

COMPAÑIA CERVECERIAS UNIDAS (CCU) is the largest beverage company in Chile. Its ample product range, which includes beers, soft drinks, mineral waters, fruit juices, wines and piscos, are consumed daily by a large part of the Chilean population, giving it brand recognition throughout the country.

CCU is Chile's largest beer producer with a market share of 88%, its Cristal brand being the best seller. CCU also satisfies a wide range of tastes with its other brands, including Royal Guard, Morenita, Escudo, Royal Light, Dorada and Lemon Stones. CCU also sells under licence the well-known international brands Heineken, Budweiser and Paulaner, and is 50% owner of the small breweries Kunstmann and Austral. The company has three production plants which have a total capacity of 650 million liters per year, located in Temuco, Antofagasta and Santiago.

In Argentina, CCU is the second player in the beer market with a 16% share. It has plants in Salta and Santa Fe, which produce the brands Schneider, Santa Fe, Salta, Córdoba, and Rosario. It also sells the international brands, Budweiser and Heineken, under licence.

Through its subsidiary ECUSA, CCU is the principal bottler and distributor of mineral waters in Chile, leading the domestic market with its Cachantun and Porvenir brands. In 2005, the company successfully launched Cachantun "Mas", a mineral water based drink, which enabled it to significantly increase its sales volumes in this segment. The company is known for its Bilz, Pap, Kem and Kem Xtreme brands in the soft drinks market, brands which perfectly complement the marketing of PepsiCo, Schweppes Holdings Ltd. and Watt's Alimentos brands, produced under licence.

CCU





Market share	2004	2005
Beer in Chile	90%	88%
Beer in Argentina	15%	16%
Soft drinks	22%	22%
Mineral water	64%	67%
Fruit juices	53%	53%
Domestic wine (VSP)	17%	19%
Export wine (VSP)	15%	12%

In the wine sector, CCU controls 60% of Viña San Pedro, an important domestic producer and one of the country's largest exporters, with customers in more than 60 countries around the world. The Santa Helena, Altair and Tabalí wine companies in Chile and Finca de Celia in Argentina also form part of the VSP group, which offers wines of different vintages and qualities.



Just two years after its incursion into the pisco sector, CCU saw its efforts rewarded by the achievement of a significant position in the market in 2005. Following its association with Control early in the year, it managed to capture close to 50% of this market that is so representative of Chilean culture. Ruta Norte was one of the three principal brands consumed in Chile in 2005 and the addition of new brands such as Mistral, 3 Erres, Campanario, Control and La Serena are certain to provide the company with an even stronger growth platform going forward.

We would be remiss not to mention the success of Calaf in 2005. This producer of candy and cookies acquired in 2004, finished the year having undergone a complete product reformulation and design based on a successful strategy that enables it to compete on equal footing with its principal competitors.

2005 RESULTS

CCU's consolidated sales revenues rose by 12.9% to Ch\$492,047 million, attributable to an 8.4% increase in volume sold and 3.7% higher average prices. The favorable economic scenario which prevailed throughout 2005 contributed to the sharp increases in sales shown by the beer, soft drinks and mineral water segments, accounting for Ch\$35,423 million or approximately 63% of the total increase. Also worth noting is that the pisco segment contributed Ch\$19,948 million to the consolidated sales growth as a result of the creation of Cia. Pisuera de Chile in March 2005.

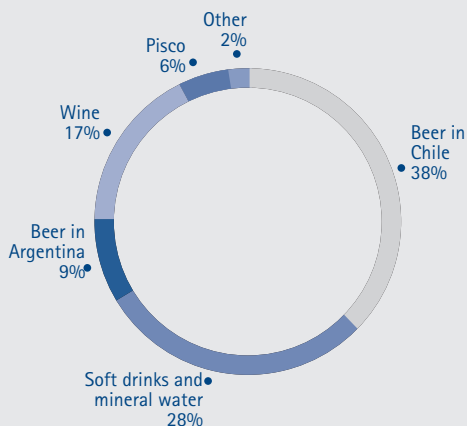


Operating income jumped by 9.3% to Ch\$66,470 million in 2005, mainly due to the higher sales levels associated with the beer (Chile and Argentina), soft drinks and mineral water segments. Nonetheless, higher costs and SG&A expenses served to partially pull down this increase, as well as lower operating profits from the wine segment as a consequence of the 8.2% appreciation of the Chilean peso vis-à-vis the US dollar. EBITDA reached Ch\$107,609 million showing an increase of 3.9% over 2004.

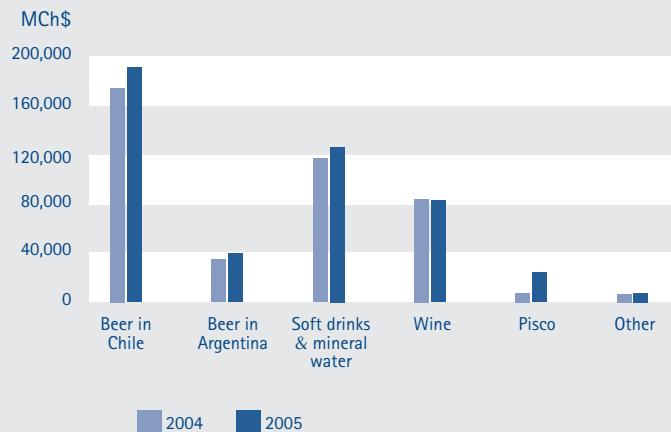
CCU reported non-operating losses of Ch\$9,315 million, compared to non-operating losses of Ch\$6,400 million in 2004. The deterioration in non-operating results is mostly explained by a reduction in other non-operating income, which

CCU

2005 SALES COMPOSITION
MCh\$492,047



SALES
MCh\$492,047 in 2005





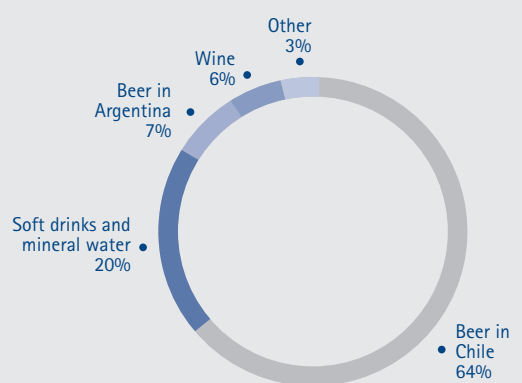
in 2004 included gains on the sale of fixed assets, and to a lesser extent, higher interest expense and price-level restatement losses.

2005 net income, which grew by 2.4% to Ch\$48,177 million, reflects the company's marked improvement in operating performance, although the increase was partially offset by the aforementioned reduction in non-operating results and a heavier tax burden during the year.

Volume sold (*)	2004	2005	Change
Beer in Chile	3,807	4,170	+10%
Beer in Argentina	2,101	2,269	+8%
Soft drinks and mineral water	4,424	4,742	+7%
Domestic wine (VSP)	503	525	+4%
Export wine (VSP)	448	400	-11%
Pisco	70	203	+191%

(*) Thousands of hectoliters

2005 EBITDA BY SEGMENT
MCh\$107,609



EBITDA
MCh\$107,609 in 2005

