

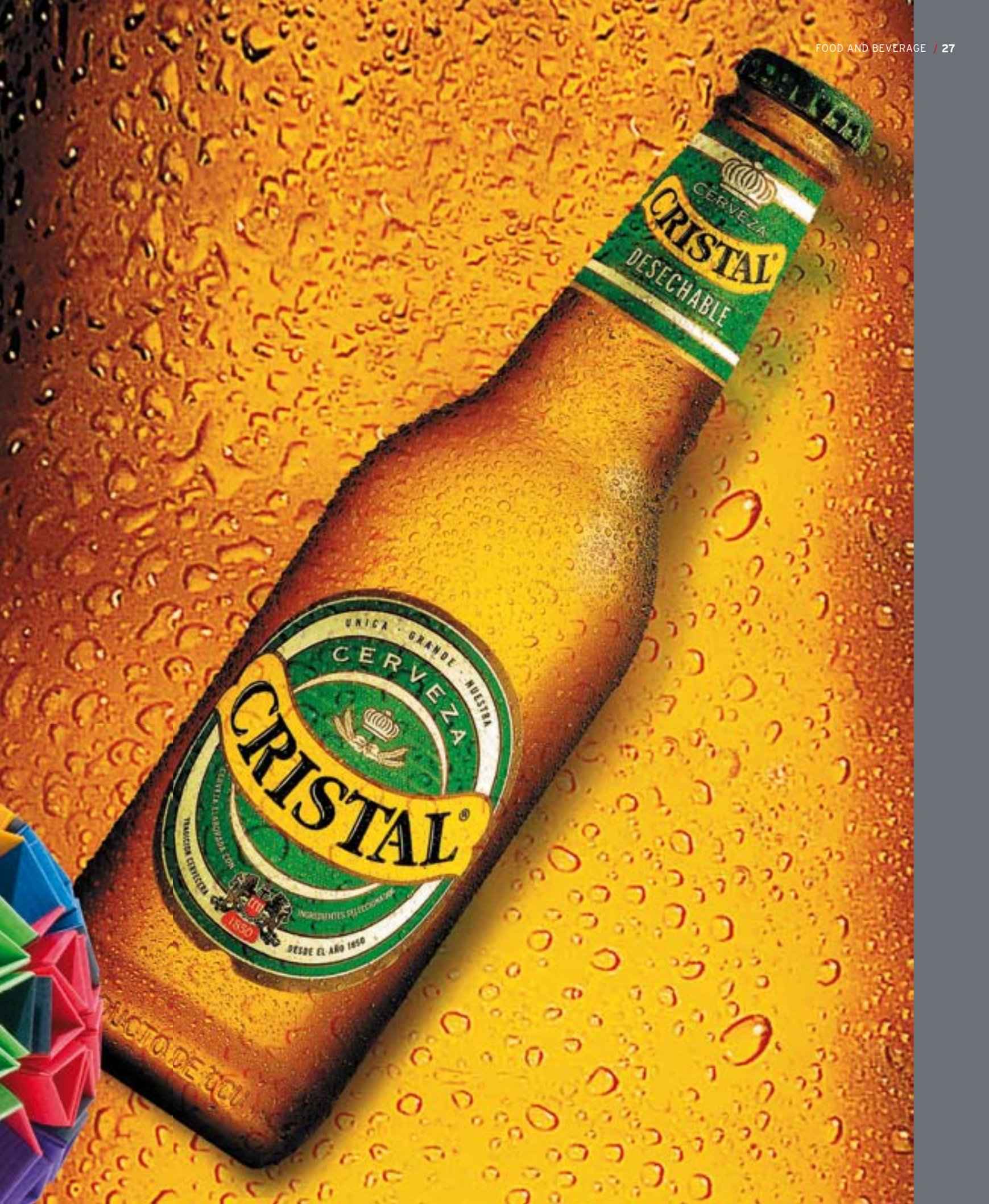


ABRE TU MUNDO  
**CCU**



CCU  
33.1%

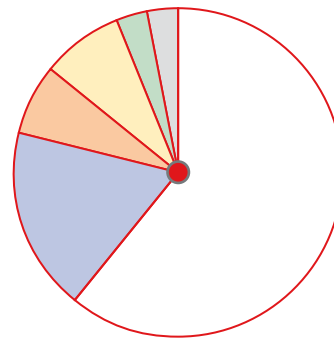




UNICA GRANDE NUESTRA  
CERVEZA  
**CRISTAL**  
CERVEZA  
INGREDIENTES Puros y naturales  
DESDE EL AÑO 1850

CERVEZA  
**CRISTAL**  
DESECHABLE

PRODUCTO DE U.C.I.



MCh\$146,791 in 2007

EBITDA BY SEGMENT	
Beer in Chile	61%
Soft Drinks & Mineral Water	18%
Beer in Argentina	7%
Wine	8%
Spirits	3%
Other	3%

**Compañía Cervecerías Unidas (CCU)** is the largest Chilean brewery and the second in Argentina, as well as the leading company in the production of beverages in Chile. CCU has been the brand of preference for Chileans for many years with respect to beer, beverages, mineral waters, juices, wine and pisco. This is mainly due to constant innovation and the continual launching of new products to satisfy consumer tastes and provide an ample array of alternatives to the public.

In 2007, CCU launched a series of new products complementing its already successful brands. Notable among non-alcoholic drinks were the energy drink, SoBe Adrenaline, Rush, Kem Slice, Lipton Ice Tea (a ready-to-drink tea-based drink offered with lemon, green tea and peach flavorings), plus two new flavors of its Cachantun Mas brand, mineral water with grapefruit and peach flavorings.

In alcoholic drinks, CCU extended its product range with the launching of Sierra Morena rum, Ruta Norte, Campanario Berries Pisco Sour and treble-distilled Control C pisco. With respect to beers, Cristal Black Lager, a black beer, was

added to the already ample product range, and the Paulaner brand was launched in Argentina. In wines, the products 35 Sur Sour and 35 Sur Reserva were created. Notable in this area was the purchase of Viña Leyda through an associate company of Viña San Pedro, a CCU subsidiary.

On the production side, CCU's new pisco plant in Ovalle is already operating, thus reducing freight costs by being closer to Santiago and to the farmers.

A new strategic plan was introduced for the period 2008-2010, consisting of six strategic objectives which will define the management of the company's businesses for the next three years.

In late 2007, CCU signed an important agreement with Nestlé Waters Chile S.A., through which Nestlé acquired 20% of a new company, Aguas CCU Nestlé Chile, which will be responsible for developing the mineral water business in Chile under the brands Cachantun, Porvenir and Glacier. As part of this agreement, Nestlé granted the new company the license to produce Nestlé Pure Life water in Chile. Nestlé also has the possibility to acquire an additional 29% within 18 months from December 2007. In addition, Calaf, an associate company of CCU, purchased the Natur cereals brand.



**MARKET SHARE**

As of December 31 <sup>st</sup>	2007
Beer in Chile	87%
Beer in Argentina	16%
Soft drinks	23%
Mineral water	69%
Fruit juice	56%
Pisco	46%
Domestic wine (VSP)	19%
Export wine (VSP)	11%

# +32.1%

In 2007, earnings growth was attributable to CCU's strong operating performance as well as an improvement in non-operating results.

CCU Argentina is in the process of acquiring Inversora Cervecera S.A. (ICSA), which would increase its market share with the brands Bieckert, Palermo and Imperial. ICSA also has a brewery at Luján, Buenos Aires. The idea behind the acquisition is to strengthen the company's position as the second player in the beer business in Argentina. The transaction is awaiting the resolution of the Argentine National Anti-Trust Commission.

**2007 Results**

CCU's main business segments experienced healthy growth in 2007. Its consolidated sales revenue rose by 7.2% to Ch\$628,284 million, attributable to a 6.1% increase in volume sold. The growth in sales volumes was led by the Chilean and Argentine beer segments and the non-alcoholic drinks segment.

Operating income jumped by 18.5% to Ch\$101,384 million in 2007, mainly due to the higher sales level, although higher direct costs and SG&A expenses partially offset the increase. EBITDA reached Ch\$146,791 million showing an increase of 12.2% over 2006.

CCU reported non-operating losses of Ch\$3,387 million, compared to non-operating losses of Ch\$10,643 million in 2006. The improvement in non-operating results is mostly explained by a Ch\$11,925 million after tax non-recurring gain related to the association with Nestle in the water business in 2007.

The aforementioned 18.5% increase in operating income and improvement in non-operating results in 2007 was reflected in CCU's net income for the year, which rose by 32.1% to Ch\$79,199 million.

