



**FOR IMMEDIATE RELEASE**

**MADECO S.A. ANNOUNCES**  
**CONSOLIDATED INTERIM RESULTS FOR THE FOURTH QUARTER OF 2011**

Santiago, Chile – March 12, 2012 - Madeco S.A. (“Madeco”) announced its consolidated interim financial results in IFRS from IASB for the fourth quarter which ended December 31, 2011. All figures are expressed in U.S. Dollars. Historic financial information was calculated using the equivalent currency conversion for each amount on the corresponding date.

**Madeco Highlights**

- Sales volumes during the quarter decreased to 13.818 tons, down 6.4% from the fourth quarter 2010.
- Consolidated Revenues reached US\$99,400 thousand, decreasing 10.3% respect to fourth quarter 2010. This is mainly explained by lower revenues in Tubes unit as a consequence of lower sales volumes due to the closing of cooper sheet line during the last quarter of 2010 and the divestiture of the coin blank unit in June of 2011.
- Operating income for the quarter decreased by 27.8%, reaching US\$ 4,148 thousand. The result is consequence of better results in Tubes, partially offset by the Packaging and Profile unit.
- Net income (loss) attributable to controller reached a gain of US\$ 6,547 thousand, compared to a loss of US\$ 17,538 thousand in the fourth quarter of 2010.
- According to interpretations of the new accounting standards (IFRS), the Company’s investment in Peru (Peruplast S.A.), through Alusa S.A., has been recognized as a joint business. As a result, the financial statements of Madeco and its subsidiaries only consolidate the holding share (50% in the case of Alusa S.A.). This change was retroactively applied in the new IFRS presentation, whereby Madeco’s Financial Statements have been restated in the years 2009 and 2008 to reflect this change. Finally, it is worth mentioning that this change in the treatment of the consolidation of the Company’s investment in Peru, does not affect Madeco’s net income.

## 1. Highlights of the Income Statement (Exhibit 1 and 2)

<b>Volumes</b>	Sales volumes at the end of December 2011 declined by 6.4% compared to same period of 4Q10. This decrease is mainly explained by lower volumes in Brass Mills unit as a consequence of closing of the cooper sheet line during the last quarter of 2010 and the divestiture of Coin Blank unit in June of 2011.
<b>Revenues</b>	<p>Consolidated revenues decreased by 10.3%, reaching to US\$99,400 thousand compared to 4Q10 figures. The mix of sales is explained by:</p> <ul style="list-style-type: none"> <li>(i) <i>Packaging unit:</i> Revenues amounted to US\$52,547 thousand, decreasing by 2.2%, mainly explained by lower sales volumes both in Chile and Argentina.</li> <li>(ii) <i>Brass Mills unit:</i> Lower revenues by 20.7% explained by a decrease in sales volume as a consequence of closing of cooper sheets lines during the last quarter of 2010 and the divestiture of the Coin Blank unit in June of 2011.</li> <li>(iii) <i>Profile unit:</i> Revenues decreased by 11.8% as a consequence of lower sales volumes.</li> </ul>
<b>Gross Margin</b>	For the 4Q11, gross margin was US\$16,636 thousand, a decrease of 8.8% respect to 4Q10. This decline is mainly attributable to a lower Gross Margin in Profile and Packaging units. The lower gain in Profile unit is attributable to a lower sales volumes and higher manufacture costs due to increased sales of imported products instead of products manufactured by the factory. Meanwhile, Packaging unit was affected by lower volumes sales in Chile and higher costs due the start up of new facilities in Peru. These effects were partially offset by higher margins in Tubes unit.
<b>Operating Income<sup>1</sup></b>	Operating Income reached US\$ 4,148 thousand, decreasing by 27.8% compared to 4Q10. This decrease is mainly attributable to a lower Gross Margins in Profile and Packaging unit, commented above, partially offset by lower SG&A in Tubes unit as a consequence of the closing of cooper sheets line and the divestiture of Coin Blank unit.
<b>Other Income (Loss)<sup>2</sup></b>	<p>Considering financial results, exchange rate differences and other incomes non-related to operations; Madeco obtained a loss of US\$ 1,961 thousand which compares positively with a loss of US\$ 20,409 thousand in 4Q10. The lower loss during 4Q11 is attributable to:</p> <ul style="list-style-type: none"> <li>(i) Impairments of assets related to the closing of cooper sheet line in Tubes unit by the end of 2010 for US\$6.4 millions.</li> <li>(ii) The settlement between Nexans and Madeco by the adjustment in the selling price in Cables unit by the end of 2010, which had a negative impact in Madeco's financial statements of US\$ 14.8 millions</li> </ul>

<sup>1</sup> Estimated as the sum of: gross margin, R&D expenses, distribution costs, marketing and administrative expenses.

<sup>2</sup> Estimated as the sum of: Other income of operations, Equity in earning (losses) of related companies, Other general expenses of operations, Financial income and expenses, Price-level restatement, and Other Incomes (losses) & Other effects.

<b>Income Tax</b>	Income tax during 4Q11 totaled a debit of US\$6,760 thousand compared to a charge of US\$1,822 thousand registered during the same period in 2010, which is mainly explained by the legal ownership restructuring undertaken during 2011, which generated a deferred tax asset in the packaging unit, having an effect on financial statements of US\$ 8.6 million.
<b>Minority Interest</b>	Reflects the portion of earnings/losses corresponding to the participation of minority shareholders in the subsidiaries of Madeco (i.e Alusa, Indalum and Decker). Minority Interest reached US\$2,461 thousand in 4Q11, 134.6% higher than the one registered in 4Q10 as a consequence the better results registered in Packaging unit.
<b>Net Income</b>	Net income (loss) attributable to controller registered a gain of US\$6,486 thousand in 4Q11, which compares positively to a loss of US\$17,531 thousand reached in 4Q10. The better result of the quarter is due to the charges of registered during the 4Q10 as a consequence of the settlement between Nexans and Madeco and the impairment of the cooper sheets lines. Furthermore, the Income Tax was positively impacted by an internal corporate restructuring undertaken during the 4Q11.

## 2. Analysis by Business Unit (Exhibits 3 & 4)

<b>Packaging</b>	<p>Revenues of Packaging units amounted to US\$52,547 thousand, a decrease of 2.2% respect to the same period in 2010. This decline is driven by lower volumes sales both Chile and Peru.</p> <p>Cost of sales totaled US\$42,556 thousand, in line with the 4Q10. This is mainly to a higher depreciation due to the new facilities in the Peruvian subsidiary and the investments made in Chile.</p> <p>Gross Margin decreased by 11.7% in comparison of 4Q10. This decline is mainly explained by lower volumes sales and higher depreciation.</p> <p>Selling, general and administrative expenses grew by 23.3% compared to 4Q10 due to higher distribution expenses as a consequence of a reclassification of storage cost, higher volumes exported and the start up of the new facilities in Peru.</p> <p>Operating income amounted to US\$4,765 thousand for the period, showing a decrease of 32.6% respect to 4Q10, mainly explained by lower Gross Margin due to lower sales volumes in Chile and higher SG&amp;A due to start up of new facilities in Peruvian subsidiaries.</p>
<b>Tubes</b>	<p>Revenues for the period decreased 20.7%, reaching US\$32,228 thousand, compared to 4Q10, explained by lower volumes sales as a consequence of the closing of cooper sheets line during the last quarter of 2010.</p> <p>Cost of sales reached to US\$29,282 thousand, decreasing by 24.5% respect to 4Q10. This decline is attributable to lower sales volumes.</p>

Gross Margin amounted US\$ 2,946 thousand, increasing 57.8% respect to 4Q10 due to higher margins during the period as a consequence of focusing on profitable products and the better mix of products sold

Selling, general and administrative expenses decreased by 29.2%, as a consequence of the divestiture of the Blank Coin assets during the 2Q11.

Operating income for the period amounted to a gain of US\$622 thousand, compared positively to a loss of US\$1,417 thousand. This is explained by higher margins in Chile and lower SG&A, as a consequence of the divestiture of Coin Blank unit.

### **Profiles**

Revenues for the period registered a decrease of 11.8% respect to 4Q10. This decline is attributable to lower volumes sales registered in the period as a consequence of decreasing in the sales of projects as a result of macroeconomic uncertainty.

Gross margin reached US\$3,632 thousand, a decrease of 28.5% compared to 4Q10 due to higher manufacture cost due to lower sales volumes made by the factory

Selling, general and administrative expenses registered a decline of 5.5%.

Operating income reached a gain of US\$97 thousand, compared negatively with a gain recorded in 4Q10 of US\$1,344 thousand as a result of lower activity due to the uncertain global macroeconomic scenario.

### **Corporate**

This segment was created based on the interpretation of international accounting standards, due to the significance of the Company's investments (i.e. cash, time deposits and shares of Nexans received after the sale of the Wire & Cable unit of the Company). Along with this, other assets were defined as investments (assets for lease, etc.). As of December 2011, this unit has no relevant revenue with third parties. Selling, general and administrative expenses reflect the Company's corporate expenses.

### 3. Balance Sheet Analysis (Exhibit 5)

**Assets** The Company's assets as of December 31, 2011 amounted to US\$741,369 thousand, an increase of 4.9% from US\$706,548 thousand as reported on December 31, 2010.

*Current Assets of Continuing Operations*

Reached US\$186,540 thousand, a decrease of 34,0% compared to the end of 2010. This lower balance is explained by a decrease in cash and cash equivalent as a consequence of financing Nexans's share purchase. Furthermore, Tubes units recorded lower level of inventories and account receivables as a consequence on the closing of cooper sheet lines.

*Non Current Assets*

Totaled US\$550,621 thousand, an increase of 31.2% respect to the end of December 2010. This effect is explained by the purchasing of shares of Nexans, reaching by 19.9% compared to 8.9% as of December 2010. Deferred taxes increase by 262%, due an internal corporate restructuring undertake in 2011.

**Liabilities** Total liabilities as of December 31, 2011 reached US\$249,220 thousand, higher than US\$177,715 thousand as of December 2010. This difference is mainly explained by higher financial debt as a consequence of Nexans's share acquisition.

**Shareholders' Equity** As of December 31, 2011 shareholders' equity attributable to controller amounted US\$492,149 thousand, which represents a decrease of 6.9% compared to end of 2010.

*Capital*

Totaled US\$ 469,497 thousand, an increase of 19.9% respect to December 2010 as a consequence of a capital increase by the issuance of 1.760.974.629 shares for payment.

*Other Reserves (Reserves)*

Amounted a negative balance of US\$120,126 thousand by the end of December 2011, higher than the positive balance of US\$12,071 thousand reached at the end of 2010, mainly due to the market value and exchange rate differences of the investment in Nexans. It should be mentioned that the investment in Nexans is accounted as a financial asset, and therefore, unless a significant and permanent deterioration of value caused by either the exchange rate US/Euro or Nexans's shares price, any difference is recognized as an equity reserve.

*Minority Interest*

Totalized US\$26,681 thousand as of December 2011 compared to the balance of US\$22,372 thousand registered as of December 2010, due to the profits obtained in the Packaging unit. Minority interest reflects subsidiaries where Madeco has minority shareholders (i.e. Alusa, Decker and Indalum)

*Retained Earnings / (Accumulated Losses)*

Retained earnings for the period totalized US\$29,709 thousand higher than the US\$16,298 thousand posted as of December 2010. The difference between both balances is explained by the better performance during the year.

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*Madeco, previously Manufacturas de Cobre MADECO S.A., was incorporated in 1944 as an open corporation under the laws of the Republic of Chile, and today has operations in Chile, Peru, and Argentina. Madeco is considered, a Latin American leader, in the manufacture of finished and semi-finished products in copper, copper alloys and aluminum. The Company is also a leader in the production of flexible packaging used in packing mass consumption products like foods, sweets and cosmetics. The Company was formerly traded on the New York Stock Exchange under the ticker symbol MAD and in the over-the-counter market under the ticker symbol MADKY.*

*Readers are warned not to place too much reliance on the future declarations contained in the above text, which are based on the position today. The Company is under no obligation to announce publicly the results of revisions to those declarations about the future which might be made to reflect events or circumstances after today including, but without limitation to changes in the Company's strategy or in its capital expenses, or to reflect the occurrence of unforeseen events.*

**Exhibit 1: P&L Statement  
(YTD Dec)**

	Thousand US\$ (1)		% Variation
	YTD Dec-10	YTD Dec-11	
Revenues	417,515	436,825	4.6%
COGS	(349,756)	(360,006)	2.9%
<b>Gross Margin</b>	<b>67,759</b>	<b>76,819</b>	<b>13.4%</b>
SG&A	(45,893)	(51,583)	12.4%
<b>Operating Income</b>	<b>21,866</b>	<b>25,236</b>	<b>15.4%</b>
Other income of operations	4,067	8,366	105.7%
Equity in earning (losses) of related companies	-	-	
Other general expenses of operations	(6,252)	(4,000)	-36.0%
Financial income	1,674	1,109	-33.8%
Financial expenses	(5,373)	(7,481)	39.2%
Price-level restatement	(102)	(1,898)	1760.8%
Other Incomes (losses) & Others effects	(18,754)	3,338	
<b>Income (Loss) before income taxes</b>	<b>(2,874)</b>	<b>24,670</b>	
Income tax	(4,143)	238	
<b>Income (Loss) form continued operations</b>	<b>(7,017)</b>	<b>24,908</b>	-455.0%
Income (Loss) form discontinued operations	-	-	
<b>Net Income (Loss)</b>	<b>(7,017)</b>	<b>24,908</b>	
Net Income (Loss) attributable to minority interest	4,032	5,751	42.6%
<b>Net Income (Loss) attributable to controller</b>	<b>(11,049)</b>	<b>19,157</b>	

**Exhibit 2: P&L Statement  
(Quarterly Results)**

	Thousand de US\$ (1)		% Variation
	4Q10	4Q11	
Revenues	110,845	99,400	-10.3%
COGS	(92,595)	(82,764)	-10.6%
<b>Gross Margin</b>	<b>18,250</b>	<b>16,636</b>	<b>-8.8%</b>
SG&A	(12,508)	(12,488)	-0.2%
<b>Operating Income</b>	<b>5,742</b>	<b>4,148</b>	<b>-27.8%</b>
Other income of operations	306	1,747	470.9%
Equity in earning (losses) of related companies	-	-	0.0%
Other general expenses of operations	(4,069)	(853)	-79.0%
Financial income	449	120	-73.3%
Financial expenses	(1,564)	(1,903)	21.7%
Price-level restatement	51	(461)	
Other Incomes (losses) & Others effects	(15,582)	(611)	-96.1%
<b>Income (Loss) before income taxes</b>	<b>(14,667)</b>	<b>2,187</b>	
Income tax	(1,822)	6,760	
<b>Income (Loss) form continued operations</b>	<b>(16,489)</b>	<b>8,947</b>	
Income (Loss) form discontinued operations	-	-	
<b>Net Income (Loss)</b>	<b>(16,489)</b>	<b>8,947</b>	
Net Income (Loss) attributable to minority interest	1,049	2,461	134.6%
<b>Net Income (Loss) attributable to controller</b>	<b>(17,538)</b>	<b>6,486</b>	



**Exhibit 3: EBITDA by Business Unit**  
(Quarterly Results)

**4Q10**

Thousand of US\$	Corporate	Tubes	Flexible Packaging	Profiles	Total
Revenues	-	40,657	53,743	16,445	110,845
COGS	-	(38,790)	(42,443)	(11,362)	(92,595)
Gross Income	<b>0</b>	<b>1,867</b>	<b>11,300</b>	<b>5,083</b>	<b>18,250</b>
SG&A	(1,254)	(3,284)	(4,231)	(3,739)	(12,508)
Operating Income	<b>(1,254)</b>	<b>(1,417)</b>	<b>7,069</b>	<b>1,344</b>	<b>5,742</b>
<b>EBITDA</b>	<b>(1,196)</b>	<b>(679)</b>	<b>9,249</b>	<b>2,260</b>	<b>9,634</b>

**4Q11**

Thousand of US\$	Corporate	Tubes	Flexible Packaging	Profiles	Total
Revenues	116	32,228	52,547	14,509	99,400
COGS	(39)	(29,282)	(42,566)	(10,877)	(82,764)
Gross Income	<b>77</b>	<b>2,946</b>	<b>9,981</b>	<b>3,632</b>	<b>16,636</b>
SG&A	(1,413)	(2,324)	(5,216)	(3,535)	(12,488)
Operating Income	<b>(1,336)</b>	<b>622</b>	<b>4,765</b>	<b>97</b>	<b>4,148</b>
<b>EBITDA</b>	<b>(1,245)</b>	<b>1,183</b>	<b>7,197</b>	<b>939</b>	<b>8,074</b>

**Exhibit 4: EBITDA by Business Unit**  
(YTD Dec)

**YTD Dec 10**

Thousand of US\$	Corporate	Tubes	Flexible Packaging	Profiles	Total
Revenues	0	165,506	199,120	52,889	417,515
COGS	0	(152,526)	(158,140)	(39,090)	(349,756)
<b>Gross Income</b>	<b>0</b>	<b>12,980</b>	<b>40,980</b>	<b>13,799</b>	<b>67,759</b>
SG&A	(6,472)	(11,881)	(14,766)	(12,774)	(45,893)
<b>Operating Income</b>	<b>(6,472)</b>	<b>1,099</b>	<b>26,214</b>	<b>1,025</b>	<b>21,866</b>
<b>EBITDA</b>	<b>(6,225)</b>	<b>4,042</b>	<b>33,819</b>	<b>4,523</b>	<b>36,159</b>

**YTD Dec 11**

Thousand of US\$	Corporate	Tubes	Flexible Packaging	Profiles	Total
Revenues	336	150,167	225,944	60,378	436,825
COGS	(115)	(135,806)	(180,767)	(43,318)	(360,006)
<b>Gross Income</b>	<b>221</b>	<b>14,361</b>	<b>45,177</b>	<b>17,060</b>	<b>76,819</b>
SG&A	(6,001)	(10,380)	(20,456)	(14,746)	(51,583)
<b>Operating Income</b>	<b>(5,780)</b>	<b>3,981</b>	<b>24,721</b>	<b>2,314</b>	<b>25,236</b>
<b>EBITDA</b>	<b>(5,442)</b>	<b>5,980</b>	<b>33,558</b>	<b>5,751</b>	<b>39,847</b>

## Exhibit 5: Consolidated Balance

	Thousand of US\$	
	YTD Dec 10	YTD Dec 11
Cash and Cash Equivalents	69,154	20,835
Other current financial assets	257	342
Other Non-Financial Assets, Current	18,487	4,768
Trade and other accounts receivables, Current	103,113	87,506
Accounts Receivable Related Institutions, Current	724	479
Inventories	78,543	66,626
Current tax assets	12,190	5,984
<b>Current Assets in Operation, Current, Total</b>	<b>282,468</b>	<b>186,540</b>
No Current Assets and Disposal Groups Held for Sale	4,500	4,208
<b>Total Current Assets</b>	<b>286,968</b>	<b>190,748</b>
Other financial assets, Non Current	200,988	296,591
Other non-financial assets, Non Current	19,361	18,049
Investment accounted using the equity method	-	-
Intangible assets other than goodwill	2,507	3,118
Goodwill	848	848
Property, Plant and Equipment	178,578	180,218
Investment Property	5,408	7,520
Deferred tax assets	11,890	44,277
<b>Total Non-current Assets</b>	<b>419,580</b>	<b>550,621</b>
<b>Total Assets</b>	<b>706,548</b>	<b>741,369</b>
Other current financial liabilities	60,509	47,780
Trade accounts payable and other payables	41,073	41,621
Accounts payable to related entities, Current	12	2
Other short-term provisions	10,315	9,081
Current tax liabilities	2,545	922
Current provisions for employee benefits	6,689	6,545
Other non-financial liabilities, Current	3,079	8,478
<b>Current Liabilities in Operation, Current, Total</b>	<b>124,222</b>	<b>114,429</b>
Liabilities Included in Disposal Groups Kept for Sale	-	-
<b>Total Current Liabilities</b>	<b>124,222</b>	<b>114,429</b>
Other financial non-current liabilities	33,341	115,350
Other long-term provisions	1,570	2,864
Deferred tax liability	9,904	9,482
Non-current provisions for employee benefits	8,677	7,094
Other non-financial liabilities, Non Current	1	1
<b>Total non-Current Liabilities</b>	<b>53,493</b>	<b>134,791</b>
Capital emitido	391,440	469,497
Ganancias (pérdidas) acumuladas	16,298	29,709
Primas de emisión	86,652	86,388
Acciones propias en cartera	-	-
Otras participaciones en el patrimonio	-	-
Otras reservas	12,071	(120,126)
<b>Patrimonio Neto Atribuible a Controladora</b>	<b>506,461</b>	<b>465,468</b>
Interés Minoritario	22,372	26,681
<b>Total Patrimonio Neto</b>	<b>528,833</b>	<b>492,149</b>
<b>Liabilities and Shareholders' Equity</b>	<b>706,548</b>	<b>741,369</b>

**Exhibit 6: Consolidated Statement of Cash Flow**

	Thousand of US\$	
	YTD Dec 10	YTD Dec 11
Receipts from sales of goods and services	462,632	511,630
Payments to suppliers for goods and services	(422,542)	(408,363)
Payments to and on behalf of employees	(53,367)	(52,404)
Dividend received	2,660	3,468
Interest paid	(5,597)	(5,503)
Interest received	2,078	1,110
Income taxes refunded (paid)	(359)	645
Other inputs (outputs) of cash	12,826	6,709
<b>Net cash flows from (used in) operating activities</b>	<b>(1,669)</b>	<b>57,292</b>
Cash flows from loss of control of subsidiaries or other businesses	-	25,950
Cash flows used for control of subsidiaries or other businesses	(161)	(109)
Cash flows used in the purchase of non-controlling interests	-	(254,879)
Amounts from the sale of property, plant and equipment	193	3,812
Purchases of property, plant and equipment	(23,106)	(16,790)
Purchases of intangible assets	(753)	(931)
Income taxes refunded (paid)	-	(613)
Other inputs (outputs) of cash	-	(335)
<b>Net cash flows from (used in) investing activities</b>	<b>(23,827)</b>	<b>(243,895)</b>
Amounts from the share issue	-	77,793
Total amounts from loans	51,636	344,940
Loans to related entities	-	-
Loan Payments	(39,872)	(276,825)
Payments of financial lease liabilities	(2,175)	(3,541)
Dividends paid	(30,444)	(1,208)
Other inputs (outputs) in cash	(727)	(831)
<b>Net Cash Flows (Used in) Financing Activities</b>	<b>(21,582)</b>	<b>140,328</b>
<b>Net increase (decrease) in cash and cash equivalents, before the effect of changes in the exchange rate</b>	<b>(47,078)</b>	<b>(46,275)</b>
Effects of variation in the exchange rate on cash and cash equivalents	1,898	(2,044)
<b>Net change in cash and cash equivalents</b>	<b>(45,180)</b>	<b>(48,319)</b>
Cash and cash equivalents, cash flow statements, Beginning Balance	114,334	69,154
<b>Cash and Cash Equivalents, Cash Flow Statement, Final Balance</b>	<b>69,154</b>	<b>20,835</b>