Citigate Dewe Rogerson

New York

1440 Broadway
New York, N.Y. 10018

Telephone 212-688-6840
Facsimile 212-838-3393

QUIÑENCO S.A.

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For further information contact:

David Perez
Quiñenco S.A.
(56-2) 687-9676
E-Mail: dperez@lq.cl

Amy O'leary
Citigate Dewe Rogerson
(212) 688-6840
E-Mail: ao'leary@dewerogerson.com
Web Site: www.dewerogerson.com

QUIÑENCO S.A. ANNOUNCES FIRST QUARTER 1999 RESULTS

(Santiago, Chile, May 10, 1999) Quiñenco S.A. (NYSE: LQ) announced today its consolidated financial results in Chilean GAAP, for the first quarter of 1999. Results will be discussed by Quiñenco's senior management in a conference call on Tuesday, May 25.

HIGHLIGHTS OF THE PERIOD

- As of the first quarter of 1999, the results of Habitaria S.A. ("Habitaria") have been incorporated into Quiñenco's earnings announcements. Habitaria was formed in June 1998 with the purpose of developing apartment and housing projects for middle-income families and with a strong focus on customer service and brand image. Habitaria, an unconsolidated affiliate, is a 50% owned venture with Ferrovial Inmobiliaria Chile Ltda. ("Ferrovial"). Both Quiñenco and Ferrovial contributed US$10 million to the venture. Currently, construction on four apartment projects is underway, and revenue from apartment sales will be recognized upon each project's completion.

- On March 10, 1999, Quiñenco announced that it had acquired a stake in Entel S.A. ("Entel"), the Chilean telecommunications company, through the first round of Entel's capital increase, which ended March 9. Combined with subsequent share purchases on the open market and through a second-round capital increase conducted on April 16 (to sell shares unpurchased in the first round), Quiñenco has purchased 8.0% of Entel for approximately US$34 million. Quiñenco and Samsung Chile Holding Ltda., also a shareholder in Entel, have entered into a shareholders agreement, through which Quiñenco has named a Director to Entel's Board on behalf of itself and Samsung.

- On March 3, 1999, Quiñenco announced a new organizational structure concurrent with several additions to its senior management team. Felipe Joannon joined Quiñenco as Head of Business Development; Luis Hernan Paul as Head of Strategic Planning; and Sergio Guzman as Head of Human Resources and Communications. All three are new areas within Quiñenco's organization that, together with Luis Fernando Antunez, CFO, and Manuel Jose Noguera, Chief Legal Advisor, report to Quiñenco's CEO, Francisco Perez Mackenna. The new corporate structure is designed to help Quiñenco maximize value within its current businesses as well as in the new opportunities in which it invests.

- On March 3, 1999, Quiñenco's Board of Directors proposed a dividend of Ch$7.31819 per share, or Ch $7.902 million in the aggregate, equivalent to 30.0% of 1998's net income. The dividend was approved at the annual shareholders' meeting on April 30, 1999 and will be paid May 12, 1999.

- On February 5, 1999, Empresas Lucchetti S.A. ("Lucchetti") agreed to sell its tomato paste manufacturer Nieto S.A. to Córpora Aconcagua S.A. for proceeds of approximately US$10 million, US$6.3 million of which would be payable to Lucchetti. The transaction closed in April, and Lucchetti recognized a loss of Ch$1,651 million (US$3.4 million) in connection with the sale.

SUBSEQUENT EVENTS

- On May 3, 1999, Quiñenco sold its 50% stake in the financial services holding company O'Higgins Central Hispanoamericano ("OHCH") to Banco Santander Central Hispanoamericano ("BSCH") for US$600 million. Through OHCH, Quiñenco had jointly held a 43% stake in Banco Santiago (Chile), 100% of Banco Tornquist (Argentina), 89% of BancoSur (Peru) and 78% of Banco de Asunción (Paraguay). The sale was the result of a buy/sell process initiated by BSCH in February. With the sale, Quiñenco expects to record a net gain of approximately US$280 million in the second quarter.

- On May 5, 1999, Quiñenco launched a tender offer for 45% of the common shares of Banco Santiago. The offer, which is open only to holders of locally-traded shares, is priced at Ch$9.6 per share, and if successful would represent a purchase of approximately US$900 million. Quiñenco has entered into a shareholders agreement with a subsidiary of the Hongkong and Shanghai Banking Corporation, which owns 6.9% of Banco Santiago, to exercise joint control of the bank should the offer succeed. Quiñenco expects that the results of the offer will be known in May; however, the outcome cannot be predicted at this time.

- On May 4, 1999, the Board of Directors of Empresas Lucchetti S.A. ("Lucchetti") approved plans for a capital increase of Ch$ 20,000 million (US$41 million) for the purpose of reducing the company's indebtedness incurred in connection with the expansions into Argentina and Peru.

- On April 29, 1999, Quiñenco's subsidiary VTR S.A. ("VTR") sold its interest in VTR Hipercable S.A. to UIH Latin America, Inc. ("UIH") for US$259 million. The sale was consummated pursuant to a purchase option that VTR S.A. had granted to UIH in October 1998. The sale is expected to generate a net gain of approximately US$70 million for Quiñenco in the second quarter. Concurrent with this divestiture, Quiñenco announced that it will purchase SBC Communications Inc.'s 44.1% stake in VTR at a price that will be set according to a formula established previously by Quiñenco and SBC.

- On April 26, 1999, Quiñenco's unconsolidated affiliate Compañía Cervecerías Unidas S.A. ("CCU") completed a capital increase, which was initiated in 1996, raising proceeds of Ch$ 10,527 million (US$21.7 million). Quiñenco did not subscribe to the offering; thus Quiñenco's economic interest in CCU decreased from 31.24% to 30.79%.

- On April 7, 1999, Quiñenco sold 63.3 million shares of Enersis S.A. ("Enersis") (the Chilean electric distribution holding company) to Endesa S.A. (Spain) through a tender offer conducted by Endesa. The transaction generated proceeds of approximately Ch$20,000 million (US$42 million), and Quiñenco estimates that it will record a second-quarter net gain of approximately US$1.5 million. Quiñenco still holds approximately 61.6 million, or 0.9% of Enersis's shares and recently named a director to Enersis's Board.

FINANCIAL SUMMARY

All US$ figures are based on the exchange rate effective March 31, 1999 (US$ 1.00 = Ch$ 484.08). 1998 figures have been restated to reflect the effects of variations in the purchasing power of the Chilean Peso (3.8% y.o.y).

Net Income

In the first quarter of 1998, Quiñenco had a net loss of Ch$6,552 million (US$13.5 million), which represented an earnings decrease of Ch$14,697 million compared to first quarter 1998. The loss resulted from earnings declines across Quiñenco's operating subsidiaries, which were particularly significant at Madeco and OHCH. At the holding company level, net losses grew primarily as the result of higher administrative expenses related to the strengthening of Quiñenco's senior management structure as well as a decrease in income from non-operating sources. These decreases were offset somewhat by an improvement in the monetary correction, attributable to a change in accounting standards for investments abroad.

Net Income Breakdown
MillCh$ of mar-99

	1q 98 Year ago	4q 98 Previous	1q 99 Last	Quiñenco's ownership
Madeco	1.318	(1.132)	(5.633)	56,50%
Lucchetti	(914)	(2.577)	(2.559)	71,37%
VTR	1.334	6.892	35	46,19%
Carrera	71	(65)	(176)	90,78%
OHCH	3.258	(1.907)	(705)	50,00%
CCU	4.597	4.723	4.565	31,24%
Habitaria		(159)	(92)	50,00%
Quiñenco	(1.518)	5.493	(1.986)	
Total	8.145	11.270	(6.552)	

Consolidated Income Statement Breakdown

Consolidated Income Statement Breakdown
MillCh$ of mar-99

	1q 98 Year ago	4q 98 Previous	1q 99 Last
Revenues			
Madeco	90.781	77.417	55.158
Lucchetti	18.107	18.615	19.390
VTR	27.558	24.577	24.004
Carrera	1.798	1.820	1.417
Quiñenco	655	(570)	602
Total	138.900	121.860	100.571
Operating Income			
Madeco	10.333	3.389	2.559
Lucchetti	683	91	(1.143)
VTR	4.655	2.295	3.152
Carrera	235	167	(1)
Quiñenco	(1.193)	(1.528)	(1.618)
Total	14.712	4.415	2.948
Non-Operating Income			
Total (*)	(2.371)	11.122	(15.392)
Income tax	(2.324)	(53)	(660)
Min. interest	(1.873)	(4.214)	6.552
Net Income	8.145	11.270	(6.552)

(*) includes negative goodwill amortization.

Sales

Consolidated sales in the first quarter of 1999 were Ch$100,571 million (US$207.8 million), a 27.6% decline from first quarter 1998. The principal cause was a 39.2% sales decline at Madeco as a result of low sales of telecommunications cable in Chile and Brazil and lower sales of electrical transmission cable in Brazil.

Operating Income

Consolidated operating income in the first quarter of 1999 was Ch$2,948 million (US$6.1 million.), a drop of 80.0% compared to the first quarter of 1998. This was the result of a decrease in operating earnings at all of Quiñenco's consolidated subsidiaries, particularly Madeco, Lucchetti and VTR.

Income Statement Analysis: Non-operational results

Company: Quiñenco Consolidated

MillCh$ of mar-99

	1q 98 Year ago	4q 98 Previous	1q 99 Last
Net sales	138.900	121.860	100.571
Cost of sales	(97.786)	(89.518)	(70.951)
Adm. and selling expenses	(26.402)	(27.927)	(26.672)
Operating income	14.712	4.415	2.948
Interest income	3.439	5.565	4.808
Non-operating income	10.054	20.400	6.927
Interest expense	(11.349)	(11.514)	(11.718)
Non-operating expense	(2.277)	1.014	(3.306)
Price-level restatement	(2.238)	(4.343)	(12.103)
Non-operating results(*)	(2.371)	11.122	(15.392)
Minority interest	(1.873)	(4.214)	6.552
Income taxes	(2.324)	(53)	(660)
Net Income	8.145	11.270	(6.552)

(*) includes negative goodwill amortization.

Consolidated non-operating results in the first quarter of 1999 amounted to a loss of Ch$15,392 million, compared to a loss of Ch$2,371 million in the comparable period in 1998. The loss widened as a result of larger losses from monetary correction, due to the negative effects of the devaluation of the Brazilian real at Madeco, and to a lesser extent, to the negative impact at VTR of the devaluation of the Chilean peso during the quarter. These effects were partially offset by improvements in the monetary correction at the holding company level given the change in accounting standards governing foreign investments. Non-operating results were also affected by the earnings decrease at OHCH, which negatively impacted Quiñenco's income from equity-method investments.

Income Tax

Income taxes declined 71.6% quarter-over-quarter as a direct result of lower earnings, particularly at Madeco.

Minority Interest

Minority interest in the first quarter of 1999 also declined relative to first-quarter 1998 as a direct result of lower earnings at Madeco, Lucchetti and VTR.

SUMMARY OF QUIÑENCO COMPANIES

MADECO

Company: Madeco

MillCh$ of mar-99

	1q 98 Year ago	4q 98 Previous	1q 99 Last
Revenues	90.781	77.417	55.158
Operating Income	10.333	3.389	2.559
Net Income	2.334	(2.003)	(9.970)
Total assets	475.919	456.112	432.025
Shareholder's equity	200.485	196.537	187.404

First-Quarter Results

During the first quarter of 1999, Madeco had net sales of Ch$55,158 million, a 39.2% decrease from the first quarter of 1998. The decline was caused by decreases in the sales of telecommunications cables in Chile and Brazil, combined with lower sales of electrical transmission cables in Brazil.

Operating profit was Ch$2,559 million (operating margin = 4.6%), a 75.2% decline compared to the same period in 1998 (during which the operating margin was 11.4%). The decrease resulted from lower sales volumes, as described above.

For the quarter, Madeco had net losses of Ch$9,970 million, compared to the net profit of Ch$2,334 million in the comparable period of 1998. The situation was caused by weak operating results combined with a negative monetary correction from the devaluation of the Brazilian Real at the start of 1999.

LUCCHETTI

Company: Lucchetti

MillCh$ of mar-99

	1q 98 Year ago	4q 98 Previous	1q 99 Last
Revenues	18.107	18.615	19.390
Operating Income	683	91	(1.143)
Net Income	(1.172)	(3.612)	(3.586)
Total assets	127.617	117.030	144.239
Shareholder's equity	40.882	36.945	33.334

First-Quarter Results

In the first quarter of 1999, Lucchetti had sales of Ch$19,390 million, a 7.1% increase over first-quarter 1998. The increase was due primarily to the consolidation for the first time of Lucchetti Peru (accounted for in 1998 as a subsidiary in development.), which added Ch$3,180 million to sales. Lucchetti Argentina posted higher sales for the quarter, while the Chilean operations had declines.

Lucchetti had operating losses of Ch$1,143 million, compared to operating profits of Ch$683 million (operating margin = 3.8%) in the same quarter of 1998. This was due in part to the consolidation of Lucchetti Peru, which had operating losses of Ch$1,078 million, and to the Chilean operations which had lower operating results. Lucchetti Argentina narrowed its operating losses compared to first quarter 1998.

Net losses were Ch$3,586 million, a decline from the first quarter of 1998 attributable mainly to the consolidation of Lucchetti Perú, which has losses of Ch$2,073 during the quarter.

VTR

Company VTR

MillCh$ of mar-99

	1q 98 Year ago	4q 98 Previous	1q 99 Last
Revenues	27.558	24.577	24.004
Operating Income	4.655	2.295	3.152
Net Income	2.882	14.895	76
Total assets	535.533	357.393	319.601
Shareholder's equity	150.202	118.595	104.008

First-Quarter Results

During the first quarter of 1999, VTR had net sales of Ch$24,004 million, a 12,9% decline from the same quarter in 1998. The decrease compared to 1998 was a consequence of the divestiture of VTR Larga Distancia to CTC in October 1998. VTR's local telephony segment grew sales compared to first-quarter 1998 as a result of an 11.9% incresae in lines in service, which totalled 143,337 at the end of the quarter.

Operating profits in the first quarter were Ch$3,152 million (operating margin = 13.1%), which was 32.3% lower than operating profits from the same period in 1998 (operating margin = 16.9%). This was caused by lower operating results at the cable television segment, which resulted from higher selling and administrative expense.

Net income was Ch$76 million, a 97.4% decline from the first quarter in 1998. VTR had higher non-operating losses during the quarter, principally due to an adverse monetary correction in 1999 (due to dollar-denominated liabilities exceeding dollar-denominated assets) compared with a favorable monetary correction in the first quarter of 1998 (related to large holdings of dollar-denominated assets from the Startel divestiture). Negative effects from monetary correction were partially offset by lower financial expense during the quarter.

CARRERA

Company	Carrera		
MillCh$ of mar-99			
	1q 98 Year ago	4q 98 Previous	1q 99 Last
Revenues	1.798	1.820	1.417
Operating Income	235	167	(1)
Net Income	81	(71)	(194)
Total assets	23.328	22.507	22.514
Shareholder's equity	13.325	14.574	14.366

First-Quarter Results

In the first quarter of 1999 Carrera had sales of Ch$1,417 million, which represented a 21.2% decline from the first quarter of 1998. All three of Carrera's hotels had lower occupancy rates as a result of Chile's economic downturn.

As a result of lower bookings, Carrera posted slight operating losses for the quarter, compared to profits of Ch$235 (operating margin = 13.1%) in first-quarter 1998.

The above factors contributed to net losses of Ch$194 million, compared to Ch$81 earned in first-quarter 1998.

OHCH

Company	OHCH		
MillCh$ of mar-99			
	1q 98 Year ago	4q 98 Previous	1q 99 Last
Revenues	193.890	238.618	182.942
Operating Income	21.474	5.901	4.401
Net Income	6.516	(3.813)	(1.409)
Total assets	6.715.856	6.864.595	6.940.240
Shareholder's equity	329.947	313.907	314.938

First-Quarter Results

In the first quarter of 1999 OHCH had net losses of Ch$1,409 million compared to net income of Ch$6,516 million obtained in the comparable period of 1998. This decrease was due principally to a drop in profits in OHCH's banking investments, particularly at Banco Santiago. Banco Santiago, whose earnings fell 62.0% compared to the first quarter of 1998, booked a 249% increase in loan-loss provisions compared to the first quarter of 1998 as a result of Chile's economic downturn. In addition, BancoSur (Peru) recognized losses for the quarter, and net income decreased at Banco Tornquist (Argentina).

Net Income Breakdown
MillCh$ of mar-99

	1q 98 Year ago	4q 98 Previous	1q 99 Last
Santiago	8.069	5.506	3.283
Tornquist	1.632	(2.167)	2
Sur	1.629	(475)	(1.740)
Asunción	22	(177)	328
Eurobanco	(557)	(658)	(48)
Banking investments	10.795	2.028	1.826
OHCH Holding	202	(5.841)	(3.235)
Total	6.516	(3.813)	(1.409)

CCU

Company CCU
MillCh$ of mar-99

	1q 98 Year ago	4q 98 Previous	1q 99 Last
Revenues	76.857	83.935	76.995
Operating Income	17.092	20.224	17.106
Net Income	14.570	15.122	14.612
Total assets	532.835	569.086	559.135
Shareholder's equity	320.077	334.605	349.098

First-Quarter Results

During the first quarter of 1999, CCU had net sales of $76,995 million, which represented 0.2% growth over first quarter 1998. Growth in the Argentinian Beer and Wine segments (as a result of higher market shares) was almost completely offset by sales declines in the Chilean Beer and Soft Drinks segments, which were affected by Chile's difficult macroeconomic circumstances.

Operating profits were Ch$17,106 million (operating margin = 22.2%), a slight gain from the first quarter of 1998 (operating margin = 22.2%). This reflected improved operating results at the Argentinian Beer segment, offset by decreases in the other segments due to lower volumes. In addition, operating income in the wine segment decreased due to higher raw materials costs.

Net profits were Ch$14,612 million, a slight increase from the comparable period in 1998. Net results changes only slightly given stable operating results between the first quarters of 1998 and 1999 and non-recurring gains in 1998 (from the sale of land and financial investments) and lower taxes being offset almost directly by non-recurring benefits in 1999 from the change in accounting standards for foreign subsidiaries.

HABITARIA

Company	Habitaria		
MillCh$ of mar-99			
	1q 98 Year ago	4q 98 Previous	1q 99 Last
Revenues			
Operating Income		(477)	(204)
Net Income		(318)	(185)
Total assets		9.279	11.604
Shareholder's equity		8.928	8.735

First-Quarter Results

Habitaria registered losses of Ch$185 million in the first quarter of 1999. Given that Habitaria has not yet recognized revenues (and will not until a project is completed), the losses reflect selling and administrative expenses.

Balance Sheet (analysis vis a vis fourth quarter 1998)

Consolidated Balance Sheet	MillCh$ of mar-99		
	Year ago	Previous	Last
	1q 98	4q 98	1q 99
Current assets	488.952	397.610	343.633
Fixed assets	498.660	486.046	512.947
Other assets	493.978	401.706	420.911
Total	1.481.590	1.285.363	1.277.492
Current liabilities	393.617	251.803	264.370
Long-term liabilities	336.682	330.861	335.228
Minority interest	237.380	207.080	195.390
Shareholder's equity	513.911	495.618	482.502
Total	1.481.590	1.285.363	1.277.492

At March 31, financial debt at the holding company level was US$135 million, and cash and equivalents totalled US$99 million. Note that cash equivalents do not include Quiñenco's investments in Enersis and Entel. The ratio of debt to total capital at the holding company stood at 11.9% at the close of the first quarter.

Current Assets

Current assets decreased 13.6% in comparison with the fourth quarter of 1998, principally as the result of lower current assets at VTR, which effected a capital reduction in December 1998. At Madeco, accounts receivable decreased as a result of lower sales.

Fixed Assets

Fixed assets grew 5.5% compared to the fourth quarter of 1998, principally as the result of higher balances at Lucchetti from the consolidation for the first time of Lucchetti Perú.

Other Assets

Other assets increased 4.8% compared to fourth quarter 1998, principally as the result of the investment in Entel.

Current Liabilities

Current liabilities grew 5.0% in relation to the fourth quarter of 1998. Lucchetti had higher balances due to the consolidation of Lucchetti Perú, and at the holding company, the dividend payable of Ch$7,902 million was recognized.

Long-term Liabilities

Long-term liabilities grew 1.3% compared to fourth-quarter 1998, principally as a result of the consolidation of Lucchetti Peru.

Minority Interest

Minority interest decreased 5.6% compared to the fourth quarter of 1998. At Madeco, decreases in minority interest were due to net losses, which reduced shareholders' equity, and at VTR decreases were due to dividends paid out.

Equity

Shareholders' equity decreased 2.6% compared to the fourth quarter of 1998, due to the loss of Ch$6,552 million in the first quarter of 1999 and the recognition of dividends of Ch$7,902 million payable in May.

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