



FOR IMMEDIATE RELEASE

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

Santiago, Chile – August 31, 2011 - Madeco S.A. (“Madeco”) announced its consolidated interim financial results in IFRS from IASB for the second quarter which ended June 30, 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 14,719 tons, down 2.5% from the second quarter 2010.
 - Consolidated Revenues reached US\$114,295 thousand, a 14.3% increase compared to second quarter 2010. This increase is due to higher revenues in Packaging and Profile unit.
 - Operating income for the quarter grew 45.7%, reaching US\$ 8,214 thousand. The higher result is a consequence of better results in Tubes, Profiles and Packaging units.
 - Net income (loss) attributable to controller rose 164.2% when compared to 2Q10, reaching US\$5,768 thousand.
-
- 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 June 2011 declined by 2.5% compared to same period of 2Q10. This decrease is explained by lower volumes in Brass Mills unit as a consequence of closure of cooper sheets line during the last quarter of 2010. This effect was partially offset by higher volumes in Packaging and Profile unit with a growth of 4.9% and 24.5% respectively.
Revenues	<p>Consolidated revenues grew by 14.3%, reaching to US\$114,295 thousand compared to 2Q10 figures. The boosted in revenues is explained by:</p> <ul style="list-style-type: none"> (i) <i>Packaging unit:</i> Revenues amounted to US\$59,711 thousand, increasing by 24.5%, mainly explained by higher revenues registered in Chile, Peru and Argentina due to higher prices in raw materials. (ii) <i>Brass Mills unit:</i> Lower revenues by 5.0% explained by a decrease in sales volumes as a consequence of the closure of cooper sheets lines during the last quarter of 2010. (iii) <i>Profile unit:</i> Revenues grew by 39.1% as a consequence of increasing in sales volumes, higher prices of raw materials, better mix of sales and improvement in commercial strategy.
Gross Margin	For the 2Q11, gross margin totaled to US\$21,749 thousand, an increase of 27% respect to 2Q10. This growth is attributable to a better margin in the Packaging unit and to a lesser extent to reclassification of storage cost into administrative and distribution expenses. Besides, the Profile units improved by 58.5% as a results of strong activity due to upturn in the construction sector, better mix of sale and improvement in commercial strategy. These effects were partially offset by higher manufacture cost due to an appreciation of the Chilean local currency by 10%.
Operating Income¹	Operating income increased by 45.7%, reaching to US\$8,214 thousand compared to 2Q10. This growth is attributable to the gains obtained in Profile unit by US\$1,125 thousand compared to a loss of US\$122 thousand during 2Q10. This better result is a consequence of lower activity registered during the first semester in 2010 due to the earthquake in February 2010, this because the demand focused on housing replacement rather than projects. The Packaging and Tube units grew 8.0% and 54.8% respectively. These effects were partially offset by an appreciation of the Chilean local currency by 10%, higher distribution costs by more activity and volumes exports.
Other Income (Loss)²	<p>Considering financial results, exchange rate differences and other incomes non-related to operations; Madeco obtained a gain of US\$1,930 thousand which compares positively with a loss of US\$2,293 thousand in 2Q10. The gain during 2Q11 is attributable to:</p> <ul style="list-style-type: none"> (i) Nexans´s Dividends by € 1.1 per share (US\$4,071 thousand), compared to € 1.0 per share (US\$ 3,389 thousand) in 2010.

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

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.

- (ii) Profits for land sale of US\$ 2,013 thousand in 2Q11.
- (iii) Brazilian contingencies provision of US\$ 1,906 thousand during 2Q11.
- (iv) Price adjustment of the Cable unit of US\$3,364 thousand.
- (v) Financial expenses by US\$ 1,754 thousand during 2Q11, 22.6% higher than 2Q10. This is consequence of higher financial expenses in Madeco due to financing the purchase Nexans's share.

Income Tax Income tax during 2Q11 totaled a debit of US\$3,409 thousand compared to a debit of US\$77 thousand registered during the same period in 2010, which is mainly explained by the tax loss caused by the Chilean pesos exposure that Madeco held during 2010.

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). Minority Interest reached US\$967 thousand in 2Q11, 10.7% lower than the one registered in 2Q10.

Net Income Net income (loss) attributable to controller registered a gain of US\$5,768 thousand in 2Q11, which compares to a gain of US\$2,183 thousand reached in 2Q10. The gain is attributable to better operating results and extraordinary gain, partially offset by a higher income tax.

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

Packaging Revenues of the Packaging unit amounted to US\$59,711 thousand, an increase of 24.5% respect to same period in 2010. This growth is driven by an increase in average prices as a consequence of higher prices of raw material and higher volumes sales. The higher revenues were recorded in Chile, Peru and Argentina with a growth of 27.4%, 19.8% and 22.8% respectively.

Cost of sales totaled US\$47.526 thousand, an increase of 25.0% respect to 2Q10. This increase is due to higher prices of raw materials.

Gross Margin accounted by 22.5% of increase in comparison of 2Q10. This growth is mainly explained by storage costs reclassification into distribution expenses.

Selling, general and administrative expenses grew by 48.3% compared to 2Q10 due to higher distribution expenses as a consequence of reclassification of storage cost, higher volumes exported and the appreciation of Chilean local currency by 10%.

Operating income amounted to US\$6,882 thousand for the period, showing an increase of 8.0% respect to 2Q10. The increase is explained in Chile and Argentina with 17.2% and 14.8% growth respectively.

Brass Mills

Revenues for the period decreased by 5.0% reaching US\$38,560 thousand, compared to 2Q10, explained by higher prices in raw material offset by a decrease of 27.6% in sales volumes.

Cost of sales reached to US\$34,000 thousand, decreasing by 7.0% respect to 2Q10. This growth is attributable to higher prices in raw material offset by a decrease of 27.6% in sales volumes.

Gross Margin amounted US\$4,560 thousand, increasing 13.0% respect to 2Q10, boosted by Tubes unit in Chile with a growth of 18.5% due to a better maquila³ margins.

Selling, general and administrative expenses kept stable respect to 2Q10. This is attributable to a decrease of 10% in average exchange rate and higher expenses related to higher distribution expenses. These effects were off set by lower activity.

Operating income for the period amounted to a gain of US\$1,542 thousand, 54.8% higher than the result registered during the same period in 2010; this is explained by better margins in Chile.

On June 1st, Madeco sold the subsidiary of coin blanks to Amera International AG, excluding the operation of the property, industrial facilities and other assets not directly related to the business of coin blanks. The sale price was US\$ 3.3 million and the transaction will not have significant impact on the income statement

Profiles

Revenues for the period registered an increase of 39.1% respect to 2Q10. This increase is attributable to higher volumes sales which increased 24.5%, better mix of sale and improvement in commercial strategy.

Gross margin reached US\$4,970 thousand, an increase of 58.5% compared to 2Q10. This increase is a result of higher activity and the negative effect that had the Chilean earthquake during the first semester in 2010.

Selling, general and administrative expenses registered an increase of 18.0% over 2Q10 as a consequence of higher activity registered during the period and the appreciation of Chilean local currency by 10% during 2011.

Operating income reached a gain of US\$1,125 thousand, higher than the loss recorded in 2Q10 of US\$122 thousand. This better result is a consequence of higher activity during the period and the improvement in commercial strategy.

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

³ Revenues – cost of raw material

3. Balance Sheet Analysis (Exhibit 5)

Assets The Company's assets as of June 30, 2011 amounted to US\$851,771 thousand, an increase of 20.6% from US\$706,548 thousand as reported on December 31, 2010.

Current Assets of Continuing Operations

Reached US\$229,077 thousand, a decrease of 20.2% 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.

Non Current Assets

Totaled US\$622,695 thousand, an increase of 48.4% respect to the end of December 2010. This effect is explained by the purchasing of 1,766,400 shares of Nexans, of which 883,200 are held by Madeco and 883,200 are pending for transfer.

Liabilities Total liabilities as of June 30, 2011 reached US\$273,808 thousand, higher than US\$177,715 thousand as of December 2010. This difference is mainly explained by higher financial debt as a consequence of financing Nexans's share purchase.

Shareholders' Equity As of June 30, 2011 shareholders' equity attributable to controller amounted US\$553,487 thousand, which represents an increase of 9.3% 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\$46.064 thousand by the end of June 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\$24,476 thousand as of June 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\$29,331 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 during 2Q11.

Recent Events*Capital Increase*

The Extraordinary General Meeting held on April 24, 2011 approved a capital increase of US\$ 100 million through the issuance of shares for payment 1.760.974.629 and authorized the Board to issue them on one or more stages in accordance with applicable law. This capital increase is to subscribe for shares of Nexans, the essential fact as reported by the Company dated March 28, 2011.

In the first period of preferential offer, the shareholders of the subscribed and paid for 1,184,352,679 shares, equivalent to the sum of US\$ 57,606,920.

In the second period of preferential offer, which expired on Friday August 19, have been subscribed and paid the amount of 420,443,167 shares equivalent to US\$ 20,450,355.

Nexans's Shares Purchase

Madeco received from the Goldman Sachs the second half of outstanding shares (883,200 shares) which adds to the amount of 883,200 received before. In addition, the product of the exercise of the option had said Bank, the Company received 273,229 shares more.

In addition, the date of publication of these financial statements, Madeco bought in the market Nexans 546,352 (of which today only to have transferred 346 531), reaching a total of 5,154,707 shares, equivalent to 17.95% stake in French company

For further information contact:

Raul Garces Castro

Investor Relations

Tel. : (56 2) 520-1394

Fax : (56 2) 520-1158

E-mail : ir@madeco.cl

Web Site : www.madeco.cl

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: Consolidated Income Statement
(Second Quarter)

	Thousand of US\$		% Variation
	2Q10	2Q11	
Revenues	100,027	114,295	14.3%
COGS	(82,906)	(92,546)	11.6%
Gross Margin	17,121	21,749	27.0%
SG&A	(11,483)	(13,535)	17.9%
Operating Income	5,638	8,214	45.7%
Other income of operations	3,453	6,508	88.5%
Equity in earning (losses) of related companies	-	-	0.0%
Other general expenses of operations	(633)	(2,232)	252.6%
Financial income	342	325	-5.0%
Financial expenses	(1,412)	(2,074)	46.9%
Price-level restatement	(789)	296	
Other Incomes (losses) & Others effects	(3,254)	(893)	-72.6%
Income (Loss) before income taxes	3,345	10,144	203.3%
Income tax	(77)	(3,409)	4327.3%
Income (Loss) form continued operations	3,268	6,735	106.1%
Income (Loss) form discontinued operations	(2)	-	0.0%
Net Income (Loss)	3,266	6,735	106.2%
Net Income (Loss) attributable to minority interest	1,083	967	-10.7%
Net Income (Loss) attributable to controller	2,183	5,768	164.2%
<i>Gross Margin / Revenues</i>	<i>17.1%</i>	<i>19.0%</i>	-
<i>SG&A / Revenues</i>	<i>11.5%</i>	<i>11.8%</i>	-
<i>Operating Income / Revenues</i>	<i>5.6%</i>	<i>7.2%</i>	

Exhibit 2: Consolidated Income Statement
(YTD June)

	Thousand of US\$		% Variation
	YTD Jun 10	YTD Jun 11	
Revenues	191,060	222,783	16.6%
COGS	(159,556)	(182,254)	14.2%
Gross Margin	31,504	40,529	28.6%
SG&A	(21,682)	(25,977)	19.8%
Operating Income	9,822	14,552	48.2%
Other income of operations	3,607	6,640	84.1%
Equity in earning (losses) of related companies	-	-	0.0%
Other general expenses of operations	(897)	(2,518)	180.7%
Financial income	824	889	7.9%
Financial expenses	(2,514)	(3,525)	40.2%
Price-level restatement	(1,704)	769	
Other Incomes (losses) & Others effects	(3,179)	3,897	
Income (Loss) before income taxes	5,959	20,704	247.4%
Income tax	(4,430)	(5,573)	25.8%
Income (Loss) form continued operations	1,529	15,131	889.6%
Income (Loss) form discontinued operations	(2)	-	0.0%
Net Income (Loss)	1,527	15,131	890.9%
Net Income (Loss) attributable to minority interest	1,859	2,098	12.9%
Net Income (Loss) attributable to controller	(332)	13,033	
<i>Gross Margin / Revenues</i>	16.5%	18.2%	-
<i>SG&A / Revenues</i>	11.3%	11.7%	-
<i>Operating Income / Revenues</i>	5.1%	6.5%	

Exhibit 3: EBITDA by Business Unit
(Second Quarter)

2Q10		Corporate	Brass Mills	Packaging	Profiles	Total
Thousand of US\$						
Revenues		-	40,588	47,967	11,472	100,027
COGS		-	(36,552)	(38,018)	(8,336)	(82,906)
Gross Income		0	4,036	9,949	3,136	17,121
SG&A		(1,608)	(3,040)	(3,577)	(3,258)	(11,483)
Operating Income		(1,608)	996	6,372	(122)	5,638
EBITDA		(1,538)	1,832	8,123	726	9,143
2Q11		Corporate	Brass Mills	Packaging	Profiles	Total
Thousand of US\$						
Revenues		61	38,560	59,711	15,963	114,295
COGS		(27)	(34,000)	(47,526)	(10,993)	(92,546)
Gross Income		34	4,560	12,185	4,970	21,749
SG&A		(1,369)	(3,018)	(5,303)	(3,845)	(13,535)
Operating Income		(1,335)	1,542	6,882	1,125	8,214
EBITDA		(1,155)	1,925	9,012	2,007	11,789

Exhibit 4: EBITDA by Business Unit
(YTD June)

YTD Jun 10

Thousand of US\$

	Corporate	Brass Mills	Packaging	Profiles	Total
Revenues	0	77,816	90,588	22,656	191,060
COGS	0	(70,152)	(72,136)	(17,268)	(159,556)
Gross Income	0	7,664	18,452	5,388	31,504
SG&A	(3,315)	(5,597)	(6,866)	(5,904)	(21,682)
Operating Income	(3,315)	2,067	11,586	(516)	9,822
EBITDA	(3,182)	3,631	15,113	1,198	16,760

YTD Jun 11

Thousand of US\$

	Corporate	Brass Mills	Packaging	Profiles	Total
Revenues	133	78,887	113,669	30,094	222,783
COGS	(53)	(70,700)	(90,156)	(21,345)	(182,254)
Gross Income	80	8,187	23,513	8,749	40,529
SG&A	(3,013)	(5,617)	(10,185)	(7,162)	(25,977)
Operating Income	(2,933)	2,570	13,328	1,587	14,552
EBITDA	(2,676)	3,539	17,514	3,344	21,721

Exhibit 5: Consolidated Balance Sheet

	Thousand of US\$	
	YTD Dec 10	YTD Jun 11
Cash and Cash Equivalents	69,154	11,543
Other current financial assets	257	26,647
Other Non-Financial Assets, Current	18,487	6,710
Trade and other accounts receivables, Current	103,113	106,169
Accounts Receivable Related Institutions, Current	724	769
Inventories	78,543	73,048
Current tax assets	12,190	4,191
Current Assets in Operation, Current, Total	282,468	229,077
No Current Assets and Disposal Groups Held for Sale	4,500	-
Total Current Assets	286,968	229,077
Other financial assets, Non Current	200,988	408,586
Other non-financial assets, Non Current	19,361	21,217
Receivables rights, Non Current	-	-
Accounts Receivable Related Entities, Non Current	-	-
Investment accounted using the equity method	-	-
Intangible assets other than goodwill	2,507	2,421
Goodwill	848	848
Property, Plant and Equipment	178,578	180,319
Biological assets, Non Current	-	-
Investment Property	5,408	7,625
Deferred tax assets	11,890	1,678
Total Non-current Assets	419,580	622,694
Total Assets	706,548	851,771
Other current financial liabilities	60,509	153,955
Trade accounts payable and other payables	41,073	45,680
Accounts payable to related entities, Current	12	15
Other short-term provisions	10,315	9,984
Current tax liabilities	2,545	1,002
Current provisions for employee benefits	6,689	6,020
Other non-financial liabilities, Current	3,079	1,371
Current Liabilities in Operation, Current, Total	124,222	218,027
Liabilities Included in Disposal Groups Kept for Sale	-	-
Total Current Liabilities	124,222	218,027
Other financial non-current liabilities	33,341	36,999
Other long-term provisions	1,570	2,834
Deferred tax liability	9,904	8,048
Non-current provisions for employee benefits	8,677	7,899
Other non-financial liabilities, Non Current	1	1
Total non-Current Liabilities	53,493	55,781
Issued capital	391,440	391,440
Gains (losses) accumulated	16,298	29,331
Premium	86,652	86,652
Other reserves	12,071	46,064
Equity Attributable to Controller	506,461	553,487
Minority Interest	22,372	24,476
Total Shareholders' Equity	528,833	577,963
Liabilities and Shareholders' Equity	706,548	851,771

Exhibit 6: Consolidated Statement of Cash Flow

	Thousand of US\$	
	YTD Jun 10	YTD Jun 11
Receipts from sales of goods and services	203,955	255,060
Payments to suppliers for goods and services	(191,845)	(203,176)
Payments to and on behalf of employees	(24,275)	(27,535)
Dividend received	2,660	3,466
Interest paid	(1,797)	(2,383)
Interest received	748	1,182
Income taxes refunded (paid)	1,126	3,845
Other inputs (outputs) of cash	3,190	59
Net cash flows from (used in) operating activities	(6,238)	30,518
Cash flows from loss of control of subsidiaries or other businesses	-	25,950
Cash flows used for control of subsidiaries or other businesses	(42)	(20)
Cash flows used in the purchase of non-controlling interests	-	(176,777)
Amounts from the sale of property, plant and equipment	225	18
Purchases of property, plant and equipment	(13,382)	(8,490)
Purchases of intangible assets	(760)	-
Income taxes refunded (paid)	-	(613)
Other inputs (outputs) of cash	-	(14,452)
Net cash flows from (used in) investing activities	(13,959)	(174,384)
Amounts from short-term loans	28,393	153,222
Total amounts from loans	28,393	153,222
Loan Payments	(20,487)	(61,220)
Payments of financial lease liabilities	(778)	(1,190)
Dividends paid	(30,444)	(1,208)
Other inputs (outputs) in cash	(381)	(386)
Net Cash Flows (Used in) Financing Activities	(23,697)	89,218
Net increase (decrease) in cash and cash equivalents, before the effect of changes in the exchange rate	(43,894)	(54,648)
Effects of variation in the exchange rate on cash and cash equivalents	(983)	(2,963)
Net change in cash and cash equivalents	(44,877)	(57,611)
Cash and cash equivalents, cash flow statements, Beginning Balance	114,334	69,154
Cash and Cash Equivalents, Cash Flow Statement, Final Balance	69,457	11,543