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QUIÑENCO S.A. ANNOUNCES CONSOLIDATED RESULTS FOR THE FIRST QUARTER OF 2006

(Santiago, Chile, April 28, 2006) Quiñenco S.A. (NYSE:LQ), a leading Chilean business conglomerate, announced today its consolidated financial results in Chilean GAAP, for the first quarter ended March 31, 2006.

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 (4.1% year-over-year). Figures in US$ have been converted from Chilean pesos (Ch$) at the observed exchange rate on March 31, 2006 (Ch$526.18 = US$1.00) and are only provided for the reader's convenience.

1Q 2006 HIGHLIGHTS

- **Consolidated revenues increased by 26.7% to Ch$132,212 million (US$251.3 million), attributable to the strong quarterly sales growth at Madeco of 31.1%.**

- **Operating income reached Ch$10,258 million (US$19.5 million), up by 30.4% from the Ch$7,867 million (US$15.0 million) reported in the first quarter of 2005, attributable to higher operating income at Madeco, which grew by 25.3%.**

- **Without exception, group operating companies performed well, and their contribution Quiñenco's net profits reached Ch$24,707 million (US$47.0 million), up 8.3% compared to 1Q 2005.**

- **Non-operating results declined from Ch$30,456 million (US$57.9 million) to Ch$11,153 million (US$21.2 million). 1Q 2005 included a non-recurring gain on the sale and exchange of Almacenes Paris shares of Ch$21,825 million (US$41.5 million), which mainly explains the variations between the two periods.**

- **Net income amounted to Ch$14,921 million (US$28.4 million) in the first quarter of 2006.**

- **Earnings per share amounted to Ch$13.82 (US$0.03) and earnings per ADR to Ch$138.20 (US$0.26) for the first quarter of 2006.**

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GROUP HIGHLIGHTS – FIRST QUARTER 2006 AND SUBSEQUENT EVENTS

Quiñenco

At the General Ordinary Shareholders' Meeting held on April 27, 2006, shareholders approved a dividend distribution corresponding to 2005 net income of Ch$14.44793 per share, payable to shareholders registered with the company as of May 10, 2006. The total amount of the dividend is Ch$15,600 million, equivalent to 32.65% of 2005 (liquid) net income.

CCU

On March 21, 2006, Quiñenco and Heineken, through a wholly-owned subsidiary of IRSA, the controlling entity of CCU, purchased an additional 1.95% interest in CCU. As a consequence, IRSA's interest in CCU increased to 66.1%

Net Income Contribution

Sector/Company	Quiñenco's ownership % at 3/31/2006	1Q 2005 MCh$	4Q 2005 MCh$	**1Q 2006 MCh$**	1Q 2006 MUS$
Financial Services:					
Banco de Chile (1)(3)	52.2%	12,744	10,914	**13,176**	25.0
Food & Beverage:					
CCU (4)	33.1%	6,102	6,419	**6,748**	12.8
Telecommunications:					
Telefónica del Sur (1)	73.7%	1,343	1,401	**1,537**	2.9
Entel (2)	5.7%	1,127	1,030	**1,329**	2.5
Manufacturing:					
Madeco (1)	47.8%	2,042	855	**3,085**	5.9
Other operating companies (5)		(550)	(2,472)	**(1,168)**	(2.2)
Total operating companies		22,808	18,147	**24,707**	47.0
Quiñenco & holding companies		7,501	(12,139)	**(9,786)**	(18.6)
Total		30,309	6,008	**14,921**	28.4

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

(1) Operating company in which Quiñenco has direct or indirect control.
(2) Operating company in which Quiñenco holds a minority interest.
(3) Ownership % in the above table corresponds to voting rights in Banco de Chile.
(4) Operating company which is controlled jointly between Quiñenco and Heineken Int´l (through a shareholders' agreement).
(5) Other operating companies include results from Hoteles Carrera, Habitaria and Indalsa.

Net Income – 1Q 2006

Quiñenco reported net income for the first quarter of 2006, which amounted to Ch$14,921 million (US$28.4 million), compared to net income of Ch$30,309 million (US$57.6 million) in the first quarter of 2005. 1Q 2005 income (at the Quiñenco holding company level) included a non-recurring gain on the sale and exchange of shares of Almacenes Paris of Ch$21,825 million (US$41.5 million), mainly explaining the variation in net income between the two quarters.

The net income contribution from operating companies reached Ch$24,707 million (US$47.0 million), up by 8.3% compared to the same quarter in 2005. The increase was attributable to higher results from all of Quiñenco main operating companies which benefited from strong growth under the favorable economic conditions seen during the first quarter.

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Earnings per ordinary share amounted to Ch$13.82 (US$0.03) and earnings per ADR, Ch$138.20 (US$0.26).

Consolidated Income Statement Breakdown

	1Q 2005 MCh$	4Q 2005 MCh$	**1Q 2006 MCh$**	1Q 2006 MUS$
Revenues				
Madeco	90,289	88,289	**118,367**	225.0
Telefónica del Sur	13,423	13,863	**13,546**	25.7
Quiñenco & holding	632	329	**299**	0.6
Total	104,344	102,481	**132,212**	251.3
Operating income (loss)				
Madeco	7,593	5,880	**9,512**	18.1
Telefónica del Sur	3,008	3,320	**3,075**	5.8
Quiñenco & holding	(2,734)	(2,506)	**(2,329)**	(4.4)
Total	7,867	6,694	**10,258**	19.5
Non-operating income (loss)				
Interest income	643	1,046	**1,239**	2.4
Share of net income/loss from related co:				
Banco de Chile	12,744	10,914	**13,176**	25.0
CCU	6,102	6,419	**6,748**	12.8
Entel	1,127	1,030	**1,329**	2.5
Other equity investments	(59)	(652)	**(18)**	-
Other non-op income	24,943	2,477	**508**	1.0
Amortization of GW expense	(5,325)	(6,601)	**(5,239)**	(10.0)
Interest expense	(7,301)	(6,397)	**(6,967)**	(13.2)
Other non-op expenses	(2,241)	(3,606)	**(1,729)**	(3.3)
Price-level restatement	(96)	(2,215)	**698**	(1.3)
Foreign exchange gains & losses	(81)	(2,265)	**1,408**	(2.7)
Total	30,456	150	**11,153**	21.2
Income tax	(5,715)	684	**(2,394)**	(4.5)
Extraordinary items	-	-	**-**	-
Minority interest	(2,609)	(1,954)	**(4,477)**	(8.5)
Amortization of negative GW	310	434	**381**	0.7
Net income (loss)	30,309	6,008	**14,921**	28.4

Revenues – 1Q 2006

Consolidated revenues for the first quarter of 2006 were Ch$132,212 million (US$251.3 million), up by 26.7% from the Ch$104,344 million (US$198.3 million) reported in the first quarter of 2005, mostly explained by a 31.1% increase in Madeco's sales as a result of higher volume sales in its main markets and price increases associated with the rise in copper prices.

Consolidated sales can be broken down as follows: Madeco (89.5%), Telefónica del Sur (10.2%) and others (0.3%).

Operating Income - 1Q 2006

Operating income for the first quarter of 2006 was Ch$10,258 million (US$19.5 million), up by 30.4% from the Ch$7,867 million (US$15.0 million) reported in the first quarter of 2005. The sharp rise in consolidated operating income was attributable to Madeco's operations, mainly due to the increase in operating income associated with the cable and flexible packaging business units.

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EBITDA – 1Q 2006

EBITDA reached Ch$17,230 million (US$32.7 million) in 1Q 2006, compared to Ch$14,477 million (US$27.5 million) in 1Q 2005, an increase of 19.0% compared to the same period of 2005, mainly attributable to Madeco's operations.

Non-Operating Results –1Q 2006

Quiñenco reported non-operating income of Ch$11,153 million (US$21.2 million) in the first quarter of 2006, compared to non-operating income of Ch$30,456 million (US$57.9 million) in the same quarter of 2005. 1Q 2005 non-operating income included a non-recurring gain on the sale and exchange of shares of Almacenes Paris of Ch$21,825 million (US$41.5 million), mainly explaining the variation in results between the two quarters. 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$21,235 million (US$40.4 million), compared to Ch$19,914 million (US$37.8 million) in 1Q 2005, an increase of 6.6%. The increase corresponded to growth in the proportionate share of net income from Banco de Chile (+3.4%), CCU (+10.6%) and Entel (+17.9%).

Other non-operating income

Other non-operating income was Ch$508 million (US$1.0 million), compared to Ch$24,943 million (US$47.4 million) in the first quarter of 2005. Other non-operating income in 1Q 2005 was mainly composed of a gain on the sale and exchange of shares of Almacenes Paris amounting to Ch$21,825 million (US$41.5 million), explaining the difference between the two quarters.

Amortization of goodwill expense

Amortization of goodwill expense amounted to Ch$5,239 million (US$10.4 million) in the first quarter of 2006, almost unchanged from the Ch$5,325 million (US$10.1 million) reported in the same period of 2005. Goodwill expense is almost entirely related to the Banco de Chile acquisition in 2001, and to a lesser extent, the Banco Edwards acquisition in 1999 (now kept on the books as Bank of Chile. As of March 31, 2006, goodwill amounting to Ch$266,496 million (US$506.5 million) was associated with the Banco de Chile acquisition. Goodwill is amortized using the straight-line method over twenty years.

Interest Expense

Interest expense for the first quarter of 2006 amounted to Ch$6,967 million (US$13.2 million), a reduction of 4.6% compared to the same period in 2005. The decrease corresponds to lower interest expense at Telefónica del Sur and the corporate level.

Price-level restatement

Price-level restatement gains amounted to Ch$698 million (US$1.3 million) in the first quarter of 2006, compared to price-level restatement losses of Ch$96 million (US$0.2 million) in the same period in 2005.

Foreign Currency Exchange Differences

In 1Q 2006, the gains specific to foreign currency differences amounted to Ch$1,408 million (US$2.7 million), compared to losses amounting to Ch$81 million (US$0.2 million) reported in the first quarter of 2005, almost entirely attributable to Madeco's operations as a result of the revaluation of the Brazilian real and its effect on US dollar denominated debt in Ficap (Brazil).

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Income Taxes – 1Q 2006

Quiñenco reported income tax expense of Ch$2,394 million (US$4.5 million), compared to Ch$5,715 million (US$10.9 million) in the same period of 2005. In 1Q 2005, provisions for income taxes included the estimated tax liability associated with the disposal of Almacenes Paris, which mainly explains the variation during the two quarters.

Minority Interest – 1Q 2006

In the first quarter of 2006, Quiñenco reported a deduction from income of Ch$4,477 million (US$8.5 million), compared to a deduction from income of Ch$2,609 million (US$5.0 million) in 1Q 2005. The amount is mainly related to minority shareholders' proportionate share of Madeco's and Telefónica del Sur's first quarter 2006 income.

CONSOLIDATED BALANCE SHEET ANALYSIS (vis-à-vis the 4th quarter of 2005)

Condensed Consolidated Balance Sheet

	As of 3/31/05 MCh$	As of 12/31/05 MCh$	**As of 3/31/06 MCh$**	As of 3/31/06 MUS$
Current assets	288,100	267,623	**335,814**	638.2
Fixed assets	288,005	256,708	**255,983**	486.5
Other assets	836,557	834,103	**809,205**	1,537.9
Total assets	1,412,662	1,358,434	**1,401,002**	2,662.6
Current liabilities	130,131	99,453	**123,119**	234.0
Long-term liabilities	473,398	418,203	**418,188**	794.8
Minority interest	117,732	138,638	**144,836**	275.3
Shareholders' equity	691,401	702,140	**714,859**	1,358.5
Total liabilities & shareholders' equity	1,412,662	1,358,434	**1,401,002**	2,662.6

Current Assets

Current assets increased 25.5% compared to the fourth quarter of 2005, mainly due to an increase in cash and cash equivalents related to the receipt of dividends and a higher stock and accounts receivable level at Madeco.

Fixed Assets and Other Assets

Fixed assets did not vary significantly from the fourth quarter of 2005. Other assets decreased by 3.0%, mainly due to the reduction in the equity value of the Company's investment in Banco de Chile post-dividend.

Current Liabilities

Current liabilities increased by 23.8% compared to the fourth quarter of 2005, primarily due to an increase in short-term bank debt at Madeco to finance additional working capital needs as a result of the higher sales level and rising copper prices.

Long-term Liabilities

Long-term liabilities did not vary significantly from the fourth quarter of 2005.

Minority Interest

Minority interest increased by 4.5% compared to the fourth quarter of 2005, mostly attributable to minority interest in Madeco.

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Equity

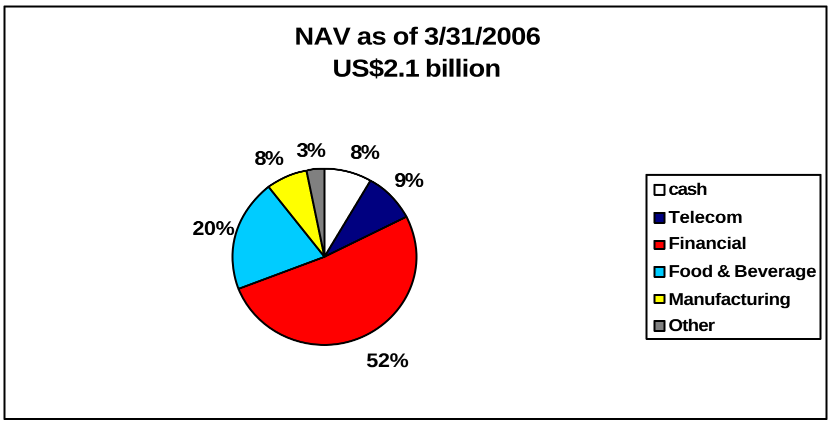
Shareholders' equity increased by 1.8% as a result of the period earnings.

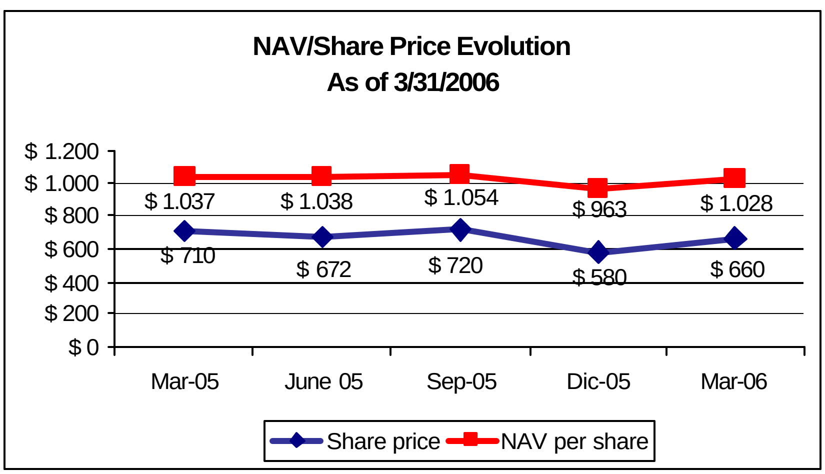
Quiñenco Corporate Level Debt and Cash

As of March 31, 2006, financial debt at the corporate level was Ch$338,500 million (US$643.3 million). As of the same date, cash and cash equivalents amounted to Ch$121,611 million (US$231.1 million). The debt to total capitalization ratio at the corporate level was 32.0%.

NAV

As of March 31, 2006, the estimated net asset value (NAV) of Quiñenco was US$2,110 million (Ch$1,028 per share) and market capitalization was US$1.354 million (Ch$660 per share). The discount to NAV is estimated at 35.8% 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 2005 and 2006:

FINANCIAL SERVICES					
	Ownership %	1Q 2005 MCh$	4Q 2005 MCh$	**1Q 2006 MCh$**	1Q 2006 MUS$
Banco de Chile (1)	52.2%	12,744	10,914	**13,176**	25.0

1) Ownership % in the above table corresponds to voting rights in Banco de Chile.

BANCO DE CHILE

	1Q 2005 MCh$	4Q 2005 MCh$	**1Q 2006 MCh$**	1Q 2006 MUS$
Operating revenues	114,111	139,509	**126,291**	240.0
Provision for loan losses	(5,785)	(10,106)	**(6,633)**	(12.6)
Operating expenses	(64,467)	(76,067)	**(70,579)**	(134.1)
Net Income (loss)	42,513	39,205	**45,135**	85.8
Loan portfolio	7,375,966	8,181,307	**8,325,550**	15,822.6
Total assets	10,398,264	10,660,683	**10,895,933**	20,707.6
Shareholders' equity	581,745	772,782	**668,767**	1,271.0
Net financial margin	3.6%	4.5%	**3.8%**	
Efficiency ratio	56.5%	54.5%	**55.9%**	
ROAE	24.4%	20.6%	**22.9%**	
ROAA	1.7%	1.5%	**1.7%**	

1Q 2006 Results

Operating revenues increased by 10.7% to Ch$126,291 million (US$240.0 million) in the first quarter of 2006. The rise in operating revenues was primarily due to an increase in net financial income, which rose by 13.1% to Ch$91,451 million (US$173.8 million) as a result of a 6.8% growth in average interest earning assets, higher results associated with demand deposits as a result of higher nominal interest rates and a better asset mix compared to 1Q 2005. Net financial income, which is calculated as the sum of net interest revenue and foreign exchange transactions (net), comprised 72.4% of operating revenues in 1Q 2006. To a lesser extent, an increase of Ch$3,122 million (US$5.9 million) in gains on the sale of financial instruments also contributed to the increase in operating revenues during the first quarter of the year. These gains, which amounted to Ch$4,461 million (US$8.5 million) were the result of higher earnings on the sale of local, foreign and mortgage finance bonds. Fee income, a component of operating revenues, fell by 4.8% to Ch$30,379 million (US$57.7 million), mainly attributable to higher fees paid to the sales force, lower fee income earned by the bank's stock brokerage subsidiary and lower income from sales of assets received in lieu of payment, the effect of which was partially offset by higher income from the mutual funds and insurance subsidiaries. Fee income accounted for 24.1% of operating revenues in 1Q 2006.

Provisions, which amounted to Ch$6,633 million (US$12.6 million), showed an increase of 14.7% from the Ch$5,785 million (US$11.0 million) reported in the first quarter of 2005, mainly due to a decrease in recoveries of loans previously charged off associated with the wholesale market. This reflected a 0.3% provision to average loans (compared with 0.9% for the financial system as a whole).

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Operating expenses rose by 9.5% to Ch$70,579 million (US$134.1 million) compared to the first quarter of 2005, primarily due to higher administrative expenses associated with the US branches, advertising and promotional expenses to support business growth in the retail banking area and an increase in the headcount of 1,007 employees, mainly in the bank's commercial area.

Price-level restatement gains totaled Ch$1,666 million (US$3.2 million) compared to price-level restatement gains of Ch$4,090 million (US$7.8 million) reported in 1Q 2005. The reduction in gains in 1Q 2006 reflect the lower negative inflation rate used for adjustment purpose sin 1Q 2006 vis-à-vis 1Q 2005 (-0.3% vs. -0.8%).

Net income increased by 6.2% reaching Ch$45,135 million (US$85.8 million) in 1Q 2006, driven by the aforementioned 13.1% increase in net financial income and gains on the sale of financial instruments, the effect of which more than offset the rise in operating expenses reported during the first quarter of the year.

As of March 2006, the Bank's loan portfolio (net of inter-bank loans) had grown by 12.9% over the last twelve month period, mostly in commercial, consumer and contingent loans, driven by the dynamic economic scenario.

Banco de Chile is the second ranked bank in the country with a market share of 17.7% according to information published by the Chilean Superintendency of Banks for the period ended March 31, 2006. Its return on capital and reserves after taxes (annualized) reached 29.0%, compared to 18.5% 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 2005 and 2006:

FOOD & BEVERAGE					
	Ownership %	1Q 2005 MCh$	4Q 2005 MCh$	**1Q 2006 MCh$**	1Q 2006 MUS$
CCU	33.1%	6,102	6,419	**6,748**	12.8

CCU

	1Q 2005 MCh$	4Q 2005 MCh$	**1Q 2006 MCh$**	1Q 2006 MUS$
Sales	129,596	148,149	**139,282**	264.7
Operating income (loss)	25,710	25,752	**26,808**	50.9
Net Income (loss)	19,806	19,212	**20,414**	38.8
Total assets	627,442	641,343	**650,865**	1,237.0
Shareholders' equity	335,292	318,073	**340,786**	647.7

1Q 2006 Results

CCU's sales in the first quarter of 2006 grew by 7.5% compared to the first quarter of 2005, due to an increase in consolidated sales volumes and higher average prices. The growth in sales volume was led by the Chilean beer segment (+8.1%), the soft drink, nectar and mineral water segment (+6.6%), the pisco segment (+48.8%), and the Argentine beer segment (+1.1%). The increase in volumes was partially offset by an 8.2% decline in wine volume. Higher average prices correspond to Chilean beer, pisco and

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mineral water, the effect of which was partially offset by lower average price of Argentine beer, nectars, soft drinks and wine.

Operating income increased by 4.3% to Ch$26,808 million (US$50.9 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 marketing and distribution expenses. The consolidated operating margin was 19.2% of sales, compared to 19.8% in the same period of 2005.

CCU reported non-operating losses of Ch$1,304 million (US$2.5 million), down from the Ch$1,375 million (US$2.6 million) reported in 1Q 2005. The slight improvement in non-operating results was attributable to a variety of factors, including improved FX results, price-level restatement results and a higher level of other non-operating income, the effect of which was partially offset by an increase in interest expense.

Net income amounted to Ch$20,414 million (US$38.8 million), an increase of 3.1% from the net income of Ch$19,806 million (US$37.6 million) reported in the first quarter of 2005. The rise in period profits was due to the aforementioned improvement in operating and non-operating results during the quarter, partially offset by an increase in income tax provisions during the period.

TELECOMMUNICATIONS SECTOR

The following table details Quiñenco's proportionate share of income from investments in the Telecommunications sector during 2005 and 2006:

TELECOMMUNICATIONS					
	Ownership %	1Q 2005 MCh$	4Q 2005 MCh$	**1Q 2006 MCh$**	1Q 2006 MUS$
Telefónica del Sur	73.7%	1,343	1,401	**1,537**	2.9
Entel (1)	5.7%	1,127	1,030	**1,329**	2.5

(1) Non-controlling interest.

TELEFONICA DEL SUR

	1Q 2005 MCh$	4Q 2005 MCh$	**1Q 2006 MCh$**	1Q 2006 MUS$
Sales	13,423	13,862	**13,546**	25.7
Operating income (loss)	3,008	3,320	**3,075**	5.8
Net Income (loss)	1,823	1,902	**2,086**	4.0
Total assets	136,711	128,238	**126,223**	239.9
Shareholders' equity	67,651	67,490	**69,306**	131.7

1Q 2006 Results

Telefónica del Sur's revenues, which reached Ch$13,546 million (US$25.7 million) in the first quarter of 2006, varied only slightly from the Ch$13,423 million (US$25.5 million) reported in the first quarter of 2005. Nonetheless, the revenue mix favored non-regulated services such as wide band internet, security services and data transmission services which made up 26.9% of revenues in 1Q 2006, compared to 23.7% in the same period of 2005.

Revenue from Internet, security services and data transmission grew by 14.2% during the first quarter reaching Ch$3,640 million (US$6.9 million). Most notable was the growth experienced in Internet services whose client base now includes 39,732 clients, implying an increase in revenue for the quarter of Ch$336 million (US$0.6 million).

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Revenue associated with Telefónica del Sur's fixed telephony and access charges which made up 56.1% of sales in 1Q 2006, fell by 6.0% to Ch$7,598 million (US$14.4 million) as substitution of fixed telephony for mobile telephony and other alternatives continue to capture a portion of the company's traditional sale base.

Basic telephony services accounted for 45.7% of all revenues, followed by user access charges (10.4%), long distance services (8.1%), public telephones (5.7%), and other non-regulated services (30.1%).

In spite of the change the company is undergoing in revenue base, operating profit increased by 2.2% to Ch$3,075 million (US$5.8 million), compared to Ch$3,008 million (US$5.7 million) in the first quarter of 2005. The rise in operating income in 1Q 2006 mainly corresponded to a reduction in SG&A expenses.

Telefónica del Sur reported non-operating losses of Ch$391 million (US$0.7 million), down by 34.2% from the non-operating losses of Ch$595 million (US$1.1 million) reported in 1Q 2005. The decline in non-operating losses was primarily attributable to lower interest expense as a consequence of a lighter debt load.

Telefónica del Sur reported net income of Ch$2,086 million (US$4.0 million), an increase of 14.5% compared to the same period in 2005, mainly as a result of the aforementioned improvement in operating and non-operating performance during the quarter.

MANUFACTURING SECTOR

The following table details Quiñenco's proportionate share of income (loss) from investments in the Manufacturing sector during 2005 and 2006:

MANUFACTURING					
	Ownership %	1Q 2005 MCh$	4Q 2005 MCh$	**1Q 2006 MCh$**	1Q 2006 MUS$
Madeco	47.8%	2,042	855	**3,085**	5.9

MADECO

	1Q 2005 MCh$	4Q 2005 MCh$	**1Q 2006 MCh$**	1Q 2006 MUS$
Sales	90,289	88,289	**118,367**	225.0
Operating income (loss)	7,593	5,880	**9,512**	18.1
Net Income (loss)	3,986	1,797	**6,451**	12.3
Total assets	371,056	343,305	**379,356**	721.0
Shareholders' equity	174,982	204,764	**214,485**	407.6

1Q 2006 Results

Madeco's sales in the first quarter of 2006 increased by Ch$28,078 million (US$53.4 million) or 31.1% from Ch$90,289 million (US$171.6 million) to Ch$118,367 million (US$225.0 million), primarily attributable to higher volume sales and price increases associated with the rise in copper prices. The wire and cable business unit, whose sales increased by 43.2% or Ch$23,088 million (US$43.9 million), accounted for 82.2% of the total sales increase during 1Q 2006. Additionally, brass mills sales rebounded during the quarter, rising by Ch$4,622 million (US$ 8.8 million) or 25.1% compared to the same period last year.

Wire and cable sales benefited from strong demand, particularly in Argentina, Brazil and Peru. Sales of the brass mills unit benefited from volume increases in Chile, a rise in export sales and higher copper prices. Sales of the wire and cable business unit (whose principal operation is Ficap Brazil) accounted for 64.6% of total sales, followed by brass mills (19.5%), flexible packaging (9.3%) and aluminum profiles (6.6%).

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Operating income rose by Ch$1,918 million (US$3.6 million) or 25.3% to Ch$9,512 million (US$18.1 million), mainly due to the increase in operating income associated with the cable and flexible packaging business units. The marked increase in the operating income of the cable business unit (+Ch$1,255 million or US$2.4 million) was a direct result of the sales increase experienced during the quarter. The improvement in the operating income of the flexible packaging unit was related to greater operating efficiencies and lower SG&A expenses. The increase in consolidated income was partially offset by a decline in the operating income associated with the brass mills unit which was affected by the revaluation of the Chilean peso vis-à-vis the US dollar on its exports and greater competition from imports in Chile. As a percentage of sales, the operating margin was 8.0%, down from 8.4% one year ago.

Non-operating losses were cut by 56.1% to Ch$888 million (US$1.7 million) in 1Q 2006. The decrease in non-operating losses was mainly attributable to exchange rate gains associated with the revaluation of the Brazilian real and its effect on US dollar denominated debt in Ficap (Brazil).

Madeco reported a net profit of Ch$6,451 million (US$12.3 million) for the first quarter of 2006, up by 61.9% compared to the net income of Ch$3,986 million (US$7.6 million) reported in 1Q 2005. The improvement in net quarterly earnings was attributable to the improvement in operating and non-operating results compared to the same period of 2005.

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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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