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QUIÑENCO S.A. ANNOUNCES CONSOLIDATED RESULTS FOR THE FIRST QUARTER OF 2010

(Santiago, Chile, May 28, 2009) Quiñenco S.A., a leading Chilean business conglomerate, announced today its consolidated financial results under IFRS, for the first quarter ended March 31, 2010.

Consolidated financial results are presented in accordance with IFRS and the regulations established by the Superintendency of Securities and Insurance (SVS). All figures are presented in nominal Chilean pesos, unless stated otherwise. Figures in US$ have been converted from Chilean pesos (Ch$) at the observed exchange rate on March 31, 2009 (Ch$524.46 = US$1.00), unless indicated otherwise, and are only provided for the reader's convenience.

1Q 2010 HIGHLIGHTS

- **Net income[1] amounted to Ch$48,803 million in the first quarter of 2010, 8% below the same period in 2009, mainly due to a non-recurring gain registered during 2009 in relation to the sale of financial assets, and the favorable effect of the negative rate of inflation during 1Q 2009 on financial obligations and costs, including accrued interest expense of Banco de Chile's Subordinated debt with the Chilean Central Bank, whereas during 1Q 2010 inflation was slightly positive.**

- **At the Corporate level, first quarter results include a gain of Ch$8,725 million from the sale of the company's investment in Telsur, materialized in January, 2010.**

- **The contribution of operating companies during the first quarter of 2010 was boosted by significantly higher results from Banco de Chile, due to the improved conditions of the domestic economy and a positive rate of inflation, whereas Madeco and CCU registered lower results, despite higher operating income.**

- **Earnings per ordinary share amounted to Ch$42.64 for the first quarter of 2010.**

[1] Net income corresponds to Net income attributable to Controllers' shareholders.

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GROUP HIGHLIGHTS – FIRST QUARTER 2010 AND SUBSEQUENT EVENTS

Quiñenco – Sale of Telefónica del Sur materialized

On January 20, 2010, Quiñenco sold through a public offering its direct and indirect share in Telsur of 74.43% to GTD Grupo Teleductos for a total amount of Ch$57,212 million, equivalent to a price per share of Telsur of Ch$341.54. This transaction generated a gain of Ch$8,725 for Quiñenco during the first quarter of 2010.

Quiñenco – Earthquake hits Central and Southern Chile

On February 27, 2010 Central and Southern Chile suffered the impact of a very strong earthquake. Operations of the Quiñenco Group of companies were not interrupted by this event. The domestic production of beer at CCU was interrupted briefly. The Quiñenco Group has insurance policies with first class insurance companies, which include damage caused by earthquakes, fire and other events.

Quiñenco – Dividend Distribution

At the Ordinary Shareholders Meeting held on April 30, 2010, shareholders approved a dividend distribution corresponding to 2009 net income of Ch$95.04 per share, payable as of May 11, 2010, to those shareholders registered with the company as of May 5, 2010. The total amount of the dividend is Ch$108,780 million, equivalent to 70.00% of 2009 net income.

Quiñenco – Citigroup materializes options and reaches 50% of LQIF

On April 30, 2010, Citigroup acquired 17.04% of LQIF for a total price of Ch$541,200 million, increasing its share in LQIF to 50%. This transaction will generate an estimated gain for Quiñenco in 2Q 2010, before taxes, of Ch$169,000 million and an increase in equity, before taxes, of approximately Ch$169,000 million.

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QUIÑENCO REPORTS IN ACCORDANCE WITH IFRS – MAIN IMPLICATIONS

Overview

As of the year 2009 Quiñenco reports its financial statements in accordance with International Financial Reporting Standards (IFRS). In comparison to Chilean GAAP, the main changes and considerations are the following:

- Consolidation with Banco de Chile, SM Chile and Banchile Seguros de Vida, and On-Balance accounting of Banco de Chile's Subordinated Debt with the Chilean Central Bank.
- Elimination of price-level restatement.
- Other changes in accounting principles. (For further detail please refer to notes of Consolidated Financial Statements filed with the Superintendency of Securities and Insurance or SVS).

Segment Information

In accordance with IFRS requirements, financial information is reported for the three segments defined by Quiñenco for this purpose: Manufacturing, Financial and Others. However, in order to allow a better understanding of the consolidated financial statements, the latter and the subsequent analysis, have been divided in Banking and Non-banking (industrial) activities, as follows:

- **Industrial Sector**: includes the following Segments and main companies:
  - **i) Manufacturing**
    - Madeco
  - **ii) Financial**
    - LQ Inversiones Financieras (LQIF holding)
  - **iii) Other**
    - Quiñenco and others (includes CCU)

The companies composing this sector reported their financial statements in accordance with IFRS, with the exception of Banchile Seguros de Vida, included in Quiñenco and others, which prepared its financial statements in accordance with Chilean GAAP. Madeco reports its financial statements in US dollars, and translates them to Chilean pesos for consolidation purposes.

In January 2010, Quiñenco sold its share in Telsur to GTD Grupo Teleductos, through a public offering. Therefore, during 2009 Telsur has been classified as a discontinued operation, included in the segment Others.

Banking Sector: includes the following Segments and main companies:
- **i) Financial**
  - Banco de Chile
  - SM Chile

These companies reported their financial statements partially in accordance with IFRS, as determined by the Superintendency of Banks and Financial Institutions.

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Summarized Consolidated Income Statement

Sector /Segment	Figures in Ch$ mln's								Total MUS$	
	Manufacturing		Financial		Others		Total			
	1Q 2009	1Q 2010	1Q 2009	1Q 2010	1Q 2009	1Q 2010	1Q 2009	1Q 2010	1Q 2009	1Q 2010
Consolidated Income Industrial Sector	4,047	**(841)**	141	**(3,870)**	31,664	**16,041**	35,852	**11,330**	68.4	**21.6**
Consolidated Income Banking Sector	-	**-**	49,321	**83,856**	-	**-**	49,321	**83,856**	94.0	**159.9**
Consolidated Net Income	4,047	**(841)**	49,462	**79,986**	31,664	**16,041**	85,173	**95,186**	162.4	**181.5**
Net Income attributable to Minority Interest							31,942	**46,382**	60.9	**88.4**
Net Income attributable to Controllers' shareholders							53,232	**48,803**	101.5	**93.1**

Net Income – 1Q 2010

Quiñenco reported net income of Ch$48,803 million in the first quarter of 2010, 8.3% below the net income reported for the same period in 2009, mainly due to non-recurring gains at the corporate level of Ch$17,377 million related to the sale of financial assets during 1Q 2009, and the favorable effects of the negative rate of inflation registered in 2009 on financial obligations and costs denominated in UFs, including accrued interest expense of Banco de Chile's subordinated debt, situation which is reversed in 2010 with slightly positive inflation. First quarter results in 2010 were boosted by a non-recurring gain at the corporate level of Ch$8,725 on the sale of the investment in Telsur, materialized in January.

In terms of the main operating companies, Banco de Chile reported significantly higher results in the first quarter of 2010, doubling those reported in 1Q 2009. Madeco and CCU, however, registered lower results.

Earnings per ordinary share amounted to Ch$42.64 in the first quarter of 2010.

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Consolidated Income Statement Breakdown

	1Q 2009		1Q 2010	
	MCh$	MUS$	MCh$	MUS$
Industrial Sector				
Revenues	**60,855**	**116.0**	**65,936**	**125.7**
Manufacturing - Madeco	44,330	84.5	47,316	90.2
Financial - LQIF holding	-	-	-	-
Other - Quiñenco & others	16,525	31.5	18,620	35.5
Operating income (loss)[2]	**(3,004)**	**(5.7)**	**(2,201)**	**(4.2)**
Manufacturing - Madeco	1,896	3.6	2,101	4.0
Financial - LQIF holding	(2,214)	(4.2)	(2,165)	(4.1)
Other - Quiñenco & others	(2,686)	(5.1)	(2,137)	(4.1)
Non-operating income (loss)	**38,272**	**73.0**	**16,681**	**31.8**
Interest income	4,105	7.8	1,319	2.5
Interest expense	(3,316)	(6.3)	(2,947)	(5.6)
Share of net income/loss from related co,	14,426	27.5	10,686	20.4
Foreign exchange gain (loss)	4,954	9.4	(425)	(0.8)
Indexed units of account restatement	1,723	3.3	(397)	(0.8)
Other gains (losses)	16,379	31.2	8,445	16.1
Income tax	(2,554)	(4.9)	(3,151)	(6.0)
Net income (loss) from discontinued operations	3,139	6.0	-	-
Net Income (Loss) Industrial Sector	**35,852**	**68.4**	**11.330**	**21.6**
Banking Sector				
Operating revenues	229,437	437.5	288,379	549.9
Provision for loan losses	(50,998)	(97.2)	(53,602)	(102.2)
Operating expenses	(121,543)	(231.7)	(122,907)	(234.4)
Operating income (loss)	56,895	108.5	111,869	213.3
Non-operating income (loss)	640	1.2	(16,824)	(32.1)
Income tax	(8,215)	(15.7)	(11,189)	(21.3)
Net Income (Loss) Banking Sector	**49,321**	**94.0**	**83,856**	**159.9**
Consolidated Net Income (Loss)	85,173	162.4	95,186	181.5
Net income attributable to Minority interest	31,942	60.9	46,382	88.4
Net income attributable to Controllers' Shareholders	**53,232**	**101.5**	**48,803**	**93.1**

[2] Operating income includes: Gross income (revenues minus cost of sales), Distribution costs, Administrative expenses, other income and other expenses.

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I. Industrial Sector

Revenues – 1Q 2010

Consolidated revenues totaled Ch$65,936 million in the first quarter of 2010, 8.3% above the same period in 2009, mainly owing to higher revenues at Madeco. Madeco's sales increased by 6.7% reflecting growth of brass mills due to higher volumes and higher copper prices. Sales of flexible packaging decreased in terms of pesos, despite growth in sales volumes. Sales of the profiles unit also diminished due to lower sales volumes, following the trend of the construction sector[3]. Quiñenco and others increased by 12.7% mainly explained by Banchile Seguros de Vida.

Consolidated sales in the first quarter of 2010 can be broken down as follows: Madeco (71.8%), and others (28.2%).

Operating Income - 1Q 2010

Operating income for the first quarter of 2010 reached a loss of Ch$2,201 million, compared to a loss of Ch$3,004 million in the first quarter of 2009. The improvement in consolidated operating results is mostly attributable to Madeco's operations which registered lower distribution costs, particularly in brass mills. Operating losses at Quiñenco and others diminished by 20.4% primarily due to lower administrative expenses.

EBITDA – 1Q 2010

EBITDA amounted to Ch$1,736 million in 1Q 2010, generated mainly by Madeco's operations, and to a lesser extent by Banchile Seguros de Vida.

Non-Operating Results[4] – 1Q 2010

Non-operating income amounted to Ch$16,681 million in the first quarter of 2010, compared to non-operating income of Ch$38,272 million in the same quarter of 2009. The variation between the two periods is mostly explained by other non-operating gains (losses) and the proportionate share of equity method investments.

Proportionate share of net income of equity method investments (net) – 1Q 2010

Quiñenco's proportionate share of net income from equity method investments (net), which primarily includes the results from CCU, reached Ch$10,686 million , compared to Ch$14,426 million in 1Q 2009, a decrease of 25.9%.

Quiñenco's proportionate share of net income from CCU decreased by 22.7% to Ch$11,129 million.

[3] It is worth noting that since Madeco reports in US dollars and translates its financial statements to Chilean pesos for consolidation purposes, variations analyzed in Chilean pesos vary from those in US dollars. For analysis of Madeco's results in US dollars as reported to the SVS, refer to Segment/Operating company analysis.

[4] Non-operating results include the following items: Financial income, Financial costs, Proportionate share of equity method investments, Foreign currency exchange differences, Indexed units of account restatement and Other gains (losses).

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Interest Income - 1Q 2010

Interest income for the first quarter of 2010 amounted to Ch$1,319 million, a decrease of 67.9% with respect to 1Q 2009. The reduction corresponds mainly to lower interest income at Madeco and at LQIF, due to a lower balance of time deposits in 1Q 2010 and lower interest rates.

Interest Expense - 1Q 2010

Interest expense for the first quarter of 2010 amounted to Ch$2,947 million, a decrease of 11.1% with respect to 1Q 2009. The reduction corresponds mainly to lower interest expense at Madeco.

Foreign currency exchange differences – 1Q 2010

In 1Q 2010, the gains(losses) specific to foreign currency translation differences amounted to a loss of Ch$425 million, compared to a gain of Ch$4,954 million reported in 1Q 2009, primarily attributable to gains at Madeco in 2009, mostly due to the appreciation of the Chilean peso during the quarter and the company's net asset position in that currency (Madeco reports in USD).

Indexed units of account restatement – 1Q 2010

The gain or loss derived from the restatement of assets and liabilities indexed to units such as the *Unidad de Fomento* or UF (inflation indexed) amounted to a loss of Ch$397 million in the first quarter of 2010, compared to a gain of Ch$1,723 million reported in the same period of 2009, the latter due to the favorable effect of the negative rate of inflation during the first quarter of 2009 on liabilities in UFs in all segments with the exception of Madeco, which registered a loss due to its net asset position in UFs during the quarter. However, during the first quarter of 2010 the inflation rate was slightly positive, generating losses, mostly at LQIF.

Other gains/losses– 1Q 2010

Other gains/losses amounted to a gain of Ch$8,445 million in 1Q 2010, compared to a gain of Ch$16,379 million in 1Q 2009. The variation is primarily explained by the non-recurring gain of $17,377 million related to the sale of Entel and D&S shares during the first quarter of 2009, which was partially offset by the gain in 1Q 2010 on the sale of the investment in Telsur, amounting to Ch$8,725 million.

Income Taxes – 1Q 2010

The industrial sector reported income tax of Ch$3,151 million, compared to income tax of Ch$2,554 million reported in the first quarter of 2009, primarily due to higher income tax at Madeco.

Minority Interest – 1Q 2010

In the first quarter of 2010, at a consolidated level (including both industrial and banking net income), net income attributable to minority interest amounted to Ch$46,382 million. Of the total amount reported in 1Q 2010, Ch$29,595 million corresponds to minority shareholders' share of Banco de Chile and SM Chile's net income.

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II. Banking Sector

Operating Revenues - 1Q 2010

Operating revenues for the first quarter of 2010 amounted to Ch$228,379 million, 25.7% above the first quarter of 2009, mainly due to the favorable effect on net financial income at Banco de Chile of the positive inflation rate in 1Q 2010, compared to the adverse effect of negative inflation in 1Q 2009, and higher fee income also at Banco de Chile.

Provision for Credit Risk - 1Q 2010

Provision for loan losses at Banco de Chile amounted to Ch$53,602 million in the first quarter of 2010 as compared to Ch$50,998 million in the first quarter of 2009, mainly attributable to a change in the risk classification of specific loans, and a higher exchange rate (Ch$/US$) that affected allowances related to loans denominated in US dollars. As of March 2010, Ch$2,400 million have been set as provisions for credit losses resulting from the earthquake.

Operating expenses - 1Q 2010

Operating expenses varied by 1.1% to Ch$122,907 million, mainly explained by an increase of 1.1% in Banco de Chile's operating expenses to Ch$122,824 million, which include Ch$2,800 million in expenses related to the earthquake, that were partially offset by lower administrative expenses.

Non-operating Results - 1Q 2010

During the first quarter of 2010 non-operating results amounted to a loss of Ch$16,824 million as compared to a gain of Ch$640 million in the first quarter of 2009, primarily explained by higher accrued interest expense of the Subordinated Debt with the Chilean Central Bank, owing to the negative effect of the slightly positive rate of inflation in 1Q 2010 compared to the favorable effect of the negative inflation rate in 1Q 2009.

Net Income - 1Q 2010

Net income for the banking sector amounted to Ch$83,856 million up by 70.0% over the same period in 2009, resulting from improved operating results, partially offset by the decline in non-operating results.

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CONSOLIDATED BALANCE SHEET ANALYSIS (vis-à-vis the 4th quarter of 2009)

Condensed Consolidated Balance Sheet

	12-31-2009		03-31-2010	
	MCh$	MUS$	MCh$	MUS$
Current assets industrial sector	405,840	773.8	**424,091**	808.6
Non-current assets industrial sector	1,456,900	2,777.9	**1,466,797**	2,796.8
Assets banking sector	17,459,202	33,289.9	**17,506,521**	33,380.1
Total assets	19,321,942	36,841.6	19,397,409	36,985.5
Current liabilities industrial sector	213,703	407.4	**153,727**	293.1
Long-term liabilities industrial sector	333,239	635.4	**329,567**	628.4
Liabilities banking sector	16,501,380	31,463.6	**16,614,458**	31,679.2
Minority interest	1,004,655	1,915.6	**995,292**	1,897.7
Shareholders' equity	1,268,964	2,419.6	**1,304,365**	2,487.1
Total liabilities & shareholders' equity	19,321,942	36,841.6	19,397,409	36,985.5

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Current Assets Industrial Sector

Current assets increased by 4.5% compared to the fourth quarter of 2009, mainly due to an increment in cash and cash equivalents, arising from dividends received by LQIF from Banco de Chile, by IRSA from CCU, and funds received at the Corporate level through the sale of Telsur, partially offset by the reduction in assets maintained for sale, also reflecting the sale of Telsur in January 2010.

Non current Assets Industrial Sector

Non current assets increased by 0.7% compared to the fourth quarter of 2009, mainly owing to an increase in other financial assets, due to the improvement in the value of Nexans' shares, resulting from the positive variation of their market value, partially offset by the net effect of the US$/euro exchange rate variation and the Ch$/US$ conversion.

Assets Banking Sector

Total assets of the banking sector increased a slight 0.3% compared to the fourth quarter of 2009. Loans to customers diminished slightly with respect to December 2009, due to a decrease in commercial loans. This was offset by higher loans and advances to banks during the quarter.

Current Liabilities Industrial Sector

Current liabilities decreased by 28.1% over the fourth quarter of 2009, explained primarily by a reduction in liabilities maintained for sale, due to the sale of Telsur in January 2010, partially offset by an increase in the provision of dividends to be paid.

Long-term Liabilities Industrial Sector

Long-term liabilities diminished by 1.1% in comparison to the fourth quarter of 2009, mainly due to a decrease in deferred income taxes.

Liabilities Banking Sector

Liabilities corresponding to the banking sector increased by 0.7% compared to the fourth quarter of 2009.

Minority Interest

Minority interest did not vary significantly from the fourth quarter of 2009.

Equity

Shareholders' equity increased by 2.8% compared to the fourth quarter of 2009 due to period profits, net of dividends provisioned, and the variation of other reserves.

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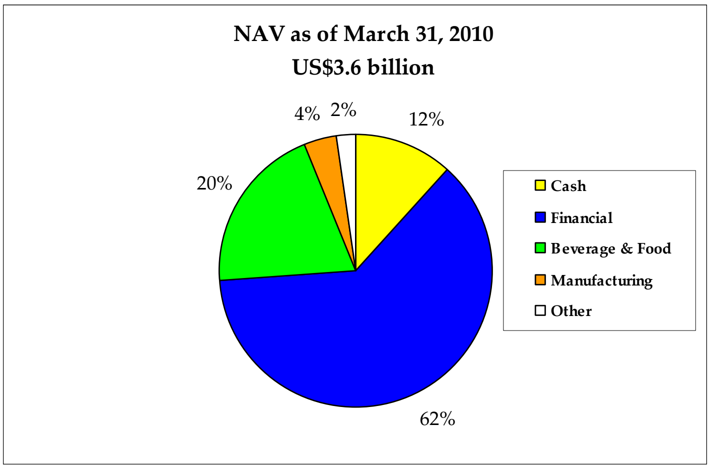
Quiñenco Corporate Level Debt and Cash

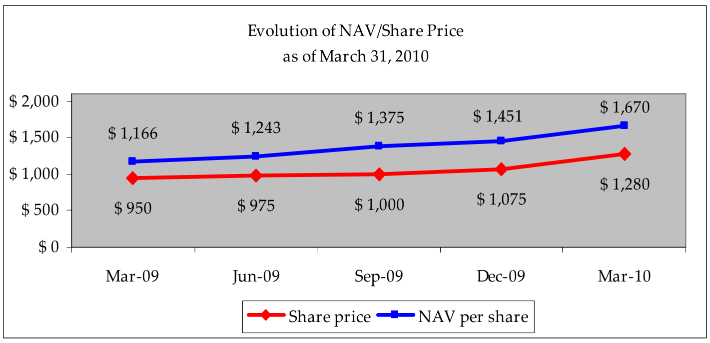
As of March 31, 2010	Debt		Cash & equivalents		Total Net Debt	
	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$
Corporate level	69,583	132.7	150,981	287.9	(81,398)	(155.2)
Adjusted for:						
67.04% interest in LQIF	85,963	163.9	91,544	174.5	(5,581)	(10.6)
50.00% interest in IRSA	13,632	26.0	222	0.4	13,410	25.6
Total	169,178	322.6	242,747	462.9	(73,569)	(140.3)

The debt to total capitalization ratio at the corporate level (unadjusted) was 4.8% as of March 31, 2010.

NAV

As of March 31, 2010, the estimated net asset value (NAV) of Quiñenco was US$3.6 billion (Ch$1,670 per share) and market capitalization was US$2.8 billion (Ch$1,280 per share). The discount to NAV is estimated at 23.4% as of the same date.





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SEGMENT /OPERATING COMPANY ANALYSIS

Sector /Segment	Manufacturing		Financial		Other		Total		Total	
	1Q 2009	1Q 2010	1Q 2009	1Q 2010	1Q 2009	1Q 2010	1Q 2009	1Q 2010	1Q 2009	1Q 2010
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MUS$	MUS$
Industrial Sector										
Net income from continued operations before taxes	5,163	**1,393**	13	**(3,994)**	30,091	**17,082**	35,268	**14,481**	67.2	**27.6**
Income tax	(1,127)	**(2,234)**	128	**124**	(1,555)	**(1,041)**	(2,554)	**(3,151)**	(4.9)	**(6.0)**
Net income (loss) from discontinued operations	11	**-**	-	**-**	3,128	**-**	3,139	**-**	6.0	**-**
Net income (loss) industrial sector	4,047	**(841)**	141	**(3,870)**	31,664	**16,041**	35,852	**11,330**	68.4	**21.6**
Banking Sector										
Net income before taxes	-	**-**	57,535	**95,045**	-	**-**	57,535	**95,045**	109.7	**181.2**
Income tax	-	**-**	(8,214)	**(11,189)**	-	**-**	(8,214)	**(11,189)**	(15.7)	**(21.3)**
Net income (loss) banking sector	-	**-**	49,321	**83,856**	-	**-**	49,321	**83,856**	94.0	**159.9**
Consolidated net income (loss)	4,047	**(841)**	49,462	**79,986**	31,664	**16,041**	85,173	**95,186**	162.4	**181.5**
Net income attributable to Minority interest							31,942	46,382	60.9	88.4
Net income attributable to Controllers' shareholders							53,232	48,804	101.5	93.1

During the first quarter of 2010 consolidated net income can be broken down as follows: Financial Segment (84.0%), Others (16.9%), and Manufacturing (-0.9%).

MANUFACTURING SEGMENT

The following table details consolidated income (loss) from investments in the Manufacturing segment during 2009 and 2010:

Manufacturing Segment	1Q 2009		1Q 2010	
	MCh$	MUS$	MCh$	MUS$
Madeco	4,047	7.7	(841)	(1.6)
Total Manufacturing Segment	4,047	7.7	(841)	(1.6)

As of March 31, 2010 and 2009, Quiñenco's ownership of Madeco was 47.7%.

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MADECO

	1Q2009		1Q2010		1Q2009	1Q2010
	MCh$	MUS$	MCh$	MUS$[5]	ThUS$[6]	ThUS$
Sales	44,330	84.5	**47,316**	90.2	**73,158**	**91,034**
Operating income (loss)[7]	1,896	3.6	**2,101**	4.0	**3,028**	**4,075**
Net income discontinued operations	11	0.0	**-**	-	**18**	**0**
Net income (loss) Controller	3,768	7.2	**(1,245)**	(2.4)	**6,115**	**(2,515)**
Total assets			**389,549**	742.8		**742,764**
Shareholders' equity			**288,657**	550.4		**550,389**

Madeco reports its financial statements in US dollars, and translates them to Chilean pesos for consolidation purposes based on the USD/Ch$ exchange rate at the end of the period in the case of the Balance Sheet, and the monthly average exchange rate in the case of the Income Statement. Madeco's figures in Chilean pesos are included for reference. However, the following analysis is based on the company's financial statements in US dollars, as filed with the SVS, as shown in the last two columns of the table.

1Q 2010 Results

Madeco's sales grew by 24.4% to US$91,034 thousand in the first quarter of 2010 compared to the same period of 2009, boosted by higher sales of brass mills and, to a lesser extent, of flexible packaging, whereas sales of the profiles unit diminished. Sales of brass mills increased 66.7% due to higher sales volumes together with higher copper prices. Flexible packaging sales grew by 11.8% based on 10.9% growth in volume, mainly in the Peruvian and Chilean markets. Sales of the profiles unit were affected by lower sales volumes, reflecting the decrease in activity of the construction sector, partially offset by higher aluminum prices.

During the first quarter of 2010, sales of the flexible packaging unit accounted for 46.8% of sales, followed by brass mills (40.9%), and profiles (12.3%).

Operating income grew by 34.6% in 1Q 2010 compared to 1Q 2009, boosted by the flexible packaging and profiles units. The flexible packaging unit obtained an improved gross margin in Chile and Peru following the growth in sales, which was slightly mitigated by higher distribution costs during the period. The profiles unit obtained a significant improvement in gross margin, mainly due to an impairment of aluminum inventory to replacement value carried out in 2009, which contributed to reduce the units' operating loss. Operating income from brass mills

[5] Converted to US$ at the observed exchange rate on March 31, 2010 (Ch$524.46 = US$1.00).
[6] Correspond to Financial Statements in US dollars as reported by Madeco to the Superintendency of Securities and Insurance (SVS).
[7] Operating income includes: Gross income minus Distribution Costs, Administrative expenses, other income and other expenses, excluding Directors' participation which has been included in other gains/losses.

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increased slightly during the period despite lower gross income, as a result of lower administrative and distribution expenses. The gross margin of this unit was reduced by increased costs of raw materials (copper).

Non-operating income for the quarter amounted to a loss of US$1,461 thousand, down from a gain of US$5,443 thousand in 1Q 2009. The variation in non-operating income is largely explained by foreign currency exchange gains due to the appreciation of the Chilean peso during 1Q 2009 and the company's net asset position in that currency at the time, which were partially compensated by a loss due to the decrease in the UF during the period and the company's net asset position in that unit. In addition, during 1Q 2010 interest income diminished due to a lower balance of time deposits in comparison to the previous period.

Madeco reported a net loss of US$2,515 thousand for the first quarter of 2010, despite growth in operating results, due to a drop in non-operating results, mainly derived from exchange rate differences, as well as higher income tax in 2010 due to improved results of the company's subsidiaries during the quarter.

FINANCIAL SEGMENT

The following table details consolidated income (loss) from investments in the Financial Segment during 2009 and 2010:

Financial Segment	1Q 2009		1Q 2010	
	MCh$	MUS$	MCh$	MUS$
LQIF holding	141	0.3	(3,870)	(7.4)
Banco de Chile	49,276	94.0	100,806	192.2
Interest subordinated debt	75	0.1	(16,879)	(32.2)
Other	(30)	(0.1)	(71)	(0.1)
Total Financial Segment	**49,462**	**94.3**	**79,986**	**152.5**

As of March 31, 2010 and 2009, Quiñenco's ownership of LQIF was 67.04%. LQIF's economic rights in Banco de Chile were 40.8% as of March 31, 2010 and 40.4% as of March 31, 2009.

LQIF Holding

LQIF holding registered a loss of Ch$3,870 million compared to a slightly positive result in 1Q 2009, mainly due to a gain in 2009 arising from the positive effect of the negative inflation during the quarter on liabilities denominated in UFs (indexed to inflation), corresponding mainly to LQIF's bonds, and to lower financial income in 1Q 2010 due to a lower level of liquidity during the period.

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BANCO DE CHILE

	1Q2009		1Q2010	
	MCh$	MUS$	MCh$	MUS$
Operating revenues	229,365	437.3	**288,367**	549.8
Provision for loan losses	(50,998)	(97.2)	**(53,603)**	(102.2)
Operating expenses	(121,452)	(231.6)	**(122,824)**	(234.2)
Net income (loss)	49,276	94.0	**100,806**	192.2
Loan portfolio	12,903,231	24,602.9	**13,109,368**	24,995.9
Total assets	17,210,777	32,816.2	**17,510,092**	33,386.9
Shareholders' equity	1,319,472	2,515.9	**1,306,511**	2,491.2
Net financial margin	4.3%		**5.8%**	
Efficiency ratio	53.0%		**42.6%**	
ROAE	13.0%		**26.5%**	
ROAA	1.1%		**2.4%**	

1Q 2010 Results

Banco de Chile reported net income of Ch$100,806 million in the first quarter of 2010, more than doubling that obtained during the first quarter of 2009. These positive results mainly reflect the improvement in the domestic economic conditions towards the end of 2009, and the favorable effects of a slightly positive rate of inflation in 1Q 2010 versus the adverse effects of the negative rate of inflation registered during 1Q 2009, on net financial income.

Operating revenues, which include net financial income, fee income and other operating income, increased by 25.7% to Ch$288,367 million in the first quarter of 2010. This growth in operating revenues was primarily due to higher net financial income, and to a lesser extent to higher fee income.

Net financial income reached Ch$218,178 million, 29.5% higher than the first quarter of 2009, due to an increase in the net financial margin from 4.3% in 1Q 2009 to 5.8% in 1Q 2010, resulting from a more favorable rate of inflation in the current period compared to negative inflation in 1Q 2009, boosting the contribution from interest earning assets denominated in UFs, and also due to higher lending spreads. The securities portfolio, net of derivative instruments, also posted improved results during the quarter. Net financial income comprised 75.7% of operating revenues in 1Q 2010.

Fee income increased by 19.4% to Ch$64,618 million, mainly derived from higher core bank fees, and also due to increased income from the securities and mutual funds subsidiaries, reflecting the higher trading volumes and returns registered in the stock market during the beginning of 2010.

Provisions for loan losses amounted to Ch$53,603 as compared to Ch$50,998 million reported in 1Q 2009. This increase is mainly attributable to a change in the risk classification of specific loans, increasing risk expenses related to the wholesale segment, and to a lesser extent due to the higher exchange rate (Ch$/USD) that affected allowances

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related to loans denominated in US dollars. On the other hand, the improvement in the credit quality of the retail segment, in response to improved economic conditions, partially offset the afore-mentioned increases. The impact of the recent earthquake on credit quality is not expected to be significant in the medium term, due to the low loan exposure in the most affected regions, the financial strength of the Bank's clients, and the coverage from insurance policies involved. Thus, as of March 2010 Ch$2,400 million have been set as provisions for credit losses resulting from the earthquake.

Operating expenses varied by only 1.1% to Ch$122,824 million compared to the first quarter of 2009. However, it is worth noting that administrative expenses decreased by 10.5%, in line with the Bank's focus on productivity and cost control. During the quarter the bank incurred in approximately Ch$2,800 million in expenses related to the earthquake, corresponding to damages to infrastructure (approximately Ch$1,100 million), a cash donation - in addition to non-monetary contributions - to a national fund raising campaign (Ch$750 million), and benefits for staff affected by the earthquake (Ch$919 million), partially offsetting the afore-mentioned savings.

As of March 2010, the Bank's loan portfolio had demonstrated an annual growth of 1.6% and a quarterly decline of 0.6% with respect to December 2009, reflecting the recovery in the local economy towards the end of 2009 . Annual portfolio growth is driven by residential mortgage loans, and to a lesser extent by consumer loans. Commercial loans have diminished mainly due to the postponement of companies' investment plans and an active market for corporate bonds.

Banco de Chile is the second ranked bank in the country with a market share of 18.9% of total loans according to information published by the Chilean Superintendency of Banks for the period ended March 31, 2010. Its return on equity after taxes (annualized) reached 30.9%, compared to 20.2% for the local financial system, according to the same source.

Interest Subordinated Debt

In the first quarter of 2010 accrued interest expense of the Subordinated Debt with the Chilean Central Bank was substantially higher than the first quarter of 2009, period in which this expense was reduced significantly due to the favorable effect of the negative rate of inflation.

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OTHERS SEGMENT

The following table details consolidated income (loss) from investments in the Segment Others during 2009 and 2010:

Segment Others	1Q 2009		1Q 2010	
	MCh$	MUS$	MCh$	MUS$
Beverage & Food (CCU)[8]	14,390	27.4	11,129	21.2
Quiñenco & other	14,743	28.1	4,912	9.4
Telecommunications (Telsur)	2,531	4.8	-	-
Total Segment Others	**31,664**	**60.4**	**16,041**	**30.6**

As of March 31, 2010 and 2009, Quiñenco's ownership of CCU was 33.1%. As of March 31, 2009, Quiñenco's ownership of Telsur was 74.4%. In January 2010 Quiñenco sold its entire investment in Telsur to GTD Grupo Teleducto through a Public Offering.

BEVERAGE & FOOD SECTOR

CCU

	1Q2009		1Q2010	
	MCh$	MUS$	MCh$	MUS$
Sales	211,729	403.7	**213,652**	407.4
Operating income (loss)	46,808	89.2	**47,854**	91.2
Net income (loss) controller	43,534	83.0	**33,668**	64.2
Total assets			**1,113,715**	2,123.5
Shareholders' equity			**477,232**	909.9

1Q 2010 Results

CCU's sales in the first quarter of 2010 grew by 0.9% compared to the first quarter of 2009, as a result of higher consolidated sales volumes and lower average prices. The 3.5% growth in sales volumes was led by the wine segment (+27.9%), non-alcoholic beverages (+9.8%), Argentine beer segment (+5.2%), and spirits (+1.6%), partially offset by lower sales volumes in the Chilean beer segment (-7.7%), mainly due to the effect of the earthquake on production. Lower average prices were across the board, with the exception of the Chilean beer segment.

Gross profit rose by 5.9% to Ch$121,487 million as a result of a 5.0% decrease in COGS, primarily due to the positive effect of the depreciation of the US dollar in 1Q 2010 compared to 1Q 2009 on costs in dollars. The gross margin as a percentage of sales increased from 54.2% in 1Q 2009 to 56.9% in 1Q 2010.

[8] Corresponds to Quiñenco's proportionate share of CCU's net income, prepared in accordance with IFRS.

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Operating income reached Ch$47,854 million up 2.2% from 2009, mainly due to the higher gross profit, partially offset by increased SG&A expenses. The increase in SG&A expenses is mainly due to higher marketing and distribution expenses, and donations related to the earthquake. As a percentage of sales, SG&A expenses went up from 31.7% in 1Q 2009 to 34.5% in 1Q 2010. Thus, the consolidated operating margin was 22.4% of sales, compared to 22.1% in the same period of 2009. EBITDA amounted to Ch$58,354 million, increasing 2.1% above 1Q 2009.

CCU reported non-operating losses of Ch$1,772 million compared to a gain of Ch$986 million in 1Q 2009. The decline is mainly explained by gains in 2009 derived from the favorable effect of the negative rate of inflation during that quarter on financial obligations denominated in UFs, versus a slightly negative effect in 2010 with a positive rate of inflation, and higher net financial costs in 1Q 2010 due to lower financial income resulting from lower interest rates. On the other hand, in 1Q 2010 the company obtained exchange rate gains, reversing the losses registered in 2009.

Net income for the first quarter of 2010 amounted to Ch$33,668 million, down by 22.7% from the same quarter in 2009, due to the aforementioned lower non-operating results and higher income tax, due to the absence of a non-recurring event in 2009, partially offset by improved operating income.

QUIÑENCO AND OTHERS

The decline of Ch$9,831 million in Quiñenco and others, is mainly explained by a non-recurring gain of $17,377 million on the sale of Entel and D&S shares in the first quarter of 2009, partially compensated by a gain of Ch$8,725 million on the sale of Quiñenco's s investment in Telsur, materialized in January 2010.

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All of Quiñenco's Earnings and Press Releases and other relevant information on the Company, including quarterly financial statements, are available for viewing on the Company's website:

www. quinenco.cl
www. quinencogroup.com

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