MADECO

FOR IMMEDIATE RELEASE

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

Santiago, Chile - May 26, 2011 - Madeco S.A. ("Madeco") announced its consolidated interim financial results in IFRS from IASB for the first quarter which ended March 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

- **Consolidated Revenues totaled US$108,488 thousand during 1Q11, 19,2% above 1Q10, mainly for strong activity in Profile unit and higher prices of raw materials in Brass Mills and Packaging units.**

- **Operating income for the quarter reached a gain of 51.4% over 1Q10. This increase is mostly explained by higher margins in Packaging unit and volumes sales in Profile unit as a consequence of an increase in activity in the construction sector.**

- **Net income (loss) attributable to controller reached a gain of US$7,265 thousand compared to a loss of US$2,515 thousand registered in the 1Q10. This better performance is attributable to a better operating income and the gain obtained in the sale of Nexans Colombia shares (Cedsa), which contributes with US$4,750 thousand (before taxes) to Net income. This as part of the settlement reached with Nexans.**

Thousand US$	**1Q11**	**1Q10**	**% Var.**
Revenues	108.488	91.034	19,2%
EBITDA	9.932	7.617	30,4%
EBITDA Margin	*9,2%*	*8,4%*	
Operating Income	6.338	4.185	51,4%
Net Income (loss) attributable to controller	7.265	-2.515	

- **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)

Volumes

Sales volumes at the end of March 2011 declined by 3.7% compared to same period of 1Q10. This decrease is explained by lower volumes in Brass Mills unit as a consequence of closing of cooper sheets lines during the last quarter of 2010. This effect was partially off set by higher volumes in Packaging and Profile unit with a growth of 5.7% and 22.7% respectively.

Revenues

Consolidated revenues grew by 19.2%, reaching to US$108,488 thousand compared to 1Q10 figures. The boosted in revenues is explained by:

(i) *Packaging unit:* Revenues amounted to US$53,958 thousand, increasing by 26.6% as a consequence of higher revenues registered in Chile, Peru and Argentina due to higher prices in raw materials.

(ii) *Brass Mills unit:* Higher revenues by 8,3% explained by the sustained raise in the price of cooper during the period.

(iii) *Profile unit:* Revenues grew by 26,4% as a consequence of increasing in sales volumes in 22.4%.

Gross Margin

For the 1Q11, gross margin totaled to US$18,780 thousand, an increase of 30,6% respect to 1Q10. This growth is attributable to a better margin in Packaging unit and to a lesser extent to reclassification of storage cost into administrative and distribution expenses. Besides, Profile units increased by 68% as a results of strong activity due to upturn in the construction sector.

Operating Income[1]

Operating income increased by 51.4%, reaching to US$4,185 thousand compared to 1Q10. This growth is attributable to the gains obtained in Packaging units mainly in Argentina, with a boosted of 186.5%, due to better margins; and Peruvian subsidiary with an increase of 26.2%, due to growth in sales volumes. Profile unit totaled a gain of US$462 thousand, which compares positively to a loss in 1T10 of US$ 394 thousand due to an increase in activity during the period.

[1] Estimated as the sum of: gross margin, R&D expenses, distribution costs, marketing and administrative expenses.

Other Income (Loss)[2]

Considering financial results, exchange rate differences and other incomes non-related to operations; Madeco obtained a gain of US$4,221 thousand which compares positively with a loss of US$1,570 thousand in 1Q10. The gain during 1Q11 is attributable to the selling of Nexans Colombia shares (Cedsa) for US$4,750 thousand as part of the settlement reached with Nexans.

Income Tax

Income tax during 1Q11 totaled a debit of US$1,164 thousand compared to a debit of US$4,353 thousand registered during the same period in 2010, which is mainly explained by the exposure of its tax asset that Parent company had in Chilean pesos during 2010.

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Minority Interest

Reflects the portion of earnings/losses corresponding to the participation of minority shareholders in the subsidiaries of Madeco (i.e Alusa, Indalum and Decker). Minoritary Interest reached US$1,131 thousand in 1Q11, 45.7% higher than the one registered in 1Q10.

Net Income

Net income (loss) attributable to controller registered a gain of US$7,265 thousand in 1Q11, which compares to a loss of US$2,515 thousand reached in 1Q10. The gain is attributable to a better operating results and an extraordinary gain as a consequence of selling Nexans Colombia shares for US$4,750 thousand.

2. Analysis by Business Unit (Exhibits 3, 4, 5 & 6)

Packaging

Revenues of Packaging units amounted to US$53,958 thousand, an increase of 26.6% respect to same period in 2010. This growth of 19.8%is driven by an increase in average prices as a consequence of higher prices of raw material. The higher revenues were recorded in Chile, Peru and Argentina with a growth of 17.1%, 27.4% and 35.7% respectively.

Cost of sales totaled US$42.630 thousand, an increase of 35.0% respect to 1Q10**.** This increase is due to higher prices of raw materials

Gross Margin accounted by 33.2% of increase in comparison of 1Q10. This growth is mainly explained by higher margins in Argentina and storage costs reclassification into distribution expenses.

Selling, general and administrative expenses grew by 48.4% compared to 1Q10 due to higher distribution expenses as a consequence of reclassification of storage cost and higher volumes exported.

Operating income amounted to US$6,446 thousand for the period, showing an increase of 23.6% respect to 1Q10. The increase is explained in Argentina and Peru with 186.5% and 26.1% growth respectively.

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[2] 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.

Brass Mills

Revenues for the period showed a growth of 8.3% of growth, reaching US$40,327 thousand, compared to 1Q10. The growth is explained by higher prices in raw material partially offset by a decrease of 29.6% in sales volumes.

Cost of sales reached to US$36.701 thousand, growing by 9.2% respect to 1Q10. This growth is attributable to higher prices in raw material partially offset by lower sales volumes.

Gross Margin kept stable respect to 1Q10, boosted by Brass Mills units in Chile and Argentina with a growth of 19.2% and 27.1% respectively. These effects are partially off sett by a loss in Coin Blanks subsidiary of US$162 thousand which compares negatively with a gain of US$367 thousand in 1Q10.

Selling, general and administrative expenses increased by 1.6% respects to 1Q10. This variation is attributable to a decrease of 7.2% in average exchange rate partially off set by lower sales volumes

Operating income for the period amounted to a gain of US$1,028 thousand, lower than the result registered during the same period in 2010; this is explained by the loss in Coin Blank subsidiary for US$379 thousand during the period.

Profiles

Revenues for the period registered an increase of 26.4% respect to 1Q10. This increase is attributable to higher prices and higher volumes sales, which increased by 22.7% as a consequence of better economic environment in the construction sector.

Gross margin reached US$3,779 thousand, an increase of 68.0% compared to 1Q10. This increase is a result of higher activity and the negative effect that had the Chilean earthquake in March 2010.

Selling, general and administrative expenses registered an increase of 25.4% over 1Q10 as a consequence of higher activity registered during the period and lower average exchange rate.

Operating income reached a gain of US$462 thousand, higher than the loss recorded in 1Q10 of US$394 thousand. This better result is a consequence of higher activity during the period.

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 March 2011, this unit has no revenue with third parties. Selling, general and administrative expenses reflect the Company’s corporate expenses.

3. Balance Sheet Analysis (Exhibit 7)

Assets

The Company's assets as of March 31, 2011 amounted to US$61.727 thousand, an increase of 6.9% from US$712,333 thousand as reported on December 31, 2010.

Current Assets of Continuing Operations
Reached US$292,938 thousand, an increase of 2.1% compared to the end of 2010. This higher balance is explained by higher cash and cash equivalent as a consequence of the selling of Nexans Colombia shares (Cedsa) for an amount of US$9,181 thousand.

Non Current Assets
Totaled US$468,829 thousand, an increase of 10.2% respect to the end of December 2010. This effect is explained by higher value of the investment in Nexans, which increase by 22.5% respect to December 2010.

Liabilities

Total liabilities as of March 31, 2011 reached US$187,026 thousand, higher than US$183,500 thousand as of December 2010. This difference is a consequence of higher accounts payable and financial liabilities.

Bank Debt
As of March 31, 2011, amounted US$93,351 thousand, meaning an increase of 4.0% respect to the end of December 2010. The increase is due to higher debt of Packaging unit in order to finance the growth.

Shareholders' Equity

As of March 31, 2011 shareholders' equity attributable to controller amounted US$551,228 thousand, which represents an increase of 8.8% compared to end of 2010.

Paid Capital

Reached US$391,440 thousand, same balance registered in December 2010.

Other Reserves (Reserves)

Amounted a positive balance of US$49.573 thousand by the end of March 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`shares price, any difference is recognized as an equity reserve.

Minority Interest

Totalized US$23,513 thousand as of March 2011 compared to the balance of US$22.375 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$23,563 thousand higher than the US$16,298 thousand posted as of December 2010. The difference between both balances is explained by the better performance of operating income during 1Q11 and the selling shares of Nexans Colombia (Cedsa).

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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.

Exhibit 1: Consolidated Income Statement
(First Quarter)

	Thousand of US$ 1Q10	1Q11	% Variation
Revenues	91.034	108.488	19,2%
COGS	(76.650)	(89.708)	17,0%
Gross Margin	**14.384**	**18.780**	**30,6%**
SG&A	(10.199)	(12.442)	22,0%
Operating Income	**4.185**	**6.338**	**51,4%**
Other income of operations	155	132	-14,8%
Equity in earning (losses) of related companies	-	-	0,0%
Other general expenses of operations	(265)	(286)	7,9%
Financial income	483	564	
Financial expenses	(1.102)	(1.451)	31,7%
Price-level restatement	(917)	473	
Other Incomes (losses) & Others effects	75	4.790	6286,7%
Income (Loss) before income taxes	**2.614**	**10.560**	**304,0%**
Income tax	(4.353)	(2.164)	-50,3%
Income (Loss) form continued operations	**(1.739)**	**8.396**	
Income (Loss) form discontinued operations	-	-	0,0%
Net Income (Loss)	**(1.739)**	**8.396**	**-582,8%**
Net Income (Loss) attributable to minority interest	776	1.131	45,7%
Net Income (Loss) attributable to controller	**(2.515)**	**7.265**	
Gross Margin / Revenues	*15,8%*	*17,3%*	
SG&A / Revenues	*11,2%*	*11,5%*	
Operating Income / Revenues	*4,6%*	*5,8%*	

Exhibit 2: EBITDA by Business Unit
(YTD march)

YTD March 10 Thousand of US$	Corporate	Brass Mills	Packaging	Profiles	Total
Revenues	-	37.229	42.621	11.184	**91.034**
COGS	-	(33.600)	(34.118)	(8.932)	**(76.650)**
Gross Income	**-**	**3.629**	**8.503**	**2.252**	**14.384**
SG&A	(1.707)	(2.557)	(3.289)	(2.646)	**(10.199)**
Operating Income	**(1.707)**	**1.072**	**5.214**	**(394)**	**4.185**
EBITDA	**(1.644)**	**1.799**	**6.990**	**472**	**7.617**

YTD March 11 Thousand of US$	Corporate	Brass Mills	Packaging	Profiles	Total
Revenues	72	40.327	53.958	14.131	**108.488**
COGS	(26)	(36.700)	(42.630)	(10.352)	**(89.708)**
Gross Income	**46**	**3.627**	**11.328**	**3.779**	**18.780**
SG&A	(1.644)	(2.599)	(4.882)	(3.317)	**(12.442)**
Operating Income	**(1.598)**	**1.028**	**6.446**	**462**	**6.338**
EBITDA	**(1.521)**	**1.614**	**8.502**	**1.337**	**9.932**

2011 versus 2010 **% change**	Corporate	Brass Mills	Packaging	Profiles	Total
Revenues	0,0%	8,3%	26,6%	26,4%	19,2%
COGS	0,0%	9,2%	24,9%	15,9%	17,0%
Gross Income	0,0%	-0,1%	33,2%	67,8%	30,6%
SG&A	-3,7%	1,6%	48,4%	25,4%	22,0%
Operating Income	-6,4%	-4,1%	23,6%	-217,3%	51,4%
EBITDA	-7,5%	-10,3%	21,6%	183,3%	30,4%

Exhibit 4: Consolidated Balance Sheet

	Thousand of US$ (1)	
	YTD Dec10	YTD March 11
Cash and Cash Equivalents	69.154	40.118
Other current financial assets	257	54.511
Other Non-Financial Assets, Current	18.487	8.027
Trade and other accounts receivables, Current	103.113	102.534
Accounts Receivable Related Institutions, Current	724	388
Inventories	78.543	75.439
Current biological assets	-	-
Current tax assets	12.190	11.921
Current Assets in Operation, Current, Total	**282.468**	**292.938**
No Current Assets and Disposal Groups Held for Sale	4.500	-
Total Current Assets	**286.968**	**292.938**
Other financial assets, Non Current	**200.988**	246.296
Other non-financial assets, Non Current	19.361	19.695
Receivables rights, Non Current	-	-
Intangible assets other than goodwill	2.507	2.438
Goodwill	848	848
Property, Plant and Equipment	178.578	183.626
Biological assets, Non Current	-	-
Investment Property	5.408	5.397
Deferred tax assets	17.675	10.529
Total Non-current Assets	**425.365**	**468.829**
Total Assets	**712.333**	**761.767**
Other current financial liabilities	60.509	58.698
Trade accounts payable and other payables	41.073	47.505
Accounts payable to related entities, Current	12	11
Other short-term provisions	10.315	8.843
Current tax liabilities	2.545	1.723
Current provisions for employee benefits	6.689	5.416
Other non-financial liabilities, Current	3.079	3.033
Current Liabilities in Operation, Current, Total	**124.222**	**125.229**
Liabilities Included in Disposal Groups Kept for Sale	-	-
Total Current Liabilities	**124.222**	**125.229**
Other financial non-current liabilities	33.341	35.429
Non-current liabilities	-	-
Accounts payable to related entities, Non Current	-	-
Other long-term provisions	1.570	1.994
Deferred tax liability	15.689	15.940
Non-current provisions for employee benefits	8.677	8.433
Other non-financial liabilities, Non Current	1	1
Total non-Current Liabilities	**59.278**	**61.797**
	-	-
Issued capital	391.440	391.440
Gains (losses) accumulated	16.298	23.563
Premium	86.652	86.652
Treasury Shares	-	-
Other investments in equity	-	-
Other reserves	12.071	49.573
Equity Attributable to Controller	**506.461**	**551.228**
Minority Interest	22.372	23.513
Total Shareholders' Equity	**528.833**	**574.741**
Liabilities and Shareholders' Equity	**712.333**	**761.767**

Exhibit 4: Consolidated Statement of Cash Flow

	Thousand of US$ (1)	
	YTD Mar 10	**YTD Mar 11**
Receipts from sales of goods and services	95.684	122.539
Payments to suppliers for goods and services	(92.985)	(94.295)
Payments to and on behalf of employees	(11.953)	(14.257)
Interest paid	(472)	(578)
Interest received	480	616
Income taxes refunded (paid)	(1.713)	(2.206)
Other inputs (outputs) of cash	3.016	(1.253)
Net cash flows from (used in) operating activities	**(7.943)**	**10.566**
Cash flows from loss of control of subsidiaries or other businesses	-	23.179
Amounts from the sale of property, plant and equipment	173	18
Purchases of property, plant and equipment	(4.243)	(5.997)
Purchases of intangible assets	(540)	(21)
Income taxes refunded (paid)	-	(613)
Other inputs (outputs) of cash	-	(53.600)
Net cash flows from (used in) investing activities	**(4.610)**	**(37.033)**
Amounts from short-term loans	5.048	12.577
Payments of financial lease liabilities	-	(148)
Loan Payments	(4.207)	(13.202)
Other inputs (outputs) in cash	(222)	(181)
Net Cash Flows (Used in) Financing Activities	**619**	**(954)**
Net increase (decrease) in cash and cash equivalents, before the effect of changes in the exchange rate	**(11.934)**	**(27.421)**
Effects of variation in the exchange rate on cash and cash equivalents	(2.376)	(1.615)
Net change in cash and cash equivalents	**(14.310)**	**(29.036)**
Cash and cash equivalents, cash flow statements, Beginning Balance	114.358	69.154
Cash and Cash Equivalents, Cash Flow Statement, Final Balance	**100.048**	**40.118**