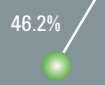


Manufacturing

Madeco

Quiñenco



Madeco





Market Shares	2005	2006
Wire & Cable		
Chile	38%	30%
Brazil	19%	15%
Peru	73%	65%
Argentina	6%	9%
Brass Mills		
Chile	58%	50%
Argentina	12%	11%
Coin blanks	4%	16%
Flexible Packaging		
Chile	28%	29%
Argentina	7%	6%
Aluminum Profiles	69%	67%

Madeco is the leading manufacturing company of copper and aluminium products and flexible packaging products in Latin America, a position it has enjoyed for many years in the markets in which it has an established presence.

The company operates throughout Latin America, with 16 manufacturing plants in Chile, Brazil, Peru and Argentina. It exports a large variety of products to approximately 20 countries, mainly Latin America, USA and Europe, supported by a network of seven sales representatives abroad.

Madeco has four main businesses, the production of copper and aluminium cables, brass mills, flexible packaging and aluminium profiles. It supplies important sectors of the economy such as construction, industry, electricity transmission and distribution, telecommunications and mining.

In order to strengthen its financial structure, Madeco took a US\$ 50 million syndicated credit in 2006, in order to prepay existing bank debt and finance its additional working capital needs associated with the sharp rise in copper prices. Additionally, it began to benefit from operating efficiencies derived from the restructuring of its brass mills plant, Madeco Chile during the year.

Implementation of the SAP software information system, already at work in the Brazilian subsidiary, Ficap, was initiated in Madeco Chile and Indeco Peru in 2006, aimed at improving management control. In addition, Madeco Chile began the initial implementation of a management tool (Gestión por Competencia) designed to help the company retain and develop the careers of its key employees.

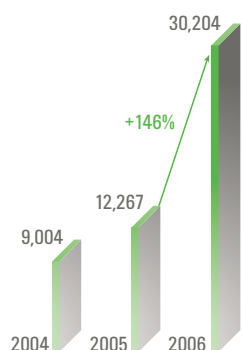
Madeco successfully completed the objectives of its strategic plan for

the year 2006, which consisted of a sustained increase in sales, supported by a strengthened commercial area, and increase in exports, the recovery of market shares, greater operating efficiencies and a reduced cost structure. The success of these measures is reflected in the company's profitability level and positioning in its main markets.

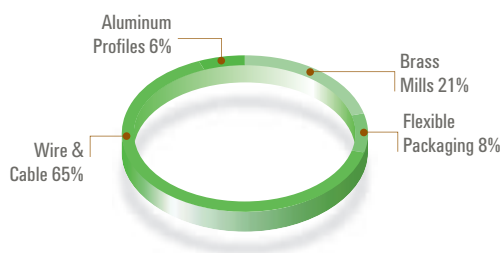
2006 Results

Madeco's sales level rose by 49.8% to Ch\$559,141 million in 2006. The growth in sales during the year was attributable to higher average copper prices and an increase in volumes sold. Prices increases accounted for 86.4% of the total increase in revenues. Cable and brassmill sales were particularly strong, increasing during the year by 66.4% and 46.3%, respectively.

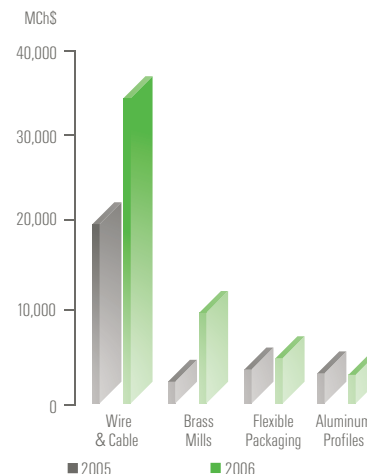
NET INCOME
MCh\$30,204 in 2006



2006 SALES COMPOSITION
MCh\$559,141



OPERATING INCOME
MCh\$51,766 in 2006



Sales corresponding to the cable business unit were up by Ch\$143,710 million to Ch\$360,226 million as a consequence of strong demand for copper wire and copper and aluminum cables in Madeco's main markets of Brazil, Chile and Peru. The increase in sales was price driven, although a 15.5% increase in the volume sold also contributed to the boost in sales. Brass mills sales jumped by Ch\$37,794 million also due to the rise in copper prices, more than offsetting a 5.1% decline in volumes sold. Likewise, the flexible packaging and aluminum profiles units also reported an increase in sales of 2.5% and 11.2% respectively.

In spite of higher costs associated with raw materials, particularly copper and aluminum, as well as a 15.4% increase in SG&A expenses

related to the higher sales level, the strong sales level led to an 82.1% increase in operating profits for the period. Operating income rose by 82.1% to Ch\$51,766 million, mainly attributable to the 73.3% and 373.9% growth experienced by the cable and brass mills units during the year.

Madeco reported non-operating losses of Ch\$14,846 million, up by 6.6% from the Ch\$13,928 million reported in 2005, mostly explained by a 12.3% increase in interest expense as a consequence of higher working capital needs, as well as an increase in other non-operating expenses (net). This increase was partially offset by an improvement in results related to foreign exchange differences (due to the revaluation of the Brazilian real and the Peruvian sole) and price-level restatement (due to a lower inflation rate).

Madeco reported net income of Ch\$30,204 million in 2006. This represented an increase of 146.2% compared to 2005, attributable to the significantly stronger operating performance shown by the company in 2006, which more than offset the aforementioned increase in non-operating losses and higher taxes.