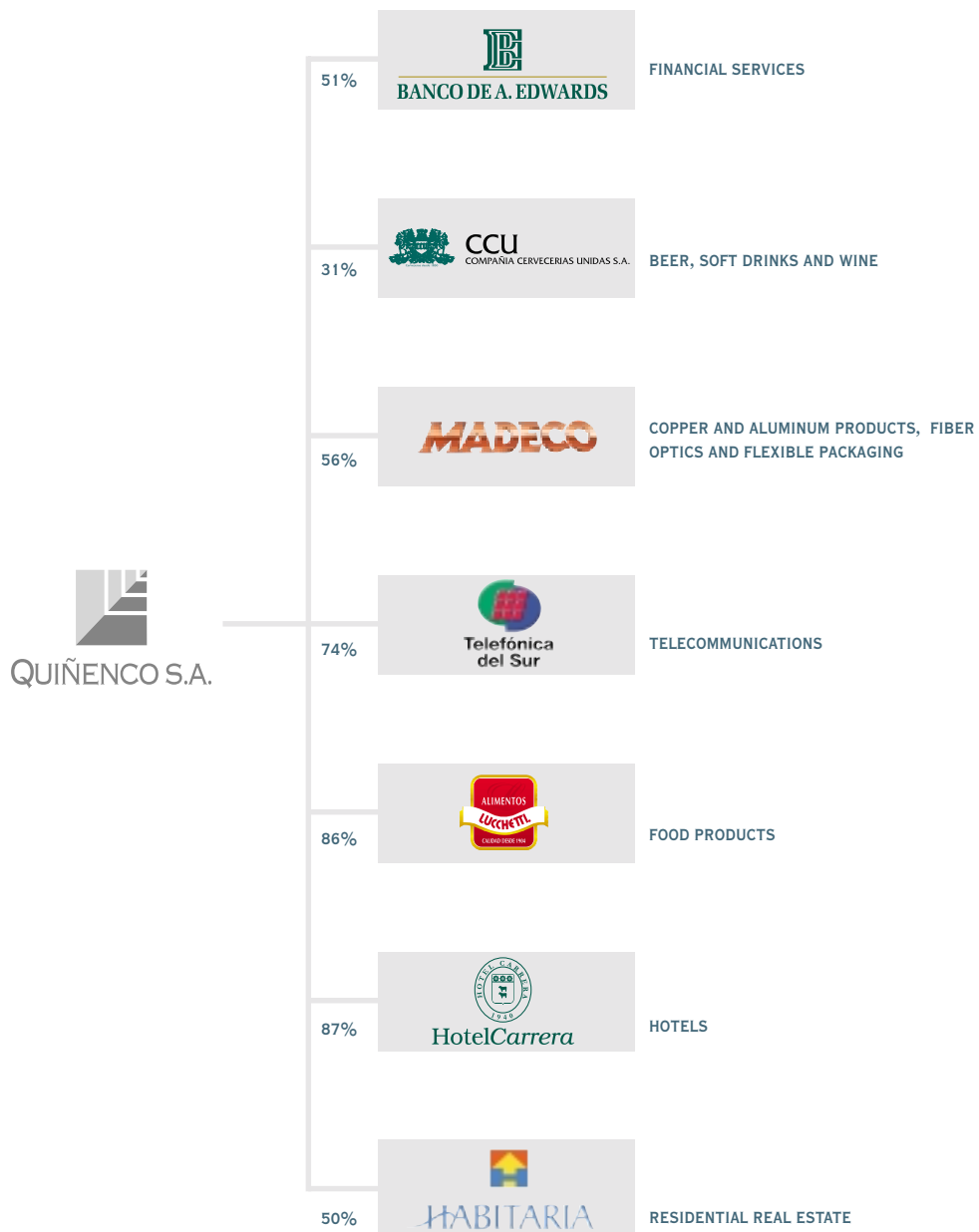


QUIÑENCO S.A. PROFILE AND MANAGEMENT

Quiñenco S.A. is a Chilean corporation that controls a wide array of companies mainly in the financial and industrial sectors. Quiñenco's companies are leaders in their markets and, as a conglomerate, Quiñenco is one of the Southern Cone's most active and important groups.

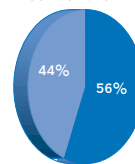


Although Quiñenco bases its operations in the Chilean economy, the corporation has also expanded some of its activities to other countries. These endeavors began in 1990 with the expansion of certain businesses to neighboring countries, particularly the Mercosur nations. Today, around 24% of Quiñenco's consolidated assets are located outside of Chile. This internationalization is slated to continue as the region embraces economic expansion.

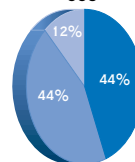
Quiñenco's companies are open to the participation of world-class strategic partners, especially when they operate in areas where alliance and cooperation mechanisms are efficient means of incorporating experience, technology or knowledge of other markets. Combining Quiñenco's dominance of the local market with the experience of world-renowned companies has proven to be a successful formula for undertaking complex business endeavors. A good example of such a relationship is the partnership between CCU and Anheuser-Busch for beer production in Argentina. In addition to this kind of partnership, Quiñenco offers, via its structure as a listed corporation, the possibility for many investors to take part in its achievements and projects.



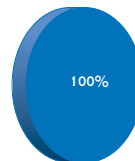
BANCO DE A. EDWARDS



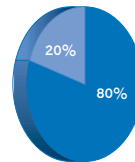
CCU



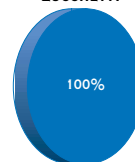
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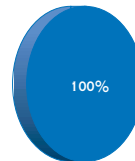
TELEFÓNICA DEL SUR



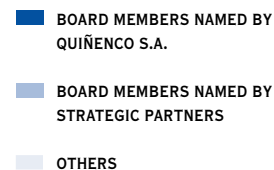
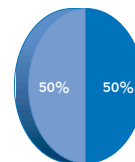
LUCCHETTI



HOTELES CARRERA



HABITARIA



CORPORATE STRATEGY

VISION

Quiñenco's goal is to become the foremost Chilean business group and one of the most important conglomerates in Latin America in terms of the returns it generates for its shareholders and the quality of its senior management. Quiñenco aims to be much more than just a group of companies. In addition to the value of its assets, in each of its activities the parent company provides the guarantee of efficient management and acumen for identifying attractive deals in timely transactions.

Quiñenco pursues the goal of creating shareholder value through activities and initiatives that improve its companies' net capital returns, opportune and profitable transactions and by strengthening the organization's human and professional capital.



FROM LEFT TO RIGHT: PEDRO MARÍN L., LUIS HERNÁN PAUL F. AND JUAN EDUARDO CORREA G.

INVESTMENT PHILOSOPHY

Quiñenco first identifies potentially profitable activities the company can effectively lead or to which it can add value, based on its experience and stability. The starting point may be a project to incorporate a new firm or the acquisition of an existing organization at an attractive price. In either case, Quiñenco's challenge is to maximize these companies' strengths and make them leaders in their fields. Quiñenco then decides whether it should continue with the project or, if it is not a natural owner in the field, if it is more advantageous to transfer the assets in order to best utilize the resources generated for other purposes.



Quiñenco has a long history of successful experiences in this respect. When Quiñenco acquired Banco O'Higgins in 1981 the bank was ranked ninth in lending among Chilean banks. Under Quiñenco's leadership, this investment grew to 50% of OHCH, a financial holding group in the Southern Cone with a majority share in Banco Santiago, Chile's largest bank. When Quiñenco withdrew from OHCH in 1999, its stake had reached a value of 600 million dollars.

Quiñenco entered the cellular telephone industry in 1991 with a six-million-dollar investment and, in just five years, through a merger with CTC's cellular division, it attained a 45% share of Startel, Chile's most important mobile phone company. Quiñenco withdrew from the business in 1997 after selling its stake to CTC for 425 million dollars.

THE YEAR IN REVIEW

Despite the year's difficult economic conditions, 1999 was a decisive period for Quiñenco due to the depth of the company's restructuring and the magnitude of its achievements.

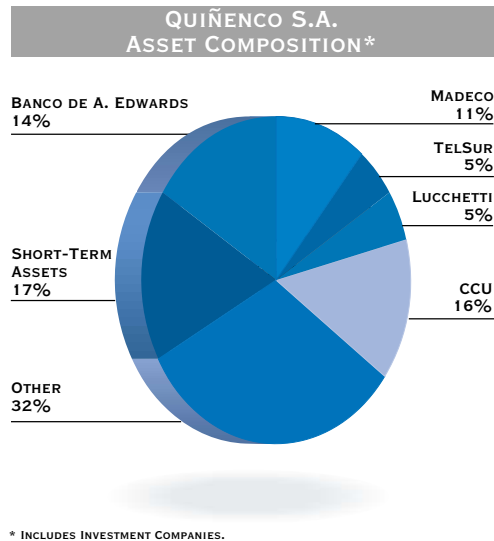
Of equal or greater importance than the critical tasks carried out during the year, Quiñenco faced the challenge of institutionalizing its philosophy of creating shareholder value, which is the starting point from which the company will operate in the future.

In corporate terms, 1999 was the year during which Quiñenco established its new senior management team and put into effect the operating policies designed for each area. The experience was a good opportunity for Quiñenco to boost the spirit of corporate identity and facilitate bonding among its management teams.

The year's adverse economic conditions had a negative effect on the results of all of Quiñenco's operating companies. This reality was another motive for Quiñenco's hard work in improving its companies' performances.



FROM LEFT TO RIGHT: FERNANDO MORELLI B., LUIS FERNANDO ANTÚNEZ B., OSCAR HENRÍQUEZ V. AND PATRICIO LEÓN D.



Measures to improve performance were a priority in companies with unsatisfactory returns. A new management team is heading Madeco and is working to restructure the company and



ALESSANDRO BIZZARRI C. (LEFT)
AND MANUEL JOSÉ NOGUERA E.

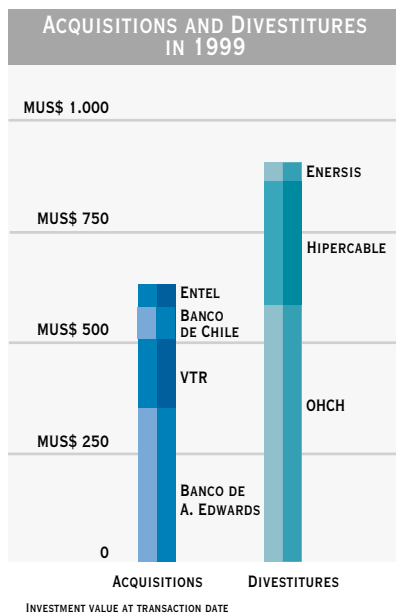
simplify its business scheme. Several strategic alternatives are being studied at Lucchetti to boost the company's competitiveness. There is also a general agreement that Hoteles Carrera's true competitive advantage lies in the administration rather than in the ownership of hotels.

During the year Quiñenco also undertook a variety of initiatives in favor of its top performing companies, that is the companies whose capital returns exceeded their cost of capital. CCU, through Viña San Pedro, the second-largest exporter of Chilean wines, has begun a project to export wine from Argentina as well. In December 1999, CCU also entered the Chilean juice market. TelSur will compete in the greater Concepción telephony market and will provide its clients with a multiservice platform especially beneficial for Internet connections. Banco de A. Edwards underwent a heavy capital increase and is carrying out an ambitious expansion plan. Habitaria, a real estate development company emphasizing superior customer



FROM LEFT TO RIGHT: JORGE TAGLE O., FELIPE JOANNON V.
AND MARTÍN RODRÍGUEZ G.

service, is preparing to extend its operations to Chile's Regions. All told, Quiñenco enters the year 2000 with a wide array of new projects.



Quiñenco counteracted the drop in subsidiary company operating income by making profitable, large-scale transactions during the year. These trades, worth over 1.6 billion dollars, resulted in a structural overhaul to Quiñenco's portfolio in the financial and telecommunications sectors. Today, in addition to having a greater participation in these companies' cash flows, Quiñenco is utilizing less capital to control a greater portion of the financial and telecommunications markets.

KEY INDICATORS OF SUBSIDIARIES AND AFFILIATE COMPANIES

(in Millions of Ch\$)

COMPANY	QUIÑENCO'S OWNERSHIP ^(*) (%)	SALES	NET INCOME	ASSETS	EQUITY
BANCO DE A. EDWARDS	51.2	291,545 ^(**)	(6,601)	2,425,687	210,942
CCU	30.8	290,405	41,182	594,188	379,190
MADECO	56.5	251,251	(52,041)	404,369	150,753
TELSUR	73.6	41,349	10,359	106,586	48,955
LUCCHETTI	86.2	90,804	(12,190)	142,512	43,468
HOTELES CARRERA	87.2	6,261	(937)	23,210	13,972
HABITARIA	50.0	3,572	(96)	24,683	9,037

(*) CORRESPONDS TO ECONOMIC INTEREST.

(**) CORRESPONDS TO TOTAL REVENUES.

HUMAN RESOURCES

Because Quiñenco's greatest comparative advantage lies in its employees, the company's senior management offers attractive working conditions and makes it possible for executives to continue their careers at Quiñenco's companies. These possibilities, together with an exceptional system of additional compensations based on Quiñenco and subsidiary stock performance and prices, are important factors in stimulating individual initiative and motivating Quiñenco's teams of professionals.



SERGIO GUZMÁN LAGOS

EMPLOYEES AS OF DECEMBER 31, 1999

COMPANY	EXECUTIVES	PROFESSIONALS AND TECHNICIANS	OTHER EMPLOYEES	TOTAL
QUIÑENCO	15	6	16	37
BANCO DE A. EDWARDS	139	1,253	879	2,271
MADECO	67	399	4,087	4,553
TELSUR	25	302	218	545
LUCCHETTI	32	197	947	1,176
HOTELES CARRERA	12	63	274	349
OTHER SUBSIDIARIES	10	65	55	130
TOTAL	300	2,285	6,476	9,061

Additionally, as of December 31, 1999, the affiliate company CCU had 5,353 employees and Habitaria had a staff of 21 people.