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QUIÑENCO S.A. ANNOUNCES CONSOLIDATED RESULTS FOR THE FIRST QUARTER OF 2008

(Santiago, Chile, April 30, 2008) Quiñenco S.A. a leading Chilean business conglomerate, announced today its consolidated financial results in Chilean GAAP, for the first quarter ended March 31, 2008.

Consolidated financial results are presented in accordance with Chilean GAAP. All figures are presented in constant Chilean pesos and have been adjusted to reflect the effects of inflation (8.1% year-over-year). Figures in US$ have been converted from Chilean pesos (Ch$) at the observed exchange rate on March 31, 2008 (Ch$437.71 = US$1.00) and are only provided for the reader's convenience.

1Q 2008 HIGHLIGHTS

- **Net income, which amounted to Ch$139,127 million (US$317.9 million) in the first quarter of 2008, more than tripled that of 1Q 2007. Earnings per share amounted to Ch$121.55 (US$0.28) for the first quarter of 2008.**

- **Consolidated revenues increased by 4.2% to Ch$188,201 million (US$430.0 million), attributable to Madeco's operations whose sales grew by 4.7% in the first quarter of the year.**

- **Operating income was Ch$7,998 million (US$18.3 million), down by 31.5% from the Ch$11,681 million (US$26.7 million) reported in the first quarter of 2007, primarily due to a reduction in Madeco's operating income.**

- **Non-operating results, which reached Ch$141,054 million (US$322.3 million), included a non-recurring gain related to the incorporation of Citigroup in LQIF of Ch$125,739 million (US$287.3 million).**

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GROUP HIGHLIGHTS – FIRST QUARTER 2008 AND SUBSEQUENT EVENTS

Quiñenco-Dividend Distribution

At the General Ordinary Shareholders' Meeting held on April 29, 2008, shareholders approved a dividend distribution corresponding to 2007 net income of Ch$45.97372 per share, payable to shareholders starting May 8, 2008 to those shareholders registered with the company as of May 2, 2008. The total amount of the dividend is Ch$52,620 million, equivalent to 50% of 2007 net income.

Citigroup now has a 32.96% interest in LQIF

Subsequent to an announcement in mid 2007, Quiñenco and Citigroup established a strategic partnership to develop their interests in the financial services industry. As of January 2008, Citigroup has a 32.96% interest in LQIF, the controlling entity of Banco de Chile.

Merger of Banco de Chile and Citibank Chile

Pursuant to an agreement between Quiñenco and Citigroup and following shareholder approval of Banco de Chile shareholders obtained on December 27, 2007, Banco de Chile and Citibank Chile merged their operations on January 1, 2008. The absorbing entity, Banco de Chile, now has nearly a 20% share of the Chilean banking industry as well as access to Citi's global products and services franchise.

Madeco and Nexans Sign Agreement

Pursuant to an MOU signed by Madeco and Nexans in November 2007 to transfer 100% of Madeco's cable unit to Nexans in exchange for US$448 million and 2.5 million shares of Nexans, the two companies signed the definitive agreement on February 21, 2008. This transaction was approved by Madeco's shareholders at the Extraordinary Shareholders' Meeting held on April 25, 2008 (if more than 5% of the shareholders exercise their preemptive rights, Madeco's Board has the option to call for an additional Extraordinary Shareholders' Meeting to rectify the earlier decision) and by Nexans' shareholders on April 11, 2008. The closing is expected to occur in the third quarter of 2008.

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Net Income Contribution

Sector/Company	Quiñenco's ownership % at 3/31/2008	1Q 2007 MCh$	4Q 2007 MCh$	**1Q 2008 MCh$**	1Q 2008 MUS$
Financial Services:					
Banco de Chile (1)	25.4%	15,103	23,249	**15,300**	35.0
Food & Beverage:					
CCU (2)	33.1%	9,099	11,675	**10,808**	24.7
Telecommunications:					
Telefónica del Sur (3)	74.4%	1,355	855	**956**	2.2
Manufacturing:					
Madeco (4)	45.2%	3,275	981	**1,031**	2.4
Other operating companies (5)		(5,430)	(1,793)	**(66)**	(0.2)
Total operating companies		23,402	34,967	**28,029**	64.0
Quiñenco & holding companies (6)		22,428	(9,901)	**111,098**	253.8
Total		45,830	25,066	**139,127**	317.9

The figures provided in the above table correspond to Quiñenco's proportionate share of each company's net income (loss).

(1) Represents Quiñenco's economic rights in Banco de Chile (29.5% in March 2007). Voting rights as of March 2008 of 57.5% are held through LQIF.
(2) Indirect ownership through IRSA S.A. and IRSA Ltda. IRSA is controlled jointly between Quiñenco and Heineken
(3) Direct and indirect ownership through VTR S.A.
(4) Direct and indirect ownership through Río Grande S.A.
(5) In 2007, Other operating companies included Indalsa and subsidiaries and Río Rimac S.A. and subsidiaries. In 2008, these companies are grouped with Quiñenco and holding companies (net loss of Ch$1,041 million or US$2.4 million) as they no longer carry out commercial activity.
(6) Quiñenco corporate level

Quiñenco reported net income of Ch$139,127 million (US$317.9 million) in the first quarter of 2008, compared to net income of Ch$45,830 million (US$104.7 million) in the same period of 2007. Earnings per ordinary share amounted to Ch$121.55 (US$0.28) in 1Q 2008.

1Q 2008 net income (at the Quiñenco holding company level) included a non-recurring gain of Ch$125,739 million (US$287.3 million) related to the transaction with Citigroup, effective January 1, 2008, whereby the two are now 67%/33% partners in LQIF, the controlling entity of Banco de Chile. Quiñenco did not subscribe to LQIF's capital increase in January of Ch$315,556 million (historical) (US$720.9 million), which for accounting purposes, generated the aforementioned gain.

The net income contribution from operating companies was Ch$28,029 million (US$64.0 million), up by 19.8% compared to the same quarter in 2007. The increase was mainly attributable to a higher contribution from CCU and reduced losses from other operating companies, which in 2007 included Indalsa. The increase in the contribution from operating companies was partially offset by lower results from Madeco, and to a lesser extent, Telefónica del Sur.

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Consolidated Income Statement Breakdown

	1Q 2007 MCh$	4Q 2007 MCh$	**1Q 2008 MCh$**	1Q 2008 MUS$
Revenues				
Madeco	164,700	140,829	**172,447**	394.0
Telefónica del Sur	15,542	15,144	**15,322**	35.0
Quiñenco & holding	292	245	**432**	1.0
Total	180,534	156,218	**188,201**	430.0
Operating income (loss)				
Madeco	11,594	4,374	**9,432**	21.6
Telefónica del Sur	2,870	2,138	**2,206**	5.0
Quiñenco & holding	(2,783)	(2,932)	**(3,640)**	(8.3)
Total	11,681	3,580	**7,998**	18.3
Non-operating income (loss)				
Interest income	2,047	1,890	**2,111**	4.8
Share of net income/loss from related co:				
Banco de Chile	15,103	23,249	**22,823**	52.1
CCU	9,099	11,675	**10,808**	24.7
Other equity investments	(201)	(2,292)	**73**	0.2
Other non-op income	36,164	2,087	**128,402**	293.4
Amortization of GW expense	(5,892)	(6,261)	**(11,156)**	(25.5)
Interest expense	(8,260)	(7,986)	**(7,894)**	(18.0)
Other non-op expenses	(1,279)	(797)	**(3,499)**	(8.0)
Price-level restatement	(150)	(1,269)	**(468)**	(1.1)
Foreign exchange gains & losses	985	(331)	**(146)**	(0.3)
Total	47,616	19,965	**141,054**	322.3
Income tax	(8,630)	3,534	**(2,732)**	(6.2)
Extraordinary items	-	-	**-**	-
Minority interest	(5,219)	(2,471)	**(7,516)**	(17.2)
Amortization of negative GW	382	458	**323**	0.7
Net income (loss)	45,830	25,066	**139,127**	317.9

Revenues – 1Q 2008

Consolidated revenues for the first quarter of 2008 reached Ch$188,201 million (US$430.0 million), up by 4.2% from the Ch$180,534 million (US$412.5 million) reported in the first quarter of 2007, almost entirely explained by a 4.7% increase in Madeco's sales, as a result of higher sales volumes associated with the cables and brass mills business units.

Consolidated sales can be broken down as follows: Madeco (91.6%), Telefónica del Sur (8.1%) and others (0.3%).

Operating income - 1Q 2008

Operating income for the first quarter of 2008 was Ch$7,998 million (US$18.3 million), down by 31.5% from the Ch$11,681 million (US$26.7 million) reported in the first quarter of 2007. The deterioration in consolidated operating income was primarily attributable to Madeco's operations, which suffered a downturn in quarterly operating profits of 18.6% as a result of rising raw material costs, particularly copper and aluminum, as well as an increase in production costs and SG&A expenses.

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EBITDA – 1Q 2008

EBITDA reached Ch$16,407 million (US$37.5 million) in 1Q 2008, compared to Ch$20,639 million (US$47.2 million) in 1Q 2007, a decrease of 20.5% compared to the same period of 2007, mainly attributable to Madeco's operations.

Non-operating results –1Q 2008

Quiñenco reported non-operating income of Ch$141,054 million (US$322.3 million) in the first quarter of 2008, compared to non-operating income of Ch$47,616 million (US$108.8 million) in the same quarter of 2007. The main items included in non-operating results are discussed below:

Proportionate share of net income of equity method investments (net)

Quiñenco's proportionate share of net income from equity method investments (net), which includes the results from Banco de Chile and CCU, Quiñenco's most significant investments, reached Ch$33,704 million (US$77.0 million), compared to Ch$24,001 million (US$54.8 million) in 1Q 2007, an increase of 40.4%.

The increase mainly corresponded to an increase in equity income from Banco de Chile of Ch$7,720 million (US$17.6 million), explained by the increase in Quiñenco's proportionate share of Banco de Chile's net income for the period and the increase in economic rights in the bank which went from 29.5% in March 2007 to 38.0% in March 2008, as a result of the association with Citigroup and subsequent merger with Citibank Chile on January 1, 2008 (see Minority Interest).

To a lesser extent, income from equity method investments also increased in the first quarter of the year due to the rise in CCU's net income, which resulted in a Ch$1,709 million (US$3.9 million) increase in Quiñenco's proportionate share.

Other non-operating income

Other non-operating income was Ch$128,402 million (US$293.3 million), compared to Ch$36,164 million (US$82.6 million) in the first quarter of 2007. Other non-operating income in 1Q 2008 was mainly composed of a gain related to the association with Citigroup in LQIF, which amounted to Ch$125,739 million (US$287.3 million) on January 1, 2008.

Amortization of goodwill expense

Amortization of goodwill expense amounted to Ch$11,156 million (US$25.5 million) in the first quarter of 2008, an increase of 89.4% from the Ch$5,892 million (US$13.5 million) reported in the same period of 2007. The increase in goodwill expense is due to the incorporation of Citigroup in LQIF and the subsequent merger of Citibank Chile with Banco de Chile.

Interest expense

Interest expense for the first quarter of 2008 amounted to Ch$7,894 million (US$18.0 million), a decrease of 4.4% compared to the same period in 2007, mainly attributable to a reduction in interest expenses at the corporate level due to a lower indebtedness level, and to a lesser extent, at Madeco.

Other non-operating expenses

Other non-operating expenses amounted to Ch$3,499 million (US$8.0 million), compared to Ch$1,279 million (US$2.9 million) in the first quarter of 2007. Other non-operating expenses in 1Q 2008 were mainly composed of share write-downs to market value and directors remuneration.

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Price-level restatement

Price-level restatement losses amounted to Ch$468 million (US$1.1 million) in the first quarter of 2008, compared to price-level restatement losses of Ch$150 million (US$0.3 million) in the same period in 2007.

Foreign currency exchange differences

In 1Q 2008, the losses specific to foreign currency differences amounted to Ch$146 million (US$0.3 million), compared to gains amounting to Ch$985 million (US$2.3 million) reported in the first quarter of 2007, almost entirely attributable to Madeco's operations, which were impacted by the devaluation of the US dollar during the period.

Income taxes – 1Q 2008

Quiñenco reported income tax expense of Ch$2,732 million (US$6.2 million), compared to Ch$8,630 million (US$19.7 million) in the same period of 2007. In 1Q 2007, provisions for income taxes included the estimated tax liability associated with the disposal of Entel shares and a deferred tax valuation provision related to Indalsa's operations.

Minority interest – 1Q 2008

In the first quarter of 2008, Quiñenco reported a deduction from income of Ch$7,517 million (US$17.2 million), compared to a deduction from income of Ch$5,219 million (US$11.9 million) in 1Q 2007. Of the total amount reported in 1Q 2008, Ch$4,351 million (US$9.9 million) corresponds to Citigroup's interest (32.96%) in LQIF's net income. The remaining Ch$3,166 million (US$7.2 million) is mainly related to minority shareholders' proportionate share of Madeco's, and to a lesser extent, Telefónica del Sur's first quarter 2008 income.

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CONSOLIDATED BALANCE SHEET ANALYSIS (vis-à-vis the 4th quarter of 2007)

Condensed Consolidated Balance Sheet

	As of 3/31/07 MCh$	As of 12/31/07 MCh$	**As of 3/31/08 MCh$**	As of 3/31/08 MUS$
Current assets	506,367	486,855	**685,950**	1,567.1
Fixed assets	311,998	317,489	**311,382**	711.4
Other assets	886,309	1,018,554	**1,396,617**	3,190.8
Total assets	1,704,674	1,822,898	**2,393,949**	5,469.3
Current liabilities	154,162	191,072	**218,765**	499.8
Long-term liabilities	461,750	433,196	**432,900**	989.0
Minority interest	207,498	194,877	**577,821**	1,320.1
Shareholders' equity	881,264	1,003,753	**1,164,463**	2,660.4
Total liabilities & shareholders' equity	1,704,674	1,822,898	**2,393,949**	5,469.3

Current assets

Current assets increased 40.9% compared to the fourth quarter of 2007, mainly due to an increase in short term investments at LQIF related to the receipt of dividends in the first quarter, as well as an accounts receivable from Citigroup Chile II related to its association with LQIF in January 2008.

Fixed assets and other assets

Fixed assets did not vary significantly from the fourth quarter of 2007.
Other assets increased by 37.1% compared to the fourth quarter of 2007, mostly attributable to the association with Citigroup in LQIF, whereby they incorporated their Chilean assets with those of LQIF.

Current liabilities

Current liabilities increased by 14.5% compared to the fourth quarter of 2007, primarily due to an increase in short term banks (new debt and current portion long term debt) and accounts payable at Madeco.

Long-term liabilities

Long-term liabilities did not vary significantly from the fourth quarter of 2007.

Minority interest

Minority interest increased by 196.5% compared to the fourth quarter of 2007, mostly attributable to minority interest in LQIF following its association with Citigroup in January 2008 (Citigroup now has a 32.96% in LQIF; it was formerly 100% owned by Quiñenco).

Equity

Shareholders' equity increased by 16.0% mainly as a result of the period earnings.

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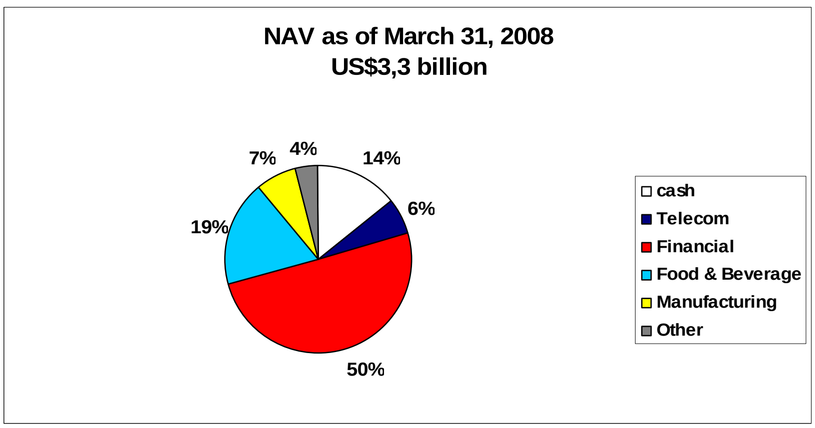
Quiñenco corporate level debt and cash

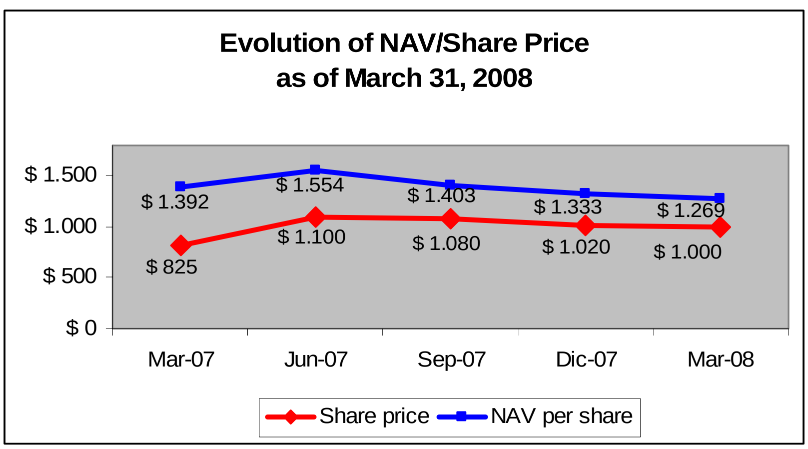
As of March 31, 2008	Debt		Cash & equivalents		Net Debt	
	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$
Corporate level	352.120	804,5	292.885	669,1	59.235	135,3
Adjusted for:						
32.96% interest of Citigroup in LQIF	(56.792)	(129,7)	(40.130)	(91,7)	(16.662)	(38,1)
50.00% interest in IRSA	19.369	44,3	878	2,0	18.491	42,2
Total	314.697	719,0	253.633	579,5	61.064	139,5

The debt to total capitalization ratio at the corporate level (unadjusted) was 18.3% as of March 31, 2008.

NAV

As of March 31, 2008, the estimated net asset value (NAV) of Quiñenco was US$3,294 million (Ch$1,260 per share) and market capitalization was US$2,615 million (Ch$1,000 per share). The discount to NAV is estimated at 20.6% for the same period.





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SECTOR / OPERATING COMPANY ANALYSIS

FINANCIAL SERVICES SECTOR

The following table details Quiñenco's proportionate share of income from investments in the Financial Services sector during 2007 and 2008:

FINANCIAL SERVICES					
	Ownership %	1Q 2007 MCh$	4Q 2007 MCh$	**1Q 2008 MCh$**	1Q 2008 MUS$
Banco de Chile (1)	38.0%	15,103	23,249	**22,823**	52.1

1) Ownership % in the above table corresponds to LQIF's economic rights in Banco de Chile as of January 1, 2008. Quiñenco's share of 1Q 2008 income from Banco de Chile is 67.04% (equivalent to Ch$15,300 million)

BANCO DE CHILE

	1Q 2007 MCh$	4Q 2007 MCh$	**1Q 2008 MCh$**	1Q 2008 MUS$
Operating revenues	163,176	205,295	**260,534**	595.2
Provision for loan losses	(13,672)	(13,643)	**(26,033)**	(59.5)
Operating expenses	(90,958)	(92,036)	**(160,178)**	(365.9)
Net Income (loss)	51,151	79,345	**60,100**	137.3
Loan portfolio	9,590,070	10,672,104	**11,699,986**	26,730.0
Total assets	12,729,140	13,484,322	**15,340,898**	35,048.1
Shareholders' equity	780,851	1,059,805	**1,139,039**	2,602.3
Net financial margin	4.0%	5.0%	**5.0%**	
Efficiency ratio	55.7%	44.8%	**61.5%**	
ROAE	22.2%	30.8%	**19.8%**	
ROAA	1.6%	2.4%	**1.7%**	

1Q 2008 Results

Banco de Chile reported net income of Ch$60,100 million (US$137.3 million) in the first quarter of 2008, an increase of 17.5% compared to the first quarter of 2007. Net income was positively affected by higher operating revenues and a non-recurring gain on the sale of its foreign branches, which amounted to Ch$42,872 million (US$97.9 million). These positive factors more than offset the sharp rise in operating expenses mainly attributable to the merger of Banco de Chile and Citibank Chile (as of January 1, 2008), of Ch$69,221 million (US$158.1 million) and higher provisions for loan losses of Ch$12,361 million (US$28.2 million).

Operating revenues increased by 59.7% to Ch$260,534 million (US$595.2 million) in the first quarter of 2008. The rise in operating revenues was primarily due to an increase in net financial income, which rose by 43.0% to Ch$159,823 million (US$365.1 million) as a result of a 14.2% growth in average interest earning assets, a higher contribution from non-interest bearing liabilities (demand deposits) due to higher interest rates, a increase in inflation, a more favorable funding structure and higher lending yields, mostly related to the Citibank portfolio. The average loan portfolio expanded due to organic growth and the incorporation of Citibank Chile's portfolio. Net financial income, comprised 61.3% of operating revenues in 1Q 2008. In addition, fee income increased by Ch$4,197 million (US$9.6 million) to Ch$47,042 million (US$107.5 million), mainly as a result of an 8.7% increase in the number of checking accounts and a 25.4% increase in the number of debtors, primarily Citibank Chile customers. Likewise, a non-recurring gain on the sale of Banco de Chile's foreign branches to Citigroup of Ch$42,872 million (US$97.9 million) also served to boost operating revenues during the first quarter of the year.

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Provisions for loan losses were Ch$26,033 million (US$59.5 million), which represented an increase of Ch$12,361 million (US$28.2 million) compared to the same period of 2007. The sharp increase is explained by the incorporation of Citibank Chile's loan portfolio and the unification of credit and loan criteria of the two portfolios, and to a lesser extent, higher risks associated with the consumer portfolio.

Operating expenses increased by Ch$69,220 million (US$158.1 million) to Ch$160,178 million (US$365.9 million) compared to the first three months of 2007. The increase was primarily attributable to the incorporation of Citibank Chile's cost base. In addition, non-recurring merger related expenses also served to increase operating expenses during the period.

Price-level restatement losses increased from Ch$1,303 million (US$3.0 million) to Ch$7,174 million (US$16.4 million) as a result of the increase in net amounts of non-monetary assets and liabilities due to the merger and a higher inflation rate used for adjustment purposes (0.82%) compared to the three month period ended March 31, 2007 (0.23%).

As of March 2008, the Bank's loan portfolio had demonstrated robust growth of 22.0% over the last twelve month period. The loan expansion due to organic growth, as well as the incorporation of Citibank Chile's loan portfolio. Commercial loans, consumer loans and residential mortgage loans were the drivers of the portfolio expansion.

Banco de Chile is the second ranked bank in the country with a market share of 19.4% according to information published by the Chilean Superintendency of Banks for the period ended March 31, 2008. Its return on capital and reserves after taxes (annualized) reached 22.3%, compared to 15.1% for the local financial system, according to the same source.

FOOD & BEVERAGE SECTOR

The following table details Quiñenco's proportionate share of income (loss) from investments in the Food & Beverage sector during 2007 and 2008:

FOOD & BEVERAGE

	Ownership %	1Q 2007 MCh$	4Q 2007 MCh$	**1Q 2008 MCh$**	1Q 2008 MUS$
CCU	33.1%	9,099	11,675	**10,808**	24.7

CCU

	1Q 2007 MCh$	4Q 2007 MCh$	**1Q 2008 MCh$**	1Q 2008 MUS$
Sales	172,753	190,589	**183,476**	419.2
Operating income (loss)	37,666	36,424	**40,918**	93.5
Net Income (loss)	27,527	35,318	**32,695**	74.7
Total assets	743,107	833,229	**803,887**	1,836.6
Shareholders' equity	390,224	405,010	**409,920**	936.5

1Q 2008 Results

CCU's sales grew by 6.2% in the first quarter of 2008 compared to the first quarter of 2007, due to a 10.7% increase in consolidated sales volumes, partially offset by 4.1% lower average prices. The growth in sales volume was led by the soft drink segment (+13.9%), the Chilean beer segment (+8.0%), the Argentine beer segment (+13.8%), the wine segment (+5.5%), and the spirits segment (+9.1%). The Chilean export wine

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and the Argentine wine segments experienced a downturn in sales. Lower average prices were across the board with the exception of spirits.

Operating income increased by 8.6% to Ch$40,918 million (US$93.5 million) due to the higher sales level, the effect of which was partially offset by an increase in COGS and SG&A expenses associated with higher salaries and transportation costs. The consolidated operating margin was 22.3% of sales, compared to 21.8% in the same period of 2007.

CCU reported non-operating losses of Ch$3,300 million (US$7.5 million), up 10.0% from the Ch$3,001 million (US$6.9 million) reported in 1Q 2007. The deterioration in non-operating results was mainly attributable to Currency exchange losses resulting from the US$ depreciation on CCU's asset and liability composition in foreign currencies, partially offset by a Ch$988 million (US$2.3 million) due to a lower level of severance payments and provisions for fixed assets write-offs compared to the same period of 2007.

Net income amounted to Ch$32,695 million (US$74.7 million), an increase of 18.8% from the net income of Ch$27,527 million (US$62.9 million) reported in the first quarter of 2007. The rise in period profits was due to the aforementioned improvement in operating results during the quarter, as well as a reduction in income tax provisions, the effect of which was partially offset by higher non-operating losses during the period.

TELECOMMUNICATIONS SECTOR

The following table details Quiñenco's proportionate share of income from investments in the Telecommunications sector during 2007 and 2008:

TELECOMMUNICATIONS					
	Ownership %	1Q 2007 MCh$	4Q 2007 MCh$	**1Q 2008 MCh$**	1Q 2008 MUS$
Telefónica del Sur	74.4%	1,355	855	**956**	2.2

TELEFONICA DEL SUR

	1Q 2007 MCh$	4Q 2007 MCh$	**1Q 2008 MCh$**	1Q 2008 MUS$
Sales	15.542	15,144	**15,321**	35.0
Operating income (loss)	2,870	2,138	**2,206**	5.0
Net Income (loss)	1,839	1,148	**1,284**	2.9
Total assets	142,574	154,916	**161,462**	368.9
Shareholders' equity	77,926	78,033	**79,316**	181.2

1Q 2008 Results

Telefónica del Sur's revenues, which reached Ch$15,321 million (US$35.0 million) in the first quarter of 2008, fell slightly compared to the same quarter of 2007, primarily due to the migration of clients from single products to bundled products at fixed costs. Although this resulted in lower average prices per customer, bundling tends to increase customer loyalty and provide higher income per client over the medium term. Likewise, the industry continues to experience a decline in traditional telephony services due to the increasing use of internet, mobile and IP telephony and heightened competition has led to a lower price scenario.

Basic telephony services accounted for 46.4% of all revenues, followed by Internet (22.8%), access charges (12.3%), long distance services (6.2%), security services (4.6%), public telephones (3.3%), digital TV (2.3%) and other services (2.1%).

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Operating profit decreased by 23.1% to Ch$2,206 million (US$5.0 million), compared to Ch$2,870 million (US$6.6 million) in the first quarter of 2007. The decline in operating income in 1Q 2008 mainly corresponded to increased depreciation expenses related to investment in new product development, including an upgrade of the network and surrounding infrastructure to support internet and digital TV services. Non-operating expenses were largely unchanged compared to the first quarter of 2007 at Ch$535 million (US$1.2 million),

Telefónica del Sur reported net income of Ch$1,284 million (US$2.9 million), a decrease of 30.2% compared to the same period in 2007, mainly as a consequence of the aforementioned deterioration in operating during the quarter.

MANUFACTURING SECTOR

The following table details Quiñenco's proportionate share of income (loss) from investments in the Manufacturing sector during 2007 and 2008:

MANUFACTURING					
	Ownership %	1Q 2007 MCh$	4Q 2007 MCh$	**1Q 2008 MCh$**	1Q 2008 MUS$
Madeco	45.2%	3,275	981	**1,031**	2.4

MADECO

	1Q 2007 MCh$	4Q 2007 MCh$	**1Q 2008 MCh$**	1Q 2008 MUS$
Sales	164,700	140,829	**172,447**	394.0
Operating income (loss)	11,594	4,374	**9,432**	21.5
Net Income (loss)	7,095	2,181	**2,283**	5.2
Total assets	494,212	490,994	**485,786**	1,109.8
Shareholders' equity	281,111	266,005	**251,038**	573.5

1Q 2008 Results

Madeco's sales increased by 4.7% from Ch$164,700 million (US$376.3 million) to Ch$172,447 million (US$394.0 million) in the first quarter of 2008, attributable to a 14.2% in consolidated sales volumes, the effect of which was partially offset by lower average sales prices. In terms of sales by business unit, sales of the cables and brass mills units rose by 6.4% and 7.6%, partially offset by a decline in sales of 0.7% and 9.8% of the flexible packaging and aluminum profiles units.

Sales of the cables business unit reached Ch$118,927 million (US$271.7 million), primarily as a result of higher sales of copper rod to third parties, aluminum cable in Brazil and copper cables in Colombia, partially offset by a decline in sales of copper rod in Peru and aluminum cables in Argentina. Brass mills sales reached Ch$22,916 million (US$52.4 million) as a result of greater volumes sold in Chile, as well as a 4.7% recovery in prices vis-à-vis 1Q 2007. In spite of a 14.2% increase in sales volumes, revenues of the flexible packaging unit were flat at Ch$22,268 million (US$50.9 million) as a result of lower average prices. Sales of the aluminum profiles unit declined by 9.8% to Ch$8,336 million (US$19.0 million) as a consequence of a 17.6% downturn in volumes, the effect of which was partially offset by higher average prices.

Sales of the wire and cable business unit (whose principal operation is Ficap Brazil) accounted for 69.0% of total sales, followed by brass mills (13.3%), flexible packaging (12.9%) and aluminum profiles (4.8%).

Operating income declined by 18.6% million to Ch$9,432 million (US$21.5 million), mainly due to rising raw material costs, particularly copper and aluminum, and to a lesser extent, higher production costs, as well as a 7.1% increase in SG&A expenses.

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Non-operating losses rose from Ch$2,319 million (US$5.3 million) to Ch$3,847 million (US$8.8 million) in 1Q 2008. The increase in non-operating losses was mainly attributable to a reduction in exchange rate gains related to the appreciation of the Brazilian real and Peruvian sol and higher price-level restatement losses due to the increase in the inflation rate.

Madeco reported a net profit of Ch$2,283 million (US$5.2 million) for the first quarter of 2008, off by 67.8% compared to the first quarter of 2007. The decline in net quarterly earnings was attributable to the aforementioned deterioration in operating and non-operating results as well as a heavier tax burden compared to the same quarter of 2007.

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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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