

2008 Financial Results

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.

In 2008 Quiñenco obtained a net income of Ch\$232,052 million, twice that reported the previous year. This excellent result reflects the execution of important agreements and transactions initiated the year before, as well as sound performance of the operating companies during the year, allowing Quiñenco to reach a new milestone in its successful history.

Quiñenco reported consolidated sales of Ch\$760,333 million in 2008, a slight 0.4% below 2007. This variation mainly owes to Madeco's operations, which also decreased by 0.4% to Ch\$692,958 million due to lower sales volumes of the brass mills unit and of the cable unit that was sold at the end of the third quarter of 2008. These lower volumes were compensated by higher average prices of copper and aluminum in comparison to 2007.

+102.5%

grew Quiñenco's net income reaching Ch\$232,052 million in 2008, based on the execution of agreements and transactions and the sound performance of Banco de Chile and CCU.

Operating income was affected by both Madeco and Telefónica del Sur, reporting a decrease of 19.9% to Ch\$34,585 million. Madeco's operating income diminished mainly due to the sale of the cable unit at the end of the third quarter of 2008, and to lower performance of brass mills, adversely affected by lower sales volumes and the sharp fall in copper prices during the last quarter of the year. Telefónica del Sur's operating income reflects a flat sales level together with higher depreciation, owing to investments in its wireless network and fiber-optic infrastructure for internet and digital IP television services, as well as higher costs related to digital television programming and broadband internet, the latter due to speed upgrades and client growth.

Equity income (net) totaled Ch\$138,719 million, reaching a new high point due to the sound results achieved by Quiñenco's two main investments, Banco de Chile and CCU, which contributed Ch\$110,193 million and Ch\$27,314 million, respectively, at a consolidated level.

Consolidated dividend cash flow amounted to Ch\$121,033 million in 2008, as compared to Ch\$59,626 million the year before. In 2008 Banco de Chile increased its dividend payout ratio from 70% to 100%. Sustained dividend cash flow and proceeds from the sale of investments have fortified Quiñenco's financial position, with a net consolidated debt down by 32% to Ch\$376,982 million, placing the company in a favorable position to take advantage of new investment opportunities.

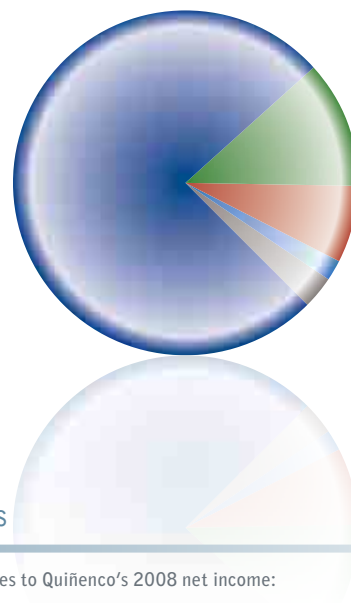
At the Corporate level, dividends received from its related companies LQIF, IRSA, Madeco, Telefónica del Sur and other companies, amounted to Ch\$106,423 million, significantly higher than the Ch\$27,182 million received in 2007.



COMPOSITION OF CONSOLIDATED DEBT

	2007	2008
	MCh\$	MCh\$
Corporate level (*)	375,674	256,109
Madeco	120,579	49,627
Telefónica del Sur	56,672	71,246
Total consolidated debt	552,925	376,982

(*) Does not include the debt of the affiliate company, IRSA, amounting to MCh\$34,495 in 2008 (MCh\$41,294 in 2007), in which Quiñenco's stake is 50%. Includes 100% of the debt of the subsidiary LQIF, amounting to MCh\$170,625 in 2008 (MCh\$184,277 in 2007), in which Quiñenco's stake is 67.04%.



COMPOSITION OF DIVIDEND INCOME

MCh\$106,423 (corporate level)

LQIF	76%
IRSA	12%
Madeco	7%
Telsur	2%
Entel	3%

NET INCOME CONTRIBUTION FROM OPERATING COMPANIES

The following table shows the contribution of the main operating companies to Quiñenco's 2008 net income:
(In millions of Ch\$ pesos as of December 31, 2008)

Companies	Quiñenco's Ownership ⁽¹⁾	Sales Revenue	Net Income	Quiñenco's Proportionate Share of N.I.	Total Assets	S/H Equity
Financial Services						
Banco de Chile	27.1% ⁽²⁾	1,097,480 ⁽³⁾	272,427	73,873	18,128,442	1,297,743
Beverage & Food						
CCU	33.1%	781,789	82,631	27,314	1,072,953	496,246
Telecommunications						
Telsur	74.4%	66,133	4,005	2,981	178,953	85,360
Manufacturing						
Madeco	47.7%	692,958	97,184	44,144	551,642	415,179
Other Operating Companies				(621)		
Total Operating Companies				147,691		
Quiñenco & Holding Companies				84,361		
Net Income for the Year				232,052		

(1) Direct and/or indirect.

(2) Corresponds to Quiñenco's economic rights. Voting rights held by LQIF were 61.7% as of December 2008.

(3) Corresponds to the Bank's operating revenues.