



DIVIDEND POLICY

At the Annual Shareholders' Meeting to be held on April 29, 2008, the Board of Directors will propose to maintain its dividend policy of distributing at least 30% of annual (liquid) net profits.

DIVIDEND HISTORY

DIVIDEND NUMBER	PAYMENT DATE	DIVIDEND PER SHARE*	TOTAL DIVIDEND*	FOR THE YEAR ENDED DECEMBER 31 ST
N° 16	05-05-05	Ch\$12.97685	ThCh\$14,011,625	2004
N° 17 y 18	10-05-06	Ch\$14.44793	ThCh\$15,600,009	2005
N° 19 y 20	09-05-07	Ch\$15.84908	ThCh\$17,112,887	2006

* historic figures

DISTRIBUTION OF 2007 NET INCOME

Net income for 2007 totaled ThCh\$105,241,007. The Board of Directors has proposed to distribute 2007 net income as follows:

- 1) Payment of a dividend of ThCh\$52,620,498 corresponding to the distribution of 2007 net income as follows:
 - a) Payment of a minimum obligatory dividend of ThCh\$31,085,176, to be paid in accordance with the date established at the Annual Shareholders' Meeting.
 - b) Payment of an additional dividend of ThCh\$21,535,322, to be paid in accordance with the date established at the Annual Shareholders' Meeting.
- 2) Allocation of the balance of ThCh\$52,620,509 to retained earnings.

The proposed dividend distribution corresponding to 2007 net income is equivalent to 50.00% of net earnings for the year.

CALCULATION OF ALLOWABLE DIVIDEND DISTRIBUTION	ThCh\$
Net Income 2007	105,241,007
Allowable distribution of 2007 earnings	105,241,007
2007 dividend as a percentage of allowable distribution	50.00%
Amortization of negative goodwill (consolidated)*	(1,623,752)

* In conformance with Circular N°368 of the SVS, amortization of negative goodwill for a given period may not be considered as part of distributable net income for the purpose of calculating the minimum obligatory dividend but may be considered in calculating an additional dividend.

SHAREHOLDERS

At the closing of 2007, Quiñenco's share capital is divided in 1,144,577,775 subscribed and paid-in shares. The twelve largest shareholders as of December 31, 2007 are:

CORPORATE I.D. #	NAME	SHARES	%
77.636.320-0	Andsberg Inversiones Ltda.*	391,308,877	34.19
59.039.730-k	Ruana Copper A.G. Agencia Chile*	255,946,677	22.36
78.306.560-6	Inmobiliaria e Inversiones Río Claro S.A.*	143,427,860	12.53
96.536.010-7	Inversiones Consolidadas S.A.*	129,988,779	11.36
90.818.000-3	Axxión S.A.	32,481,908	2.84
47.006.374-2	First Eagle Overseas Fund	24,062,197	2.10
90.249.000-0	Bolsa de Comercio de Santiago Bolsa de Valores	20,441,029	1.79
96.871.750-2	Inversiones Salta S.A.*	19,121,268	1.67
96.684.990-8	Moneda S.A.	18,701,595	1.63
96.551.730-8	Bolsa Electronica de Chile Bolsa de Valores	17,281,942	1.51
96.894.180-1	Bancard Inversiones Ltda.	10,801,339	0.94
98.001.000-7	A.F.P. Cuprum	9,335,373	0.82
	Total	1,072,898,844	93.74
OTHER INFORMATION AS OF 12.31.2007			
	Number of outstanding shares	1,144,577,575	
	Number of shareholders	1,613	

* Companies related to the Luksic Group

Quiñenco is controlled 83.1% by the Luksic Group, through Andsberg Inversiones Ltda., Ruana Copper A.G. Agencia Chile, Inversiones Orengo S.A., Inversiones Consolidadas S.A., Inversiones Salta S.A., Inmobiliaria e Inversiones Río Claro S.A. and Inversiones Río Claro Ltda. The Luksburg Foundation indirectly holds a 94.6% interest in Andsberg Inversiones Ltda., a 100% interest in Ruana Copper A.G. Agencia Chile and a 97.3% interest in Inversiones Orengo S.A.

Andrónico Luksic Craig and his family control 100% of the shares of Inversiones Consolidadas S.A. and Inversiones Salta S.A. Guillermo Luksic Craig and his family control 100% of the shares of Inmobiliaria e Inversiones Río Claro S.A. and Inversiones Río Claro Ltda. There are no formal agreements as to the voting or disposition of shares between members of the controlling shareholder group.



SHARE TRANSACTIONS BY CONTROLLING SHAREHOLDERS

	NUMBER OF SHARES		TRANSACTION AMOUNT (*)		UNIT PRICE (*) (**)	
	PURCHASED	SOLD	PURCHASED	SOLD	PURCHASED	SOLD
			ThCh\$	ThCh\$	Ch\$	Ch\$
2007						
Andsberg Inversiones Ltda.	26,007,901	-	26,365,331	-	1,013.74	-
Ruana Copper A.G. Agencia Chile	15,008,677	-	15,008,677	-	1,000.00	-
Inversiones Consolidadas S.A.	7,813,239	(3,252,319)	7,813,239	(3,609,749)	1,000.00	(1,109.90)
Inversiones Salta S.A.	1,121,268	-	1,121,268	-	1,000.00	-
Inversiones Río Claro Ltda.	8,934,508	-	8,934,508	-	1,000.00	-
2006						
Andsberg Inversiones Ltda.	1,137,817	-	728,203	-	640.00	-

(*) Historic figures

(**) Average price

SHARE TRANSACTIONS BY OFFICERS AND EXECUTIVES OF THE COMPANY

	NUMBER OF SHARES		TRANSACTION AMOUNT (*)		UNIT PRICE (*) (**)	
	PURCHASED	SOLD	PURCHASED	SOLD	PURCHASED	SOLD
	2007	2006	2007	2006	2007	2006
	Nº	Nº	ThCh\$	ThCh\$	Ch\$	Ch\$
Francisco Pérez Mackenna (CEO)	-	(334,799)	-	(214,271)	-	(640.00)
Martín Rodríguez Guiraldes (Executive)	-	(83,188)	-	(53,240)	-	(640.00)
Pedro Marín Loyola (Executive)	917	(38,665)	917	(24,746)	1,000.00	(640.00)
Luis Fernando Antúnez (Executive)	5,690	(145,367)	5,690	(93,035)	1,000.00	(640.00)
Felipe Joannon Vergara (Executive)	-	(179,439)	-	(114,841)	-	(640.00)
Oscar Henríquez Vignes (Executive)	1,201	(37,493)	1,201	(23,996)	1,000.00	(640.00)
Manuel José Noguera (Executive)	-	(179,439)	-	(114,841)	-	(640.00)
Cindi Freeman (Executive)	141	-	141	-	1,000.00	-
Alessandro Bizzarri Carvallo (Ex-Executive)	131	(49,210)	131	(31,494)	1,000.00	(640.00)
Jorge Tagle Ovalle (Ex-Executive)	-	(53,896)	-	(34,493)	-	(640.00)
	8,080	(1,101,496)	8,080	(704,957)		

(*) Historic figures

(**) Average price

During the year 2007, the managers and principal executives of the Company did not carry out sales of shares. In 2006, they did not carry out purchases of shares.



STOCK SHARE PRICE AND VOLUME TRADED

The following table sets forth on a quarterly basis, the average share price and volume traded on the Santiago Stock Exchange during the last three years:

YEAR	NUMBER OF SHARES	TRANSACTION AMOUNT (*) ThCh\$	AVERAGE PRICE Ch\$
2007			
1st Quarter	11,298,641	9,245,564	818.29
2nd Quarter	19,794,194	17,412,698	879.69
3rd Quarter	9,346,635	10,640,854	1,138.47
4th Quarter	10,292,309	11,117,592	1,080.18
2006			
1st Quarter	19,496,830	12,356,140	633.75
2nd Quarter	16,246,819	10,172,953	626.15
3rd Quarter	4,956,082	3,071,929	619.83
4th Quarter	14,135,447	10,374,172	733.91
2005			
1st Quarter	11,133,223	7,794,040	700.07
2nd Quarter	11,314,120	7,665,592	677.52
3rd Quarter	10,580,528	7,528,891	711.58
4th Quarter	11,720,344	7,710,086	657.84

(*) Historic figures

CORPORATE HEADQUARTERS

Quiñenco's corporate headquarters are located in the El Golf sector of Santiago at Enrique Foster Sur #20, Las Condes. Its offices occupy approximately 2,500 square meters.

INSURANCE

Quiñenco and its subsidiaries maintain annual insurance policies with leading insurance providers that cover all relevant assets, including buildings, machinery, vehicles, raw materials, work-in-progress, finished goods, etc. The policies cover damages caused by fire, earthquake and other contingencies.

INVESTMENT POLICY

Most of Quiñenco's resources are dedicated to companies under its control, either directly or in conjunction with strategic partners. Resources may also be used to invest in industries or companies that it believes will strengthen the Group's growth potential.

Quiñenco seeks out investment opportunities in companies with a strong brand orientation and in industries in which it has proven experience. In the past, the Company has formed strategic alliances in order to obtain financing and know-how.

FINANCING POLICY

Quiñenco finances its activities and investments with profit distributions from its operating companies and with funds obtained from the sale of assets, the issuance of debt and equity instruments and bank financing.

The Company prioritizes long-term financing in order to maintain a liability structure that reflects the liquidity of its assets and whose maturity profiles are compatible with its cash flow generation capacity.



RISK FACTORS

The primary risks affecting Quiñenco and its subsidiaries are those risks inherent to the markets and economies in which each business operates, in Chile and abroad. These risks are reflected in the prices, costs and sales volumes of the products and services of every business the Company is involved in.

Quiñenco is exposed to the fluctuation in inventory values in some of its subsidiaries.

Quiñenco is predominantly engaged in business in Chile. Consequently, its results of operations and financial condition are to a large extent dependent on the overall level of economic activity in Chile. The Chilean economy had a GDP growth rate of approximately 5% for the year 2007. There can be no assurance regarding future rates of growth relating to the Chilean economy. Some of the factors that would be likely to have an adverse effect on the Company's business and results of operations include future downturns in the Chilean economy, a return to the high inflation experienced by Chile and currency fluctuations.

In addition to its operations in Chile, some of Quiñenco's businesses operate in and export to companies that operate in and export to Argentina, Brazil, Peru and other countries in Latin America that have at various times in the past been characterized by volatile and frequently unfavorable economic, political and social conditions. The Company's business, earnings and asset values may be materially and adversely affected by developments with respect to inflation, interest rates, currency fluctuations, government policies, price and wage controls, exchange control regulations, taxation, expropriation, social instability and other political, economic or diplomatic developments in or affecting the specific countries in which the Company operates and in Latin America in general.

Quiñenco believes that its businesses face an increasingly high level of competition in the industries in which they operate. Increased competition is manifested in prices, costs and sales volumes of the products and services produced and marketed by Quiñenco's businesses. While the Company expects that its businesses, based on their past experience and track records, will be able to continue to successfully compete within their industries, there is no assurance that competition

will not continue to increase in the future, including a possible ongoing trend of consolidation in certain industries. Increased competition could affect the profit margins and results of operations of Quiñenco's businesses, which as a result, could materially and adversely affect the dividend cash flow Quiñenco receives from its businesses.

Historically, Quiñenco and its group companies have required significant amounts of capital to finance their operations and expand their businesses. As such, future growth is directly related to the Company's access to capital. In the past, Quiñenco and its group companies have satisfied their capital needs with internally generated cash flow and with issues of debt and equity. Nonetheless, there is no assurance that funds will be readily available to finance the future capital needs and expansion plans of the Company. The inability to raise capital could severely impede Quiñenco from growing in the future, either in its existing businesses or in new businesses, thereby producing an adverse effect on the Company's financial position and its results from operations.

As a holding company, Quiñenco's debt service and repayment capacity, as well as its ability to make dividend distributions depends on the level of dividends and profit distributions it receives from its subsidiary and affiliate companies. The payment of dividends by subsidiary companies, equity investments and related companies, is, in certain instances, subject to restrictions and contingencies. In addition, Quiñenco's level of income has largely depended on the periodic sale of assets held for investment. There can be no assurance that Quiñenco will be able to continue to rely on certain subsidiaries' dividends and distributions, nor that it will be able to generate the level of gains on the sale of investments that it has shown in the past.

Another risk factor the Company faces is associated with interest rates. A portion of Quiñenco's debt is subject to variable interest rates, which could have an impact on the company in periods in which the variable rate rises. A risk also exists with respect to exchange rate fluctuations on debt instruments maintained in foreign currencies.

Many of Quiñenco's businesses are publicly traded entities whose equity value may vary depending on market value fluctuations. The equity value of Quiñenco's investments could

be affected by downturns in the Chilean securities markets and other securities markets, such as the New York Stock Exchange where the equity securities of CCU, Madeco and Banco de Chile are also traded. In addition, should publicly-traded shares experience low trading volumes, price and share liquidity could be affected.

In addition, the market value of securities of Chilean companies is, to varying degrees, affected by economic and market conditions in other emerging market countries. Although economic conditions in such countries may differ significantly from economic conditions in Chile, investors' reactions to developments in any of these other countries may have an adverse effect on the market value of securities of Chilean issuers. There can be no assurance that the Chilean stock market will continue to grow or even sustain its gains and that the market value of the Company's securities would not be adversely affected by events elsewhere, especially in emerging market countries.

DIRECTORS' COMMITTEE

The Directors' Committee is composed of three members, Guillermo Luksic Craig, Gonzalo Menéndez Duque, and Matko Koljatic Maroevic. These members were appointed by the Board of Directors on May 5, 2005. The committee is presided over by Gonzalo Menéndez Duque and meets on a monthly basis.

Francisco Pérez Mackenna, CEO, Luis Fernando Antúnez, CFO, and Fernando Silva Lavín, Controller, are also regular participants at each session.

Each of the members of the Directors' Committee is related to the controlling shareholder under the terms described in Article 50 bis of the Corporations Law (Ley de Sociedades Anónimas).

The Directors' Committee, in accordance with Article 50 of the Corporations Law and its predetermined meeting schedule, carried out the following activities in 2007:

1) An examination of and subsequent report on the type of operations referred to in Articles 44 and 89 of the Corporations Law. The Committee reviewed in detail the information relative to the following transactions: (a) an

increase of ThCh\$465,000 in a loan of UF119,000 loan plus interest to the subsidiary company, Indalsa S.A., payable under the same conditions as the original loan, readjusted in Unidades de Fomento plus interest at the rate of TAB (180 days) plus 2.7% p. a., maturing in June 2008, guaranteed by shares of Calaf S.A. and (b) a new loan to the subsidiary company, Indalsa S.A. of UF85,000, renewable every 90 days, plus interest at a rate of TAB (180 days) plus 2.7% p.a. The purpose of this loan was to enable Indalsa S.A. to make a capital contribution to Calaf S.A. in proportion to the interest it holds in Calaf S.A. so that Calaf S.A. could carry out the financing of the acquisition of Natur for US\$6 million.

- 2) A review of the salary and compensation packages of Quiñenco's main executives and long-term incentive plan.
- 3) A review of the reports issued by the Company's external auditors. During 2007, the committee reviewed the 2006 Audited Financial Statements presented by Management, prior to submitting them to shareholders for approval. Other reports included the interim financial report as of June 30, 2007 and the Internal Control Report periodically sent to the Company's administration.
- 4) The committee proposed to the Board of Directors the designation of Ernst & Young Servicios Profesionales de Auditores and Asesorías Limitada as external auditors for the year 2007. If this firm for whatever reason can not be contracted, it would then propose Deloitte. Feller Rate Clasificadores de Riesgo Limitada and Fitch Clasificadores de Riesgo were proposed as the Company's local risk classifiers and Standard & Poor's as its international risk classifier.





AUDIT COMMITTEE

As a listed company and foreign private issuer on the New York Stock Exchange (NYSE), Quiñenco used to comply with the NYSE's listing standards and regulations of the Securities and Exchange Commission (SEC). In accordance with the Law Sarbanes Oxley of 2002, on June 2, 2005, the company formed an audit committee whose function was to help ensure the reliability of the Company's financial statements, accounting and control processes, as well as supervise the external auditors. In 2006, the committee was composed of one member, Matko Koljatic Maroevic, an independent member of the audit committee as defined by regulations.

On November 16, 2006, Quiñenco's Board of Directors agreed to terminate the company's ADR program in the United States to which effect it agreed with the Bank of New York, as depositary bank, to terminate the depositary agreement with respect to its ADRs on January 19, 2007. As a consequence, the NYSE suspended trading of the Company's ADRs on January 22, 2007 and notified the SEC through Form 25 on January 26, 2007. No objection was made by the SEC and subsequently inscription of Quiñenco's ADRs was cancelled by the NYSE on February 5, 2007.

As a result of the termination of the ADR program and in keeping with company's objectives behind the termination of the program in the United States, Quiñenco is no longer required to maintain an Audit Committee as prescribed under the Law Sarbanes Oxley. Subsequently, on February 28, 2007, the Audit Committee was terminated and has since ceased to perform any function.

BOARD COMPENSATION

As agreed upon at the Annual Shareholders' Meeting held in 2007, compensation paid to members of the Board of Directors during the year was as indicated below (per diem and profit sharing, respectively):

Guillermo Luksic Craig, ThCh\$4,938 and ThCh\$38,907 (ThCh\$4,559 and ThCh\$36,333 in 2006); Andrónico Luksic Craig, ThCh\$616 and ThCh\$38,907 (ThCh\$829 and ThCh\$36,333 in 2006); Jean-Paul Luksic Fontbona, ThCh\$1,852 and ThCh\$38,907 (ThCh\$2,280 and ThCh\$36,333 in 2006); Hernán Büchi Buc, ThCh\$3,497 and ThCh\$38,907 (ThCh\$3,314 and ThCh\$36,333 in 2006); Juan Andrés Fontaine Talavera, ThCh\$3,296 and ThCh\$38,907 (ThCh\$2,899 and ThCh\$36,333 in 2006); Gonzalo Menéndez Duque, ThCh\$3,497 and ThCh\$38,907 (ThCh\$3,522 and ThCh\$36,333 in 2006); and Matko Koljatic Maroevic, ThCh\$3,497 and ThCh\$38,907 (ThCh\$3,522 and ThCh\$36,333 in 2006). In addition, Guillermo Luksic Craig, Gonzalo Menéndez Duque and Matko Koljatic Maroevic received compensation for their services as members of the Directors' Committee in 2007 of ThCh\$5,883, ThCh\$5,883 and ThCh\$6,867 (ThCh\$5,910, ThCh\$5,910 and ThCh\$10,832 in 2006), respectively.

The following Quiñenco board members received compensation for their services as board members of subsidiary companies as indicated below:

- In Banco de Chile (per diem and fees, respectively) Guillermo Luksic Craig, ThCh\$6,596 and ThCh\$45,160 (ThCh\$9,784 and ThCh\$46,833 in 2006); Andrónico Luksic Craig, ThCh\$12,263

and ThCh\$135,481 (ThCh\$8,797 and ThCh\$140,498 in 2006); Gonzalo Menéndez Duque, ThCh\$145,749 and ThCh\$45,160 (ThCh\$150,280 and ThCh\$46,833 in 2006); Hernán Büchi Buc, ThCh\$45,822 and ThCh\$34,145 (ThCh\$0 and ThCh\$0 in 2006); and Juan Andrés Fontaine Talavera, ThCh\$0 and ThCh\$32,400 (ThCh\$0 and ThCh\$0 in 2006).

- In SM Chile (per diem) Andrónico Luksic Craig, ThCh\$101,982 (ThCh\$70,270 in 2006) and Gonzalo Menéndez Duque, ThCh\$0 (ThCh\$772 in 2006).
- In Madeco S.A. (per diem and Director's Committee, respectively), Guillermo Luksic Craig, ThCh\$1,340 and ThCh\$0 (ThCh\$1,090 and ThCh\$429 in 2006); Andrónico Luksic Craig, ThCh\$374 and ThCh\$0 (ThCh\$438 and ThCh\$0 in 2006); Jean-Paul Luksic Fontbona, ThCh\$1,896 and ThCh\$0 (ThCh\$873 and ThCh\$644 in 2006) and Hernán Büchi Buc, ThCh\$2,068 and ThCh\$0 (ThCh\$1,528 and ThCh\$644 in 2006).
- In Telefónica del Sur S.A. (per diem and profit sharing, respectively), Guillermo Luksic Craig, ThCh\$8,799 and ThCh\$16,685 (ThCh\$5,425 and ThCh\$24,269 in 2006) and Gonzalo Menéndez Duque, ThCh\$11,031 and ThCh\$28,921 (ThCh\$10,621 and ThCh\$37,604 in 2006).
- In Industria Nacional de Alimentos S.A. (per diem), Guillermo Luksic Craig, ThCh\$344 (ThCh\$344 in 2006); and Hernán Büchi Buc, ThCh\$8,917 (ThCh\$8,966 in 2006).

BOARD OF DIRECTORS EXTERNAL CONSULTING EXPENSES

In 2007, the Board of Directors did not incur any expenses with respect to external consultants.

MANAGEMENT COMPENSATION

Compensation paid to Quiñenco's main executives during the year 2007, including salaries, benefits and performance bonuses, totaled ThCh\$3,362,508.

INCENTIVE PLAN

Quiñenco did not have a long-term incentive plan for the company's main executives as of December 31, 2007.

EMPLOYEE SEVERANCE PAYMENTS

In 2007, the Company did not incur expenses associated with severance payments to its managers and key executives.

