



2003 financial results

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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\$357,379 million in 2003, down by 10.7% from the 2002 level. Consolidated sales were affected by the discontinuation of Lucchetti's productive activities in Peru following the closure of its facilities in January 2003 as well as a reduction in Madeco's sales as it continued to suffer from the downturn in investment levels in its principal markets, particularly Brazil. In spite of the decline in sales which directly translated into a 10.9% reduction in gross profit, operating profit rose by 22.8% to Ch\$12,747 million. The pronounced improvement in consolidated operating profit was attributable to across the board reductions in SG&A expenses, most notably at Madeco and Lucchetti.

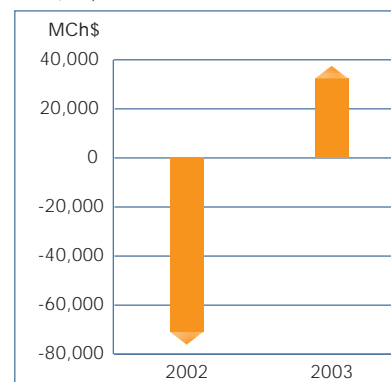
Quiñenco reported non-operating income of Ch\$177 million, having totally reverted 2002's non-operating losses of Ch\$109,393 million. The marked improvement was attributable to a series of factors, the most relevant being the notable increase in income from equity investments which rose by over 123% to Ch\$57,995 million, mostly in connection with Quiñenco's interest in Banco de Chile and CCU. Banco de Chile finished its first post-merger year with a record level of net profits of which Ch\$38,047 million corresponded to Quiñenco's interest. CCU divested its interest in a Croatian brewery in 2003, generating a significant extraordinary gain on sale. This, coupled with more than a 20% increase in operating income, led CCU to report net profits of Ch\$54,088 million, of which Quiñenco's share was Ch\$16,657 million.

Likewise, a US\$50 million settlement received from Quiñenco's ex partners in IRSA, the company which controls 61.6% of CCU, boosted non-operating results by an additional Ch\$36,035 million. Other non-operating expenses, interest expense and foreign currency

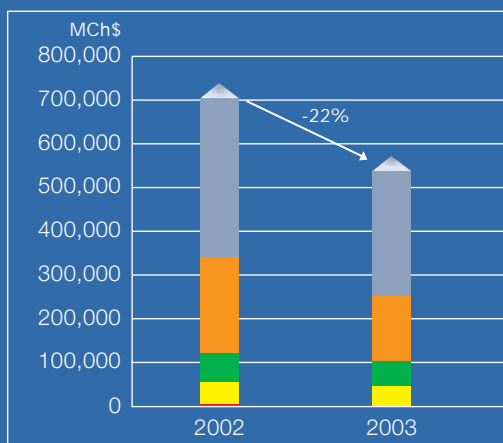
translation losses were also reduced considerably in 2003, further benefiting non-operating performance.

Net profit reached Ch\$37,695 million, varying by Ch\$113,930 million from the net loss of Ch\$76,235 million reported in 2002. These financial results reflect to a certain extent improved market and economic conditions, but more widely reflect the results of the profound restructurings that several group companies underwent in 2002. These restructurings have allowed Quiñenco to recapture the earnings potential of its group companies and strengthen its base for the future.

NET INCOME (LOSS)
MCh\$ 37,695 IN 2003



CONSOLIDATED DEBT



MCh\$	2003	2002	%
Corporate level	330,038	404,323	-18%
Madeco	146,526	217,894	-33%
Telefónica del Sur	58,285	67,795	-14%
Lucchetti	45,277	49,602	-9%
Carrera	293	4,682	-94%
Total	580,419	744,295	-22%

Dividend cash flow amounted to Ch\$74,553 million in 2003, up by 152% from the Ch\$29,560 million received in 2002. Dividends mostly corresponded to distributions received from CCU, Banco de Chile and to a lesser extent, Entel. In addition, Telefónica del Sur distributed dividends of Ch\$3,020 million to Quiñenco. This strong

dividend cash flow facilitated debt pay down during the period. At the corporate level, financial debt dropped by more than 18% to Ch\$330,038 million. Similarly, consolidated debt also showed a significant reduction in 2003, having fallen by 22% to Ch\$580,419 million.

NET INCOME CONTRIBUTION FROM OPERATING COMPANIES

The following table shows the contribution of the main operating companies to Quiñenco's 2003 net income:

(In millions of Ch\$ pesos as of December 31, 2003)

COMPANIES	QUIÑENCO'S OWNERSHIP (*) (%)	SALES REVENUE	NET PROFIT (LOSS)	QUIÑENCO'S PROP. SHARE	TOTAL ASSETS	S/H EQUITY
Financial Services						
Banco de Chile	(1) 52.2	(**) 424,250	130,553	38,047	9,249,902	695,676
Food & Beverage						
CCU	30.8	384,064	54,088	16,657	576,598	278,772
Lucchetti	95.9	59,115	(2,136)	(2,031)	79,457	27,887
Telecommunications						
Telsur	73.6	51,469	7,430	5,468	131,796	60,917
Entel	5.7	729,252	59,977	3,414	1,231,936	583,815
Manufacturing						
Madeco	55.2	237,666	(16,734)	(10,717)	353,676	147,569
Real Estate / Hotel Admin.						
Hoteles Carrera	90.0	6,671	(5,315)	(4,782)	11,610	8,539
Habitaria	50.0	18,066	(672)	(336)	35,464	16,893
Total Operating Companies				45,720		
Quiñenco & Holding Companies				(8,025)		
Net Income for the Year				37,695		

* Direct or indirect

** Corresponds to operating revenues

(1) Corresponds to voting rights