



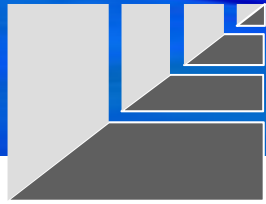
**QUIÑENCO S.A.**

**June, 2011**



## ■ Overview

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



# Quiñenco Group of Companies



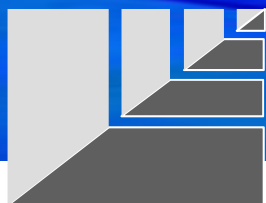
**Banco de Chile**



**CCU**  
Un mundo de sabores

**MADECO**

- Quiñenco is one of Chile's largest business conglomerates with US\$42 billion in assets under management
- Companies managed by Quiñenco generated sales revenue of US\$4.7 billion in 2010
- The Quiñenco group of companies employs over 16,000 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\$ 4.6 bln and gains on sale of US\$ 2.0 bln over the last 13 years

## Sound financial position

- Low debt level and around **US\$1.5 billion** in cash - **Have been actively searching for new 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%

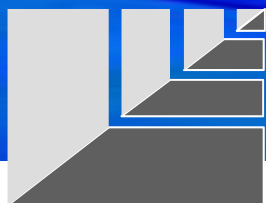
**QUIÑENCO**  
Industrial/ Financial Services

Chilean Stock  
Exchanges

17%

Market Capitalization\*:  
US\$4.5 billion

\*As of April 30, 2011



# Quiñenco: Main Operating Companies



% Control

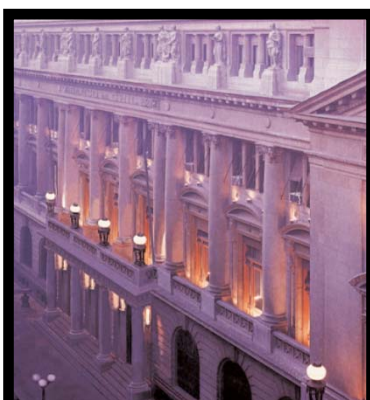
61.7%

66.1%

47.7%

18%

100%



**Banco de Chile**

Mkt Cap: US\$12.4 bln

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



**CCU**

Mkt Cap: US\$3.8 bln

- N°1 Chilean beer producer with 83% market share
- 2nd largest beer producer in Argentina
- Jointly controlled with Heineken



**Madeco**

Mkt Cap: US\$331 mln

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



**CSAV**

Mkt Cap: US\$1.6 bln

- Largest shipping company in America and one of the top 10 worldwide
- Main businesses are containerized cargo transportation and terminal operations



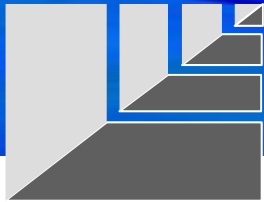
**Ex-Shell Chile**

US\$ 633 mln

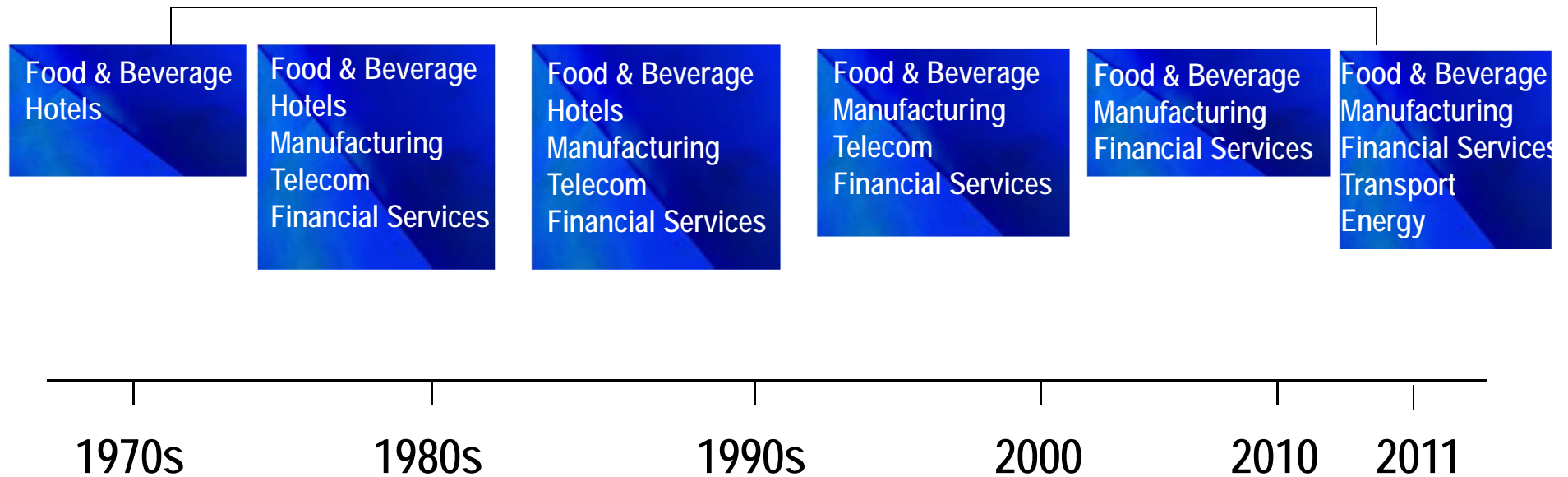
- N°2 retail distributor of fuels with 300 service stations
- Transaction closed on May 31, 2011

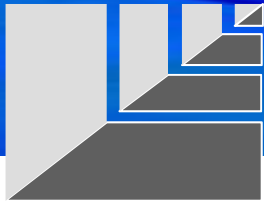
Note: Based on market data as of April 30, 2011.





# Focused Diversification



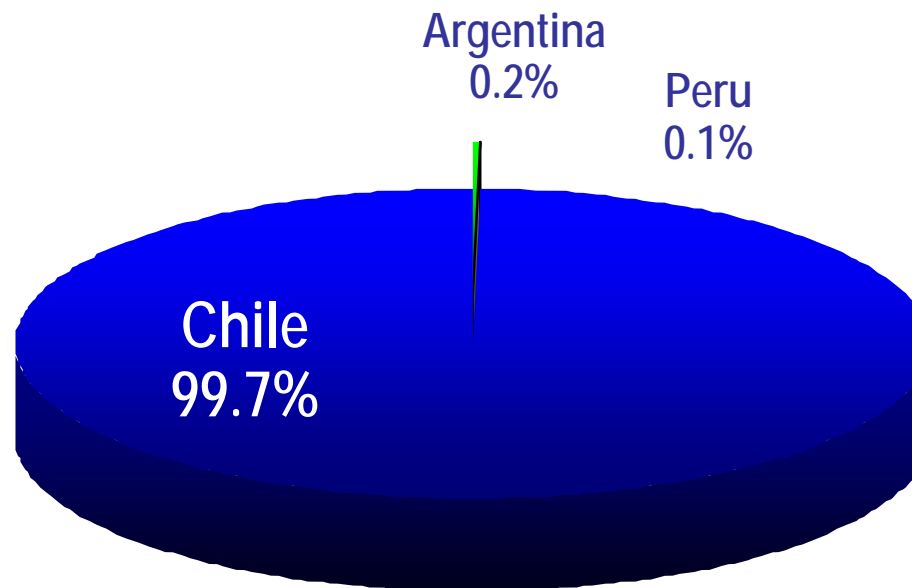


# Chilean Conglomerate



## Consolidated Assets by Country

US\$44 billion



Note: Figures translated from Chilean pesos as of December 31, 2010, at exchange rate of: Ch\$468.01= 1US\$

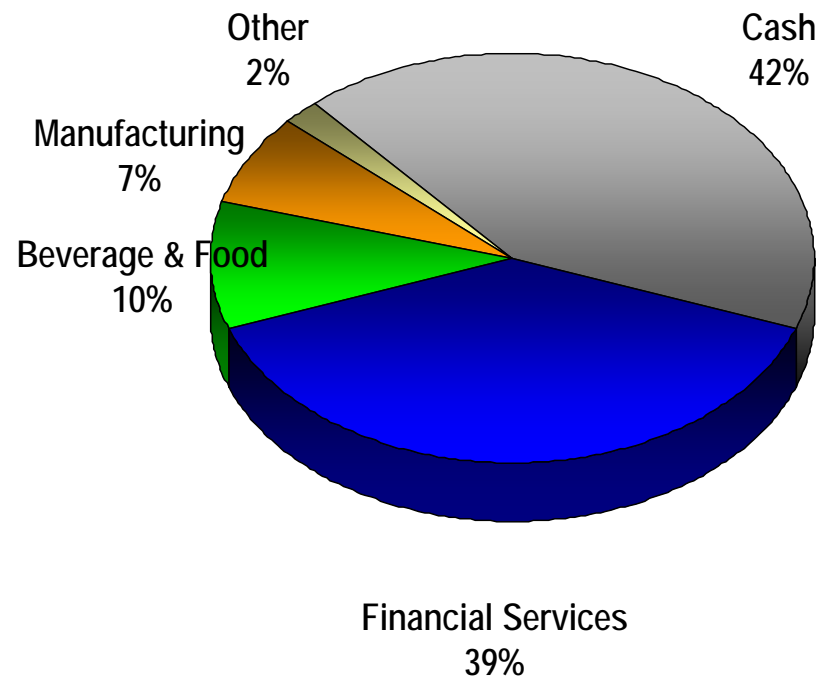
Consolidated assets are concentrated in Chile.  
Investments abroad are all at the subsidiary level.



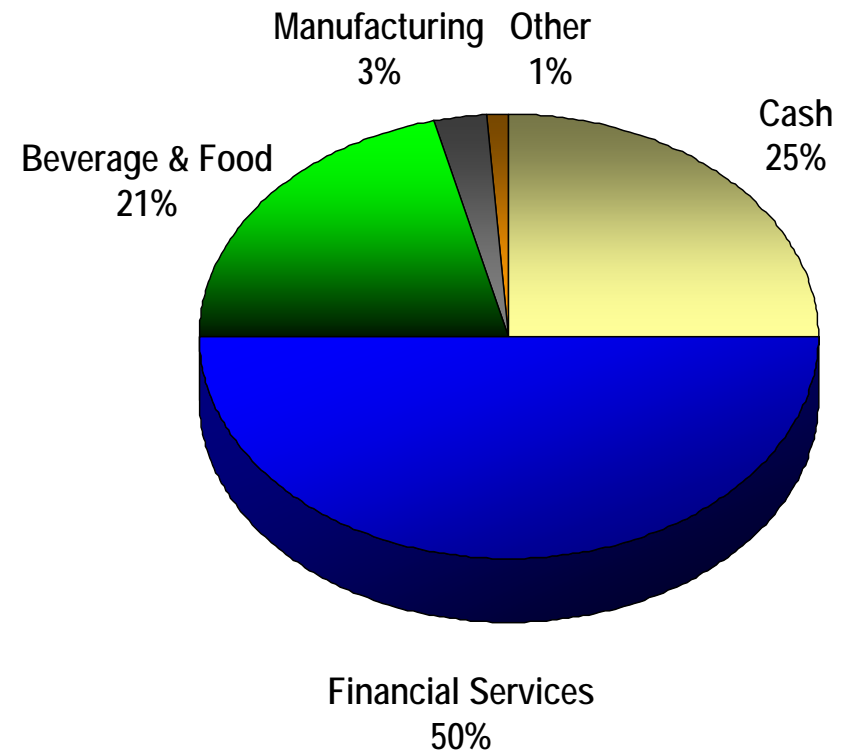
# Holdings by Sector



Corporate Level Book Value  
(US\$3.6 bln)

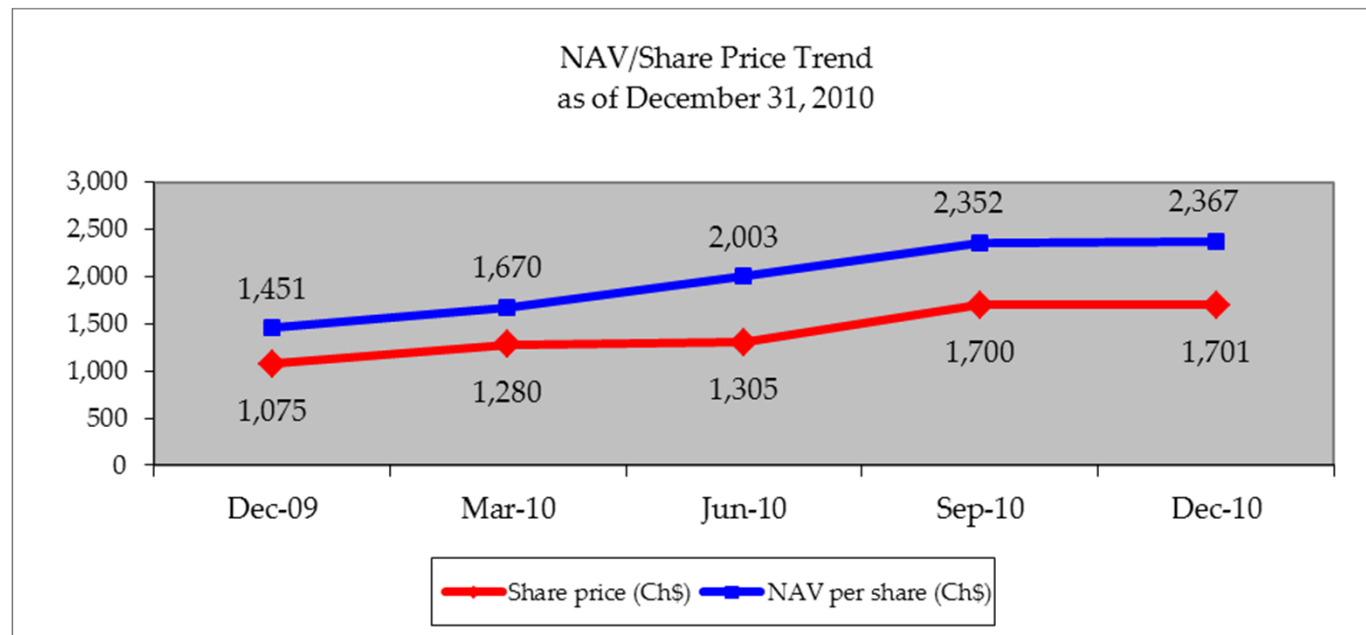


Net Asset Value  
(US\$5.8 bln)



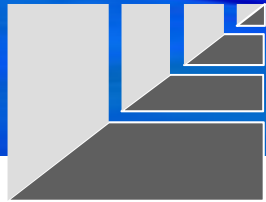
Note: Market information and book values as of December 31, 2010

# NAV & Share Price Trend



Note: Market information and book values as of December 31, 2010

NAV: US\$5.8 billion  
Market Cap: US\$4.2 billion



# Quiñenco – Investment Criteria



→ Brand & consumer franchise development potential

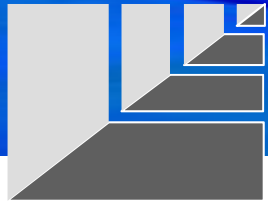
→ Sufficient critical mass

→ Prior operating or industry experience

→ Access to strategic partners/commercial alliances/  
synergies

→ Growth platform or add-on acquisition potential

→ Controlling stakes



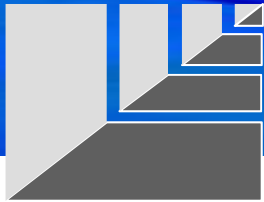
## Quiñenco: World Class Strategic & Commercial Alliances



Good Food, Good Life



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



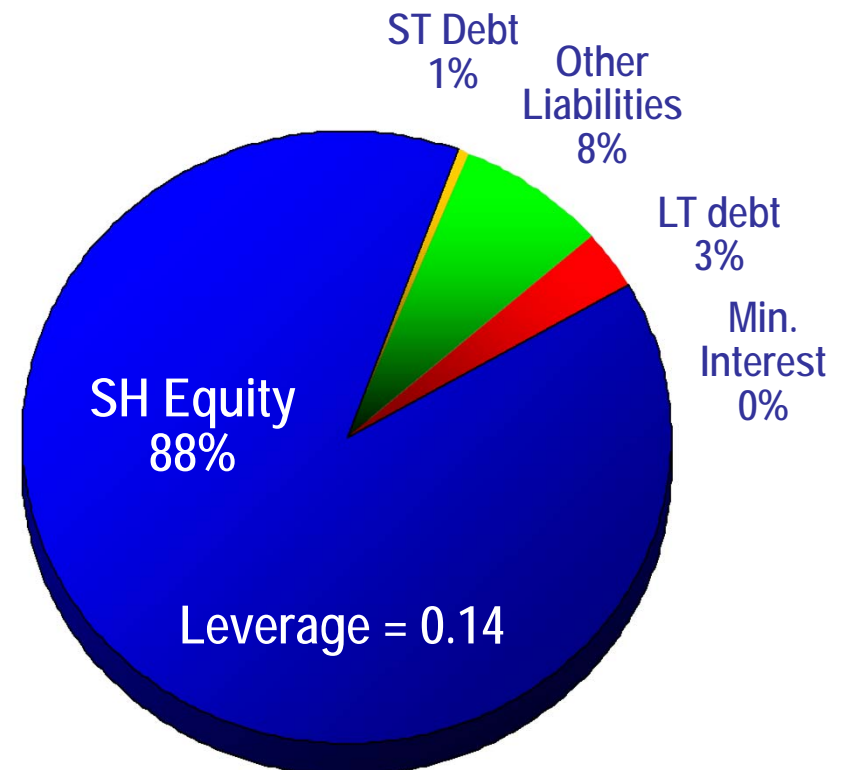
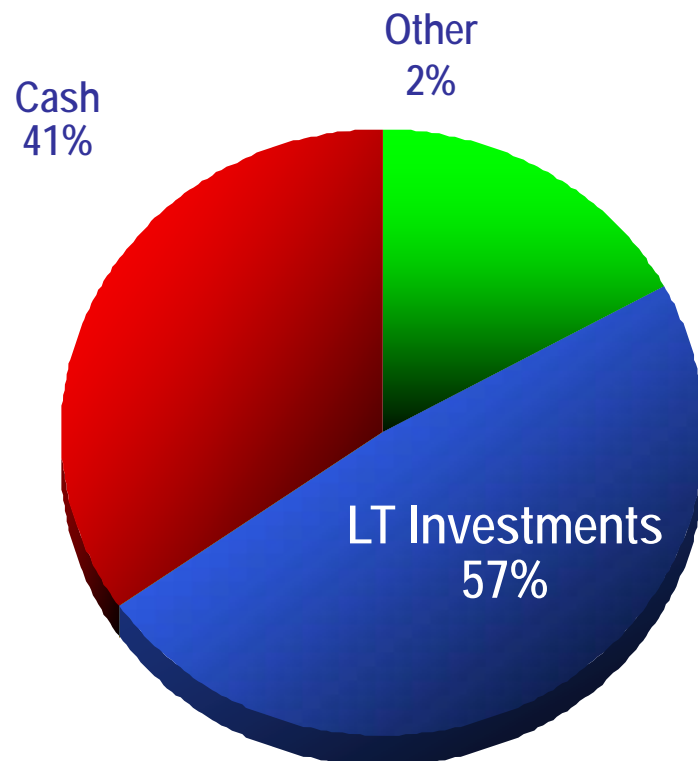
# Healthy Financial Structure



## Corporate Level

**Assets**  
US\$3.7 billion

**Liabilities and SH Equity**  
US\$3.7 billion



As of December 31, 2010

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

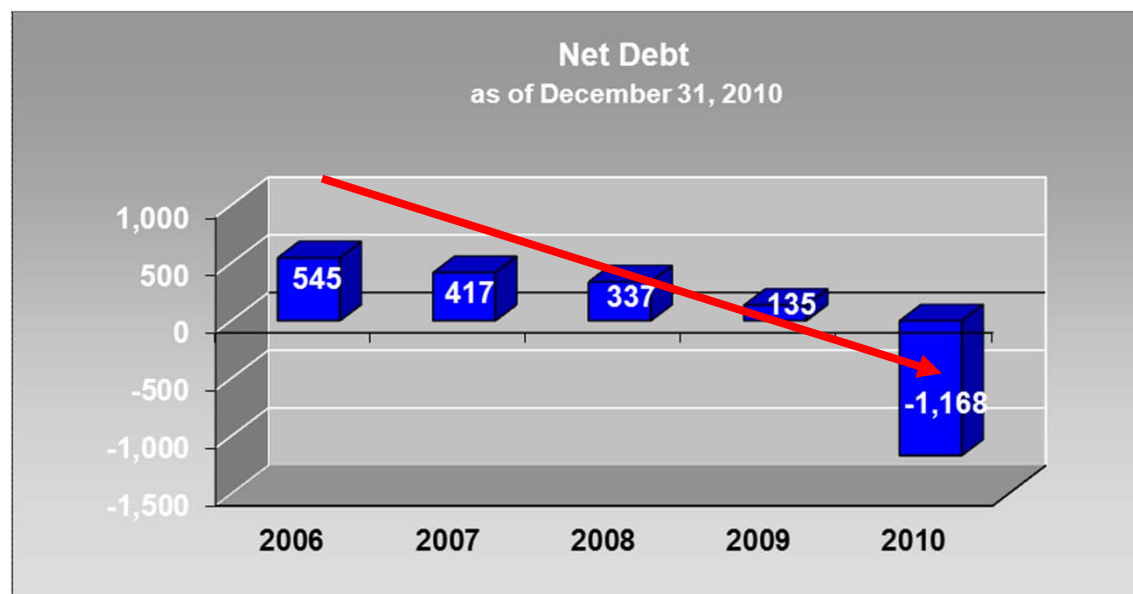
# Net Debt

## Corporate Level (adjusted)

In US\$ mlns

	2006	2007	2008	2009	2010
Debt	763	778	451	356	366
Cash	-218	-360	-114	-221	-1,534
<b>Net Debt</b>	<b>545</b>	<b>417</b>	<b>337</b>	<b>135</b>	<b>-1,168</b>

\* Adjusted for proportionate share of debt and cash of IRSA (50%), and of LQIF (67.04% in 2008 and 2009, 50% starting April 2010).



Note: Figures translated from nominal Chilean pesos at the exchange rate of: Ch\$468.01= 1US\$

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

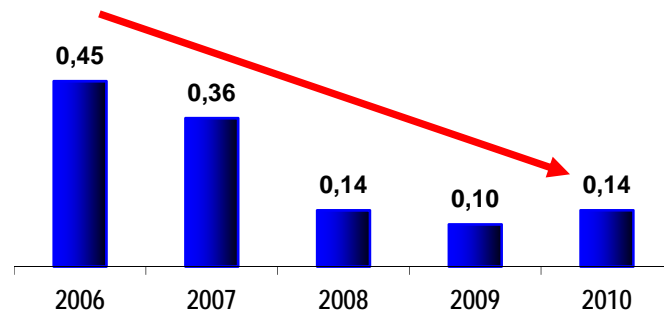


# Main Indicators Corporate Level

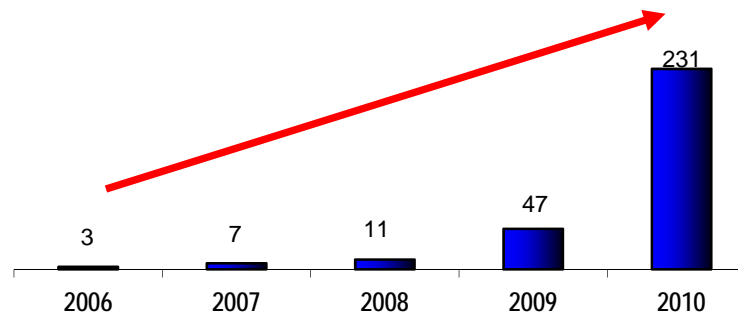


- Debt reduction has implied lower leverage
- High interest coverage
- Negative net debt

## LEVERAGE \*



## INTEREST COVERAGE



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

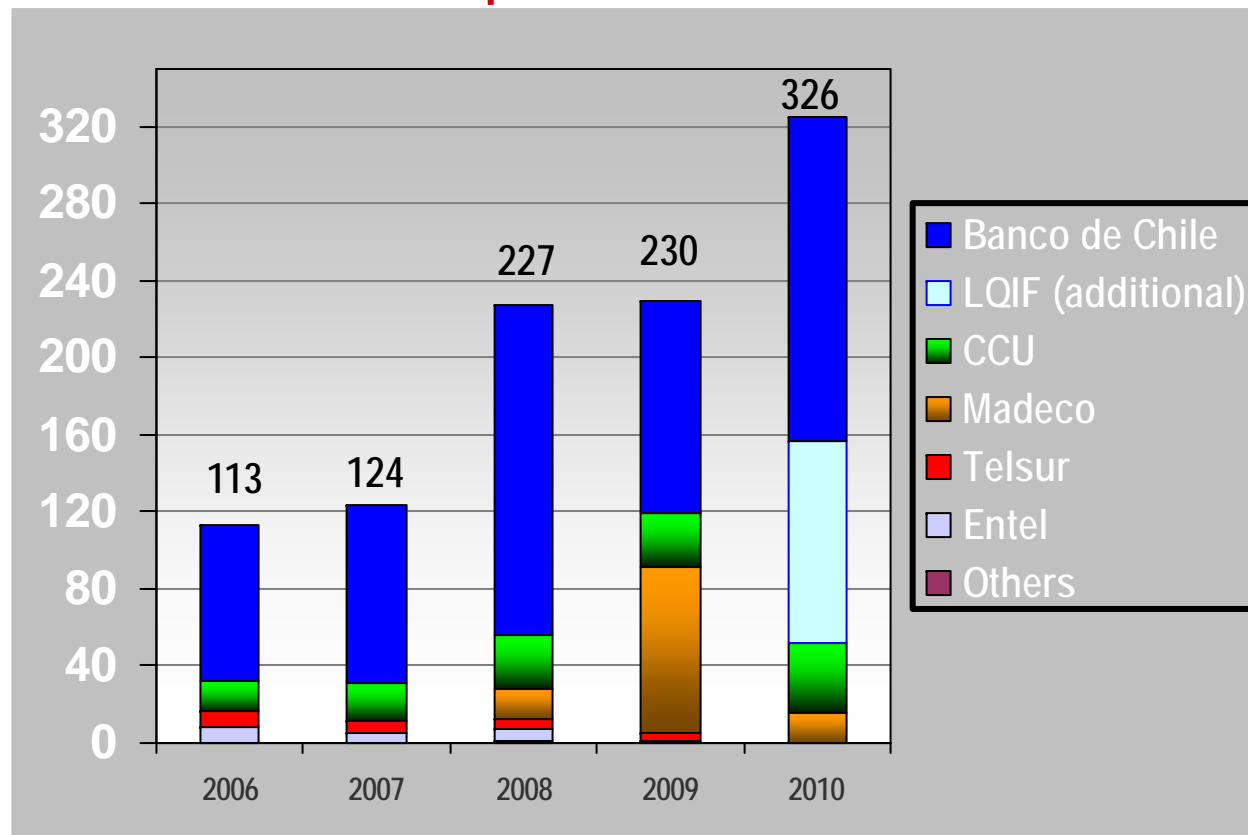
Quiñenco's healthy financial position lays the foundation for future growth

# Dividend Cashflow



In US\$ mlns

## Corporate Level



Note: Figures translated from nominal Chilean pesos at the exchange rate of : Ch\$468.01= 1US\$  
Additional dividend paid by LQIF in 2010 in accordance with the Agreement between Quiñenco and Citigroup.

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



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# Quiñenco acquires 18% stake in CSAV



- On March 22, 2011, Quiñenco acquired a 10% stake in Compañía Sud Americana de Vapores (CSAV) from Marinsa, controlling entity of CSAV, for US\$120 million (Ch\$285 per share).
- On April 6, 2001, Quiñenco acquires an additional 8% stake in CSAV, also from Marinsa, for US\$120 million (Ch\$350,50 per share).
- Quiñenco and Marinsa's intention is to control 20% each, subscribe capital increase of US\$1 billion (in two stages), and sign a shareholders agreement.
- Shareholders' Meeting held on April 8 approved the first stage of the capital increase and Guillermo Luksic was elected Chairman of the Board
  - Quiñenco elected 3 directors out of 11 members



# Quiñenco signs agreement to acquire Shell's assets in Chile



- March 31, 2011, Quiñenco announces agreement with Royal Dutch Shell PLC ([Shell](#)) to acquire Shell's assets in Chile , including the distribution of fuel through Shell's service stations across the country, distribution of lubricants, and other related businesses.
- The agreement also includes a 5 year renewable license with Shell Brands International A.G. for the use of the Shell trademark.
- Transaction closed on May 31, 2011, for a total amount of US\$633 million, including working capital and cash.
- Shell Chile has a network of approximately [300](#) service stations with more than [60](#) convenience stores.
- Shell Chile also distributes fuels to industrial clients, Shell lubricants, and has other related businesses such as chemical and asphalt products.



Note: Shell brands used under license



- Overview
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# Contribution to Quiñenco's Net Income by Segment



In US\$ mlns

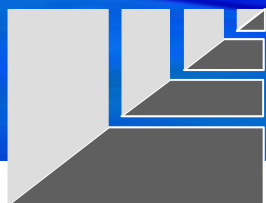
	12/31/2009	12/31/2010	% Change
Manufacturing	38.8	(6.0)	-116%
Financial	433.5	604.9	40%
Other	141.2	434.9	208%
<b>Consolidated Net Income</b>	<b>613.5</b>	<b>1,033.8</b>	<b>69%</b>
Minority Interest	(281.5)	(410.7)	46%
<b>Net Income attributable to Controller</b>	<b>332.0</b>	<b>623.1</b>	<b>88%</b>

## Year 2010 Highlights

- **Financial:** Boosted by Banco de Chile's 47% growth in results, reflecting an improved economic outlook leading to loan growth and reduced provisions for loan losses.
- **Other:** i) Sale of Telsur generates profit of MUS\$16 in 1Q and Citigroup's exercise of its options in 2Q generated a pre-tax gain of MUS\$310 and net equity increment of MUS\$241, all at the Corporate level. ii) Gains from negative inflation in 2009 become losses in 2010 with positive inflation. iii) CCU's operating income grew by 18%, boosted by sales volume growth in all business segments. Net income, however, was lower than 2009 mainly due to a non-recurring gain registered that year.
- **Manufacturing:** Madeco's improved operating income, reflecting sound performance of the flexible packaging unit, was offset by lower non-operating results.



- Overview
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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\$39 billion
- Over 14,000 employees
- Nationwide network of 422 branches and 1,976 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	19.2%	US\$160 billion
Deposits	18.7%	US\$139 billion

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





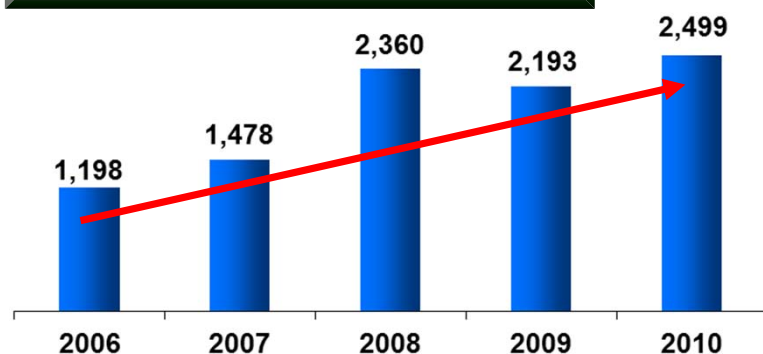
# Banco de Chile



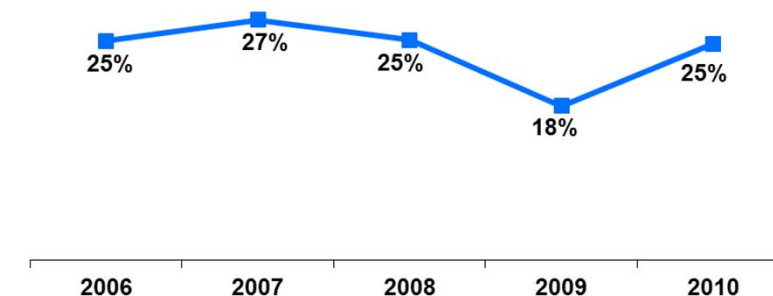
## Financial Services (MUS\$, as of December 31, 2010)

- During the past 4 years the Bank's operating income has grown at an annual compound rate of 19%, reaching **MUS\$2,499** as of December 2010.
- Net income in 2010 was **MUS\$809**, 47% above 2009 results
- Loan portfolio grew **9.0%** over the past twelve months
- ROAE = **25%**, one of the highest in the Chilean financial system

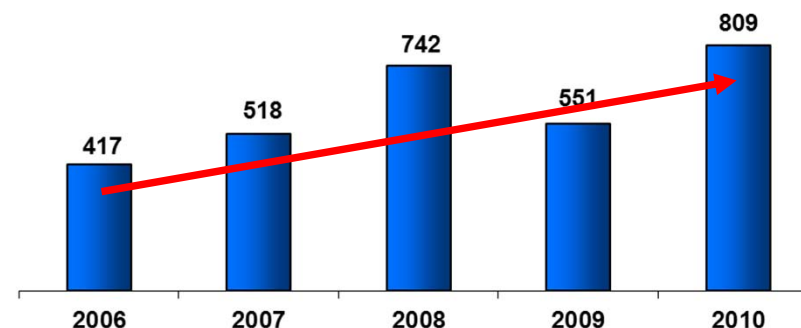
### OPERATING INCOME



### ROAE

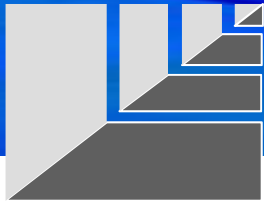


### NET INCOME



Note: Figures translated from nominal Chilean pesos at the exchange rate of : Ch\$468.01= 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\$2.5 billion.
- Over 5,400 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



CCU  
Un mundo de sabores



SAN PEDRO  
VINEYARDS & WINERY



	Ranking	Mkt Share
Beer in Chile	1	83%
Beer in Argentina	2	23%
Soft drinks	2	24%
Juices & Nectars	1	59%
Mineral Water	1	60%
Wine in Chile	3	24%
Wine exports	2	12%
Pisco	1	50%



CCU

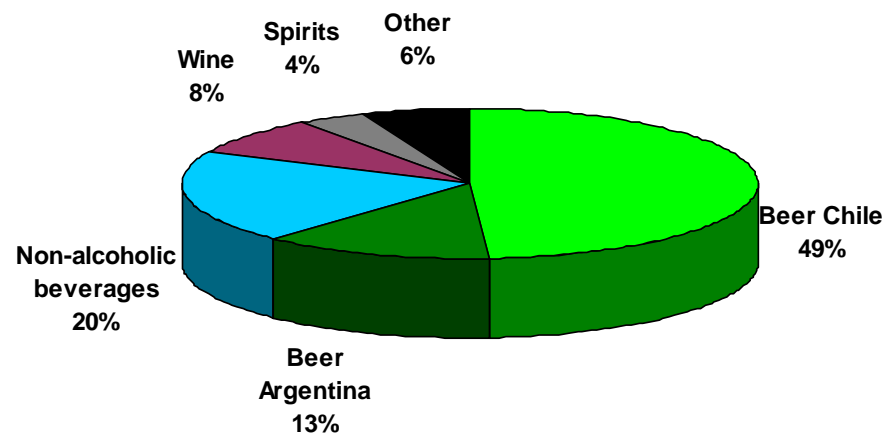


## Beverage & Food

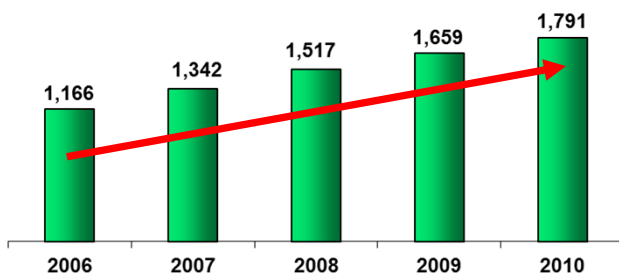
(MUS\$, as of December 31, 2010)

- Sales grew **8%** during 2010 to **MUS\$1,791** boosted by growth in sales volumes
- Net income for the period reached **MUS\$237**, 14% less than the previous period, due to lower non-operating results, which in 2009 include a non-recurring gain on the sale of 29.9% of Aguas CCU to Nestlé.
- EBITDA was **MUS\$443**, increasing by **14%** from 2009

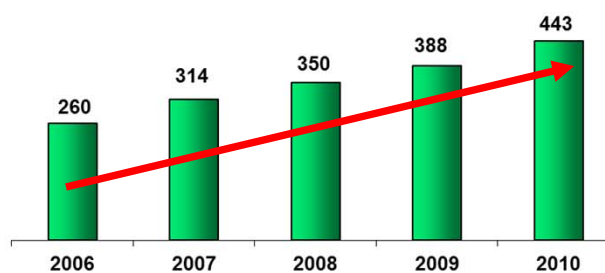
EBITDA by Business Segment  
YTD September 2010



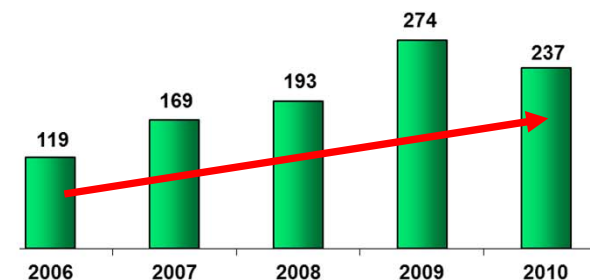
### SALES



### EBITDA

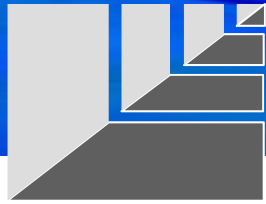


### NET INCOME



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# Madeco

## Manufacturing

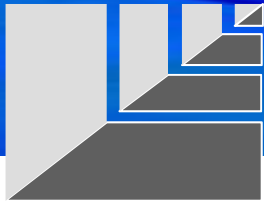


# MADECO

- 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 5,000 customers.
- 11 facilities in Chile, Argentina and Peru
- Assets of US\$712 million
- Approx. 2,400 employees
- Annual sales volumes of 60,000 tons.
- Traded on Santiago Stock Exchange
- Historic agreement with French cable producer Nexans closed in Sept. 2008
- Madeco is now the main shareholder of Nexans with two directors on its Board and an 9.98% share.
- Agreement signed with Nexans to increase share to 20%

	Ranking	Mkt Share
Flex. Packaging Chile	1	33%
Flex. Packaging Peru	1	58%
Flex. Packaging Arg.	3	5%
Brass mills Chile	1	63%
Alum. Profiles Chile	1	50%





# Nexans

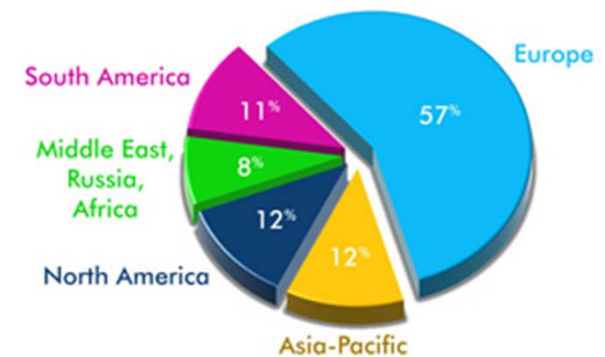
## Manufacturing



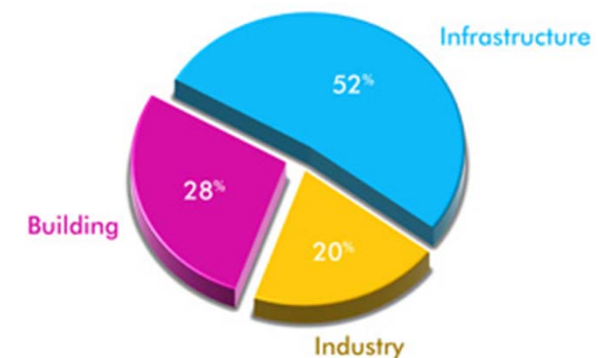
- Nexans is the worldwide leader in the cable industry with presence in 40 countries and commercial activities worldwide, after over a century of progress.
- Headquartered in Paris, France, Nexans produces cables and cabling systems at more than 90 production sites across 5 continents.
- 2010 sales of 6 billion Euros.
- 23,700 employees
- Nexans is listed on Euronext Paris.



2010 Sales by Origin



2010 Sales by Key-end Markets



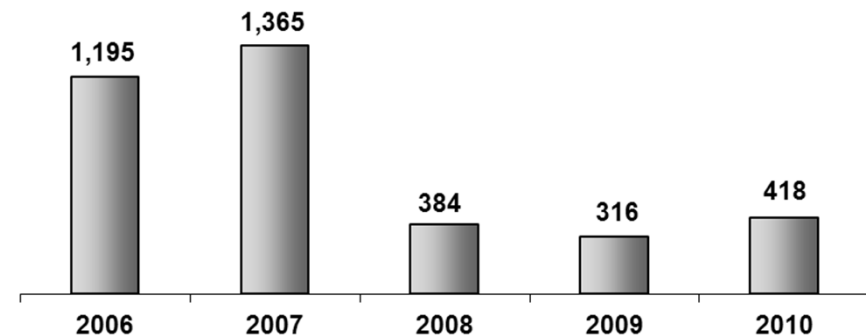


## Manufacturing

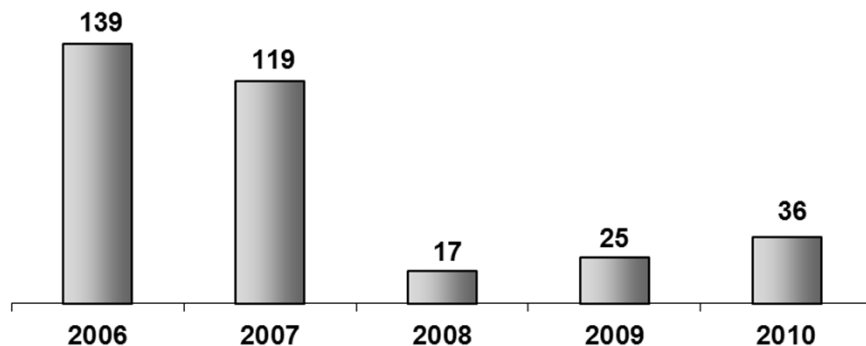
(MUS\$, as of December 31, 2010)

- Sales in 2010 grew by 32% to MUS\$418 boosted by brass mills and flexible packaging.
- Net income was a loss of MUS\$11 mainly due to the settlement reached with Nexans that implied a negative adjustment to the price of the cable unit.

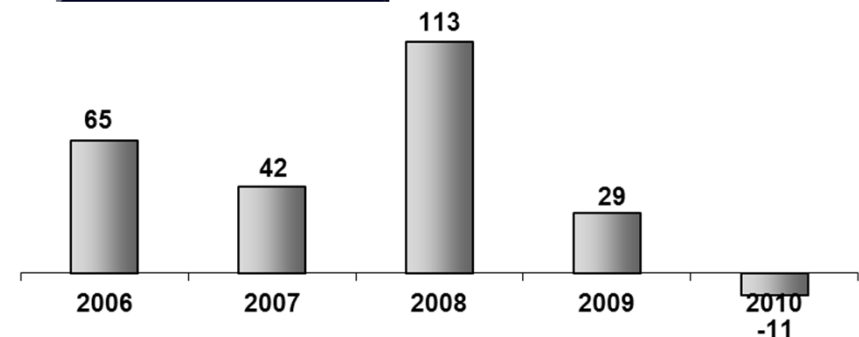
### SALES



### EBITDA



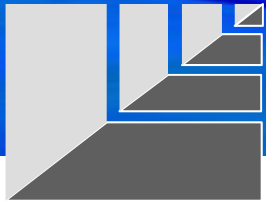
### NET INCOME



Note: Figures translated from nominal Chilean pesos at the exchange rate of : Ch\$468.01= 1US\$



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# General Outlook for Quiñenco



## Portfolio Optimization

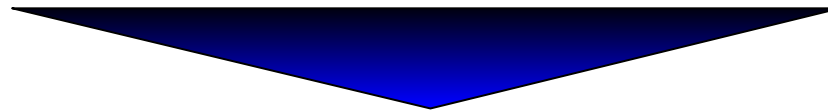
- Good performance of main operating companies should contribute to sustained dividend upflow

## Healthy Financial Structure

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

## Low Level of Debt

- High Cash levels
- Current debt levels allow further leveraging



These factors contribute to Quiñenco's ability to pursue and 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