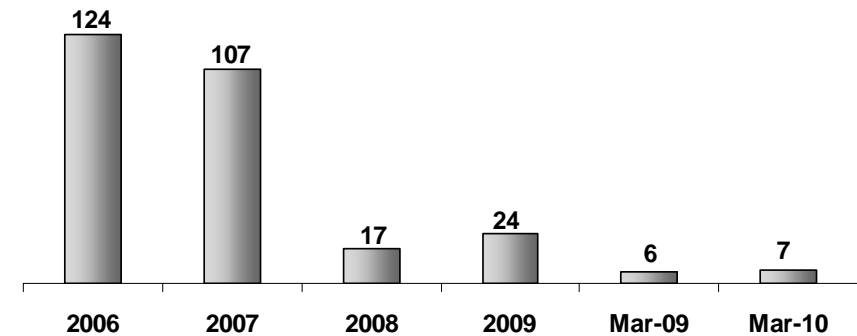


## Manufacturing

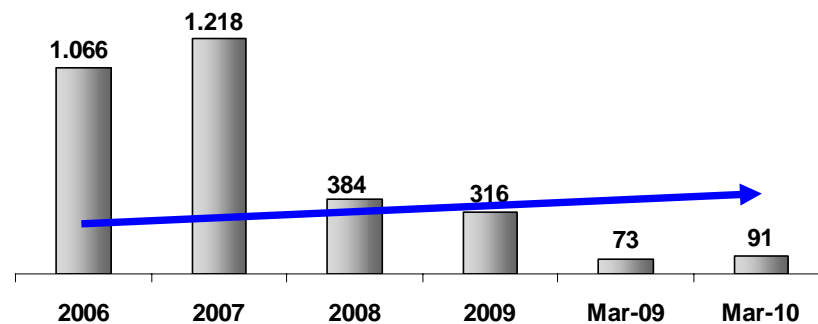
(MUS\$, as of March 31, 2010)

- Sales in 1Q 2010 grew by 24% to MUS\$91 boosted by brass mills and flexible packaging.
- Net loss was MUS\$2.5 due to a lower non-operating result

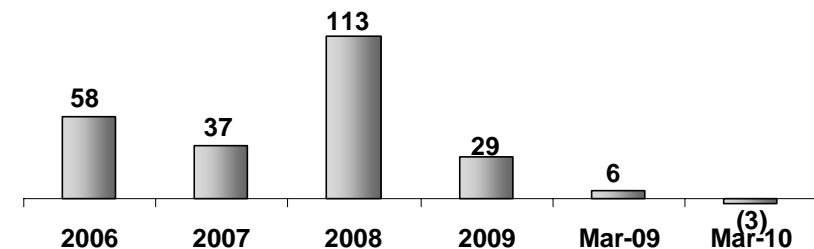
### SALES



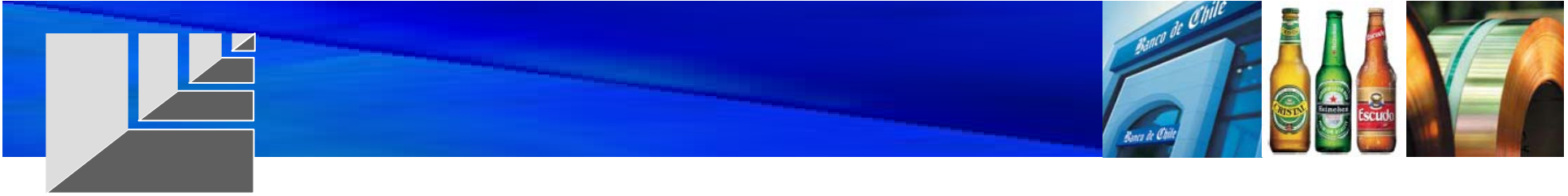
### EBITDA



### NET INCOME



Note: Figures translated from nominal Chilean pesos at the exchange rate of : Ch\$524.46= 1US\$



- Overview
- Financial Results
- Recent Events
- Main Operating Companies
- Conclusions

# Outlook



## Portfolio Optimization

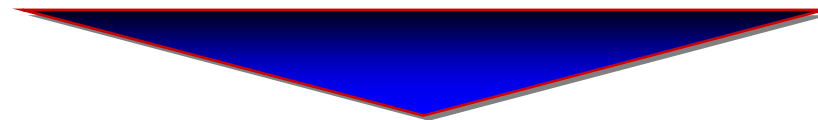
- Good performance of main operating companies should contribute to sustained dividend upflow

## Healthy Financial Structure

- Sound financial indicators
- Well structured Balance Sheet
- AA- local rating

## Negative Net Debt

- High Cash levels
- Current debt levels allow further leveraging



These factors contribute to Quiñenco's ability to undertake new investment opportunities

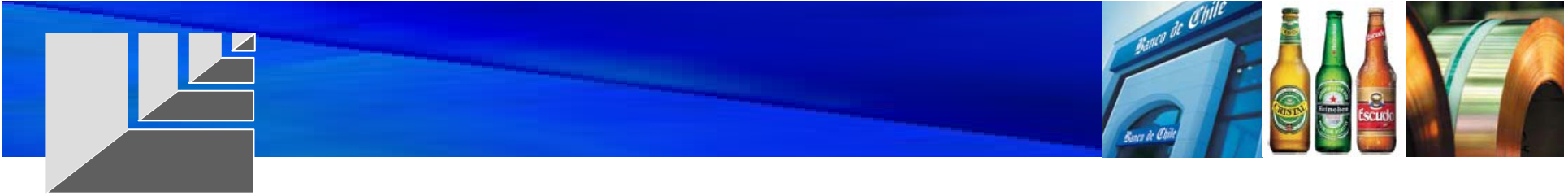


# Highlights

- Proven track record and experience in core business segments
- Agility and financial strength allows Quiñenco to take advantage of business opportunities as they arise
- Strong shareholder group
- Diversified Chile risk
- Ability to attract strategic partners and commercial alliances contributes to development of world class products and services
- Extensive business network
- Successful execution of acquisitions and financing
- Attractive record of gains on investment disposals

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These attributes contribute to the systematic  
creation of shareholder value



**QUIÑENCO S.A.**

Thank you for your attention