 **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 and Telefónica del Sur. The profit or loss from other investments such as Banco de Chile and CCU, which are highly 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's net earnings increased by nearly 72% in 2007, reaching Ch\$105,241 million. Trading profits were key to the performance of the holding during the year, as were results from the equity investments, Banco de Chile and CCU. In addition, important strategic alliances were formed, which will impact the shape and form of the company in periods to come. All in all, 2007 was undoubtedly one of the best years in Quiñenco's history.

Quiñenco reported consolidated revenues of Ch\$700,767 million in 2007, up 5.9% from the 2006 level. Consolidated revenues were boosted by the 6.4% or Ch\$38,493 million increase in sales corresponding to Madeco's operations, as a result of acquisitions it carried out during the year.

In spite of the higher sales level, operating income was affected at both Madeco and Telefónica del Sur, which served to reduce consolidated operating income by 32.4% to Ch\$39,038 million. The brass mills business unit of Madeco's operations was affected by increased competition from domestic and international producers, lower prices and a weak US dollar on exports. Telefónica del Sur faced an increase in SG&A expenses on new product launches, as well as higher depreciation expense associated with equipment and network improvement.

Equity income (net) totaled Ch\$98,038 million, its highest level ever, due to the solid results obtained from Quiñenco's two main equity investments, Banco de Chile and CCU, which contributed Ch\$73,297 million and Ch\$26,180 million, respectively.

NET INCOME CONTRIBUTION FROM OPERATING COMPANIES

The following table shows the contribution of the main operating companies to Quiñenco's 2007 net income:
(In millions of Ch\$ pesos as of December 31, 2007)

Companies	Quiñenco's Ownership (1)	Sales Revenue (3)	Net Profit	Quiñenco's Proportionate Share of N.I.	Total Assets	S/H Equity
Financial Services						
Banco de Chile	(2) 52.5%	(3) 691,608	242,288	73,297	14,620,509	1,051,393
Food & Beverage						
CCU	33.1%	628,284	79,199	26,180	826,616	401,796
Telecommunications						
Telsur	74.4%	60,693	6,211	4,587	153,687	77,413
Manufacturing						
Madeco	45.2%	639,011	19,660	9,048	487,097	263,894
Other Operating Companies				(8,717)		
Total Operating Companies				104,395		
Quiñenco & Holding Companies				846		
Net Income for the Year				105,241		





(1) Direct or indirect

(2) Corresponds to voting rights

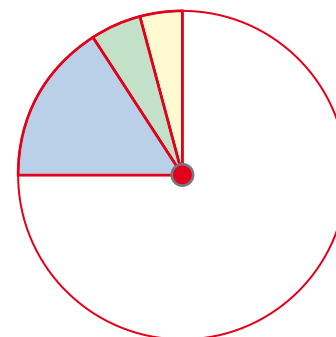
(3) Corresponds to operating revenues

Dividend cash flow amounted to Ch\$54,753 million in 2007, up from the Ch\$52,942 million received in 2006. In 2007, for the second consecutive year, Banco de Chile reduced its pay-out ratio from 100% to 70%, capitalizing 30% of its net profits. Nonetheless, dividends from the bank reached Ch\$43,271 million, an increase of 6.5% over the prior year. Sustained dividend cash flow and proceeds from the sale of investments have fortified Quiñenco's cash reserves, which as of December 31, 2007 stood at Ch\$167,836 million, leaving it well prepared to take advantage of new investment opportunities and service debt obligations.

COMPOSITION OF DIVIDEND INCOME

	Banco de Chile	75%
	IRSA	16%
	Telefónica del Sur (*)	5%
	Entel	4%

(*) Eliminated in the consolidation



+71.8%

Net income grew to Ch\$105,241 million in 2007, thanks to profits from trading activities and the strong performance of Banco de Chile and CCU.

COMPOSITION OF CONSOLIDATED DEBT

	2006	2007
	MCh\$	MCh\$
Corporate level (*)	361,461	344,987
Madeco	105,215	110,725
Telefónica del Sur	43,300	52,040
Total consolidated debt	509,976	507,752

(*) does not include the debt of the affiliate company, IRSA, of MCh\$18,959