NET INCOME CONTRIBUTION FROM OPERATING COMPANIES

(In millions of Ch$ pesos as of December 31, 2002)

Companies	Quiñenco's Share (*) (%)	Sales Revenue	Net Profit (Loss)	Quiñenco's Prop. Share	Total Assets	S/H Equity
Financial Services Sector						
Banco de Chile	(1) 52.2	(**) 424,257	52,635	15,424	8,616,588	618,230
Food & Beverage Sector						
CCU	30.8	345,891	22,065	6,794	652,959	433,485
Lucchetti	93.7	83,799	(37,223)	(34,876)	76,345	16,189
Telecommunications Sector						
Telsur	73.6	46,646	6,027	4,434	137,532	57,310
Entel	5.7	804,762	41,096	2,337	1,290,562	544,897
Manufacturing Sector						
Madeco	53.4	256,283	(40,166)	(22,319)	378,152	99,232
Real Estate / Hotel Admin. Sector						
Hoteles Carrera	89.9	7,016	(996)	(896)	23,206	14,521
Habitaria	50.0	23,006	898	449	46,939	17,391
Total Operating Companies				(28,653)		
Quiñenco & Holding Companies				(46,827)		
Net Loss for the Year				(75,480)		

* Direct or indirect
** Corresponds to operating revenues
(1) Corresponds to voting rights

2002 FINANCIAL RESULTS

Quiñenco incorporates the profit and loss from more than 40 companies in its financial results each period. Nonetheless, it only consolidates its operations with a number of its investments, the main operating companies being Madeco, Lucchetti, Telsur and Hoteles Carrera. The profit or loss from other investments such as Banco de Chile and CCU, which are relevant to Quiñenco in terms of size and impact on its financial results for any given period, do not consolidate with the Company. Quiñenco's proportionate share of these companies' income or loss is included with non-operating results.

Quiñenco reported consolidated sales of Ch$396,299 million in 2002, down by 18.8% from the 2001 level. Of the total decline in sales for the year, 93% corresponded to Madeco's operations, which were heavily affected by the regional downturn. To a lesser extent, the decrease in consolidated sales was also attributable to Lucchetti's operations. The overall reduction in consolidated sales translated directly into lower operating income earned during the year. It fell by 43% to Ch$10,278 million, almost entirely attributable to Madeco's operations.

Quiñenco reported non-operating losses of Ch$108,310 million, a significant increase from the Ch$38,594 million non-operating loss reported in 2001. The variation was mostly attributable to an increase in other non-operating expenses, which included loss provisions of Ch$30,678 million associated with the Lucchetti Perú plant closure, as well as the absence of extraordinary gains, which in 2001 amounted to Ch$52,374 million and were earned in connection with the sale of an 8% participation in Entel and the divestiture of the Plava Laguna tourist resort in Croatia.

The financial results obtained by Quiñenco in 2002 reflect the difficult operating environment, which the Company's subsidiaries faced during the year, both in Chile and abroad. In particular, Quiñenco's subsidiaries, Lucchetti and Madeco were heavily impacted by events which occurred in their foreign operations, the effects of which at a consolidated level contributed heavily to Quiñenco's net loss of Ch$75,480 million. In addition, costs associated with the 2001 acquisition of Banco de Chile and its subsequent merger with Banco Edwards in 2002 further weighed on Quiñenco's results for the year.

Undoubtedly, the most significant impact on Quiñenco's 2002 financial results was the effect of the controversy surrounding the Lucchetti Perú pasta plant and its subsequent closure in early 2003. The plant operations were under fire throughout the year due to allegations of environmental violations by Peruvian authorities, fueled by negative ad campaigns directed against the company. As a consequence, Lucchetti Perú's sales and margins fell dramatically in 2002. Additionally, the company was forced to incur significant cash outlays to defend its investment and right to operate. In January 2003, the Municipality of Chorrillos ordered the plant closed, thereby forcing the company to abandon its productive activities in Peru. Due to the impairment of its activities in Peru, Lucchetti, a 93.7% subsidiary of Quiñenco, recorded loss provisions of Ch$30,678 million, which was charged to 2002 non-operating results, in accordance with Chilean accounting norms.

Madeco, Quiñenco's 53.4% copper manufacturing subsidiary, was faced with the temporary closure of its Argentine subsidiary in the early part of 2002 as a direct consequence of the deteriorated economic situation and currency devaluation in that country. In addition, its main operations in Brazil were stilted by the political and economic uncertainty that prevailed during much of the year and served to hamper long-term investment by the telecom sector. These regional developments, coupled with overall weak export demand, led to a net loss of Ch$40,166 million in 2002, of which Ch$21,448 million corresponded to Quiñenco's proportionate interest.

Interest expense and goodwill expense associated with the Banco de Chile acquisition in 2001 impacted Quiñenco's non-operating results by approximately Ch$40,741 million in 2002. In addition, the bank itself underwent a merger with Banco Edwards in 2002, incurring merger related costs of Ch$30,884 million. It also made net loan loss provisions of Ch$101,527 million in 2002 to safeguard its portfolio against the effects of weak national and regional economies, in particular Argentina. As a result, Banco de Chile's results did not reflect the bank's income generating capacity in 2002. Banco de Chile reported net income of Ch$52,635 million, down by 47.4% in comparison to 2001. Quiñenco's proportionate share of Banco de Chile's net income was Ch$15,424 million in 2002.