QUIÑENCO S.A.
Press Release **First quarter 2001**
2001

FOR IMMEDIATE RELEASE

For further information contact:

Cindi Freeman
Quiñenco S.A.
(56-2) 750-7221
e-mail: cfreeman@lq.cl
www.quinenco.cl

Julissa Fernandez
Citigate Dewe Rogerson
(212) 419-4267
e-mail: julissa.fernandez@citigatedr-ny.com

QUIÑENCO S.A. ANNOUNCES CONSOLIDATED RESULTS FOR THE FIRST QUARTER OF 2001

(Santiago, Chile, May 15, 2001) Quiñenco S.A. (NYSE:LQ), a leading business conglomerate in the Southern Cone, announced today its consolidated financial results in Chilean GAAP, for the first quarter ended March 31, 2001. Results will be discussed by Quiñenco´s senior management in a conference call on Friday, May 25th at 12 noon (EST and Chilean time).

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 (3.8% year-over-year). Figures in US$ have been converted from Chilean pesos (Ch$) at the observed exchange rate on March 31, 2001 (Ch$594.97 = US$1.00) and are only provided for the reader's convenience.

1Q 2001 FINANCIAL RESULT HIGHLIGHTS

- **Consolidated sales increased in the first quarter of 2001 by 19.5% to Ch$123,539 million (US$207.6 million).**
- **Operating income reached Ch$8,524 million (US$14.3 million), an increase of over 250% compared to the same period in 2000.**
- **Non-operating losses were reduced by nearly 77% to Ch$1,424 million (US$2.4 million).**

QUIÑENCO S.A.
Enrique Foster Sur Nº 20, floor Nº14
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101

- **Unconsolidated subsidiaries contributed (net) Ch$16,040 million (US$27.0 million) to Quiñenco's net income, up from Ch$6,885 million (US$11.6 million)in the first quarter of 2000.**

GROUP HIGHLIGHTS – FIRST QUARTER 2001 AND SUBSEQUENT EVENTS

Quiñenco Completes Acquisition of Controlling Interest in Banco de Chile

On March 27, 2001, Quiñenco acquired a 35.8% interest in Banco de Chile. The acquisition of this interest was announced on December 14, 2000. Coupled with prior stock purchases made during 1999 and 2000 on the open market, and a 5% tender offer carried out in February 2001 (on SM Chile), Quiñenco owns a 52.7% controlling stake in Banco de Chile, one of the country's most prestigious financial institutions. The new Board of Directors has been appointed, and five of nine members of the Board of Banco de Chile were appointed by Quiñenco.

A study is currently underway to determine the feasibility of a merger between Banco de Chile and Banco Edwards. Its focus is on the compatibility of information systems, commercial platforms and back office synergies which could be derived in an eventual merger.

CCU

CCU announced the divestiture of its 6.7% in Backus Johnston in Peru on March 20, 2001. The sale of its interest generated an extraordinary gain of Ch$16,227 million (US$27.3 million) during the first quarter of 2001.

On January 3, 2001, CCU announced that its subsidiary, ECUSA, had signed a modification to the Bottler Contract with subsidiaries of The Coca-Cola Company, allowing it to continue the distribution of the Crush and Canada Dry brands in the Chilean market. The initial term of the contract is ten years, renewable for consecutive five-year periods.

Madeco

Madeco announced the sale of a 25% interest held in Ficap Optel (Brazil) to Corning Inc. for US$20 million, generating a gain of Ch$2,913 million (US$ 4.9 million) in the first quarter of 2001. Following the sale, Madeco and Corning each hold a 50% interest in Ficap Optel.

Lucchetti

On February 14, 2001, Lucchetti reported the sale of its Argentine operations to Molinos Rio de la Plata for US$44.7 million. This sale, which was reported in Lucchetti's financial statements for the period ended December 31, 2000, is still pending approval by the Argentine Antitrust Authorities.

QUIÑENCO S.A.
Enrique Foster Sur N° 20, floor N°14
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101

Net Income Contribution (in millions of Ch$ as of 3/31/2001)

Sector/Company	Quiñenco's ownership % at 3/31/2001	4Q 2000	1Q 2001	1Q 2000
Financial Services:				
Banco Edwards (1)	51.2%	2,045	3,087	2,112
Banco de Chile (1)	52.7%	719	4,064	-
Food & Beverage:				
CCU (1)	30.8%	4,611	8,406	3,799
Lucchetti (1)	87.0%	(5,440)	(869)	(859)
Telecommunications:				
Telsur (1)	73.6%	1,626	1,275	1,111
Entel (2)	13.7%	1,088	1,303	940
Manufacturing:				
Madeco (1)	56.1%	(3,584)	(434)	(2,914)
Real estate/hotel admin.:				
Carrera (1)	87.2%	(46)	10	39
Habitaria (1)	50.0%	34	(198)	(132)
Plava Laguna (1)	39.4%	190	(461)	-
Total operating companies		1,243	16,183	4,096
Quiñenco & holding companies		(6,928)	(10,805)	(5,430)
Total		**(5,685)**	**5,378**	**(1,334)**

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

(1) Operating company in which Quiñenco has direct control or indirect control through strategic partnerships as of March 31, 2001.

(2) Operating company in which Quiñenco holds a minority interest.

Net Income – 1Q 2001

Quiñenco reported a net profit for the first quarter of 2001 which amounted to Ch$5,378 million (US$9.0 million), compared to a net loss of Ch$1,334 million (US$2.2 million) in the first quarter of 2000. Net profits were boosted during the quarter by an increase in the contribution from operating companies which was nearly 300% higher than in the first quarter of 2000, and lower non-operating expenses, primarily related to adjustments made for investments carried under the lower of cost or

QUIÑENCO S.A.
Enrique Foster Sur N° 20, floor N°14
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101

market method. This was partially offset by higher amortization of goodwill expense and interest expense related with the Banco de Chile acquisition, and exchange rate losses.

QUIÑENCO S.A.
Enrique Foster Sur Nº 20, floor Nº14
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101

Consolidated Income Statement Breakdown (in millions of Ch$ as of 3/31/2001)

	4Q 2000	1Q 2001	1Q 2000
Revenues			
Madeco	83,521	88,135	67,827
Lucchetti	21,283	21,620	22,694
VTR	10,923	11,025	10,053
Carrera	2,118	2,091	2,170
Quiñenco and holding companies	1,142	668	642
Total	**118,987**	**123,539**	**103,386**
Operating income (loss)			
Madeco	4,763	5,773	682
Lucchetti	(976)	1,605	1,025
VTR	3,508	3,082	2,598
Carrera	44	181	215
Quiñenco and holding companies	(2,215)	(2,117)	(2,089)
Total	**5,124**	**8,524**	**2,431**
Non-operating income (loss)			
Interest income	1,758	2,805	3,134
Share of net income/loss from related co:			
CCU	4,612	8,406	3,799
Banco Edwards	2,045	3,087	2,112
Habitaria	34	(198)	(132)
Entel	1,088	1,303	940
Banco de Chile	719	4,064	-
Other equity inv.	(6,285)	(622)	166
Other non-op income	834	3,998	3,630
Amort. of GW expense	(4,935)	(4,909)	(1,797)
Interest expense	(10,930)	(12,178)	(8,231)
Other non-op expenses	(8,717)	(3,482)	(7,485)
Price-level restatement	(3,344)	(3,699)	(2,322)
Total	**(23,122)**	**(1,424)**	**(6,187)**
Income Tax	8,977	(1,882)	248
Minority Interest	2,934	(223)	1,767
Amort. of neg. GW	402	383	407
Net income	**(5,685)**	**5,378**	**(1,334)**

QUIÑENCO S.A.
Enrique Foster Sur N° 20, floor N°14
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101

Revenues – 1Q 2001
Consolidated revenues for the first quarter of 2001 were Ch$123,539 million (US$207.6 million), 19.5% higher than the Ch$103,386 million (US$173.8 million) registered in the first quarter of 2000, almost entirely due to an increase of 29.9% in Madeco's sales level during the period. Consolidated sales can be broken down as follows: Madeco (71.3%), Lucchetti (17.5%), Telsur (8.9%), Carrera (1.7%) and others (0.6%).

Operating Income - 1Q 2001
Operating income for the first quarter of 2001 reached Ch$8,524 million (US$14.3 million), an increase of more than 250% compared to the first quarter of 2000. The improvement in operating results was primarily due to the markedly better operating results achieved by Madeco, Lucchetti and Telsur during the period, which increased 746.5%, 56.6% and 18.6% respectively.

Non-Operating Results –1Q 2001
Quiñenco reported a non-operating loss of Ch$1,424 million (US$2.4 million) in the first quarter of 2001, compared to a non-operating loss of Ch$6,187 million (US$10.4 million) in the first quarter of 2000. The proportionate share of income from related companies which reached Ch$16,040 million (US$27.0 million) boosted non-operating results considerably in the first quarter of 2001, most notably the contribution from CCU (Ch$8,406 million, US$14.1 million), Banco Edwards (Ch$3,087 million, US$5.2 million), Entel (Ch$1,303 million, US$2.2 million) and Banco de Chile (Ch$4,064 million, US$6.8 million).

Interest expense amounted to Ch$12,178 million (US$20.5 million), up from the Ch$8,231 million (US$13.8 million) reported in the first quarter of 2000. Likewise, amortization of goodwill expense increased to Ch$4,909 million (US$8.3 million). The increase in both items is almost entirely related to the Banco de Chile acquisition, concluded on March 27, 2001. Goodwill associated with the Banco de Chile acquisition amounted to Ch$248,261 million (US$417.3 million) at the date of purchase and is being amortized on a straight-line basis over a twenty year period, in accordance with Chilean accounting norms.

Other non-operating expenses decreased from Ch$7,485 million (US$12.6 million) to Ch$3,482 million (US$5.9 million) in the first quarter of 2001, mainly attributable to lower adjustments related to investments carried at lower of cost or market valuation.

QUIÑENCO S.A.
Enrique Foster Sur Nº 20, floor Nº14
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101

A price-level restatement gain of Ch$484 million (US$0.8 million) was reported in the first quarter of 2001 compared to a price-level restatement loss of Ch$4,040 million (US$6.8) million in 2000. Exchange rate losses related to the devaluation of the Chilean peso during the first quarter of 2001 amounted to Ch$4,183 million (US$7.0 million). In the same period in 2000, Quiñenco recognized exchange rate gains which amounted to Ch$1,718 million (US$2.9 million).

Income Taxes – 1Q 2001

Income taxes reported during 1Q 2001 were Ch$1,882 million (US$3.2 million), compared to a tax credit of Ch$247 million (US$0.4 million) during the same period in 2000. The higher level of income taxes reported during the period corresponds to Madeco, VTR, and to a lesser extent, Quiñenco and intermediate holding companies.

Condensed Consolidated Balance Sheet (in millions of Ch$ as of 3/31/2001)			
Quiñenco	As of 3/31/00	As of 3/31/01	As of 12/31/00
Current assets	338,465	287,373	375,894
Fixed assets	430,659	414,122	409,840
Other assets	535,481	927,171	583,454
Total	1,304,605	1,628,666	1,369,188
Current liabilities	276,756	370,900	328,338
Long-term liabilities	239,545	503,709	300,774
Minority interest	99,916	107,235	102,423
Shareholders' equity	688,388	646,822	637,653
Total	1,304,605	1,628,666	1,369,188

CONSOLIDATED BALANCE SHEET ANALYSIS (vis-a-vis the 4th quarter of 2000)

Current Assets

Current assets decreased 23.5% compared to the fourth quarter of 2000, mainly due to the reorientation of cash resources to finance the Banco de Chile acquisition in the first quarter of 2001.

Fixed Assets and Other Assets

Fixed assets did not vary significantly compared to the fourth quarter of 2000. The increase in other assets mainly corresponds to Quiñenco's investment in Banco de Chile which is being accounted for under the equity method and totals Ch$159,166 million (US$267.5 million) as of March 31, 2001. Goodwill associated with the share purchase totaled Ch$248,261 million (US$417.3 million) as of the same date.

Current Liabilities

QUIÑENCO S.A.
Enrique Foster Sur N° 20, floor N°14
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101

Current liabilities increased 13% compared to the fourth quarter of 2000, principally due to an increase in short-term debt at the corporate level, related with the Banco de Chile acquisition.

Long-term Liabilities
Long-term liabilities increased by 67.5% compared to the fourth quarter of 2000, mainly due to an increase in long-term debt at the corporate level, related with the Banco de Chile acquisition.

Minority Interest
Minority interest increased by 4.7% compared to the fourth quarter of 2000.

Equity
Shareholders' equity increased by 1.4% compared to the fourth quarter of 2000, mainly due to current period net earnings and an increase in other reserves related to the application of Bulletin 64 which adjusts for exchange rate differences in subsidiaries abroad.

Quiñenco Corporate Level
As of March 31, 2001, financial debt at the corporate level was approximately US$691.8 million. As of the same date, cash and cash equivalents amounted to approximately US$54.0 million. The debt to total capitalization ratio at the corporate level was 38.9%.

RETURN ON CAPITAL EMPLOYED (ROCE)

With the aim of focusing on creating value for Quiñenco's shareholders as well as an indicative measurement of operating company results, the following table indicates the return on capital employed (ROCE) at each of Quiñenco's main operating companies:

Operating Company	ROCE (1) (%)
CCU	8.3%
Lucchetti	4.3%
Telsur	11.6%
Madeco	3.5%
Carrera	(2.0)
Habitaria	(0.3%)

(1) Adjusted operating return over capital employed for the last 12 months (3/31/00 to 3/31/2001).

QUIÑENCO S.A.
Enrique Foster Sur N° 20, floor N°14
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101

SECTOR /OPERATING COMPANY ANALYSIS

FINANCIAL SERVICES SECTOR

The following table details Quiñenco's proportional share of income from investments in the Financial Services sector during 2000 and 2001:

(in millions of Ch$ as of 3/31/2001)

Sector	**FINANCIAL SERVICES**			
Company	Ownership %	4Q 2000	1Q 2001	1Q 2000
Banco Edwards	51.2%	2,045	3,087	2112
Banco de Chile (1)(2)	52.7%	719	4,064	-

1) Until March 31, 2000, the investment in Banco de Chile was accounted for as a long-term investment under the lower of cost or market method. Thereafter, it has been carried as an investment accounted for under the Equity Method.
2) Quiñenco acquired a controlling interest of 52.7% on March 27, 2001

BANCO EDWARDS

(in millions of Ch$ as of 3/31/2001)

	4Q 2000	1Q 2001	1Q 2000
Operating revenues	36,281	36,089	32,811
Provision for loan losses	(6,828)	(8,995)	(6,073)
Operating expenses	(24,139)	(21,562)	(18,794)
Net Income (loss)	3,984	6,032	4,125
Loan portfolio	2,275,627	2,261,351	2,086,738
Total assets	2,830,899	2,761,098	2,598,071
Shareholders' equity	224,316	228,761	225,251

First Quarter Results

QUIÑENCO S.A.
Enrique Foster Sur N° 20, floor N°14
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101

Banco Edwards reported net income of Ch$6,032 million (US$10.1 million) for the first quarter of 2001, compared to net income of Ch$4,125 million (US$6.9 million) in the first quarter of 2000, an increase of more than 46%. The increase in net income is mostly explained by an increase in operating revenues and a lower level of write-offs related to assets received in lieu of payments. These items more than offset the rise in operating expenses and provisions for loan losses reported during the first quarter of 2001.

As of March 2001, the Bank's loan portfolio had grown by 8.4% over the twelve month period. Loan expansion was reflected in almost all product areas including consumer loans (24.4%), foreign trade loans (34.5%), mortgage loans (9.4%) and commercial loans (5.1%). With respect to market segments, expansion was strongest in the individual banking segment, both with high-income and lower-middle-income individuals and in loans to large corporations. Worth mentioning is that loans to middle market companies experimented a decrease of 4.2% over the last twelve months.

BANCO DE CHILE

(in millions of Ch$ as of 3/31/2001)

	4Q 2000	1Q 2001	1Q 2000
Operating revenues	65,463	66,375	68,417
Provision for loan losses	364	(13,094)	(10,937)
Operating expenses	(44,859)	(31,025)	(33,453)
Net Income (loss)	21,116	23,645	21,265
Loan portfolio	3,747,742	3,824,438	3,537,543
Total assets	5,651,142	5,785,227	5,141,830
Shareholders' equity	383,523	325,475	323,311

First Quarter Results

Operating revenues decreased in the first quarter of 2001 by 3% compared to the first quarter of 2000. In spite of higher net interest revenue and commission income earned during the period, operating revenues were affected by net foreign exchange transaction losses. Operating expenses were reduced by 7% in the quarter, which coupled with lower price-level restatement losses and income taxes, served to boost net income for the first quarter by 11.2% to Ch$23,645 million (US$39.7 million).

As of March 2001, the Bank's loan portfolio had shown an expansion of 8.1% over the last twelve month period. Loan expansion was strongest in commercial loans (11.7%), contingent loans (11.6%) and foreign trade loans. In terms of market segments, the corporate banking segment grew by 10.7%, followed by the high-income individuals segment which increased by 10.3%.

QUIÑENCO S.A.
Enrique Foster Sur N° 20, floor N°14
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101

FOOD & BEVERAGE SECTOR

The following table details Quiñenco's proportional share of income (loss) from investments in the Food & Beverage sector during 2000 and 2001:

(in millions of Ch$ as of 3/31/2001)

Sector	FOOD & BEVERAGE			
Company	Ownership %	4Q 2000	1Q 2001	1Q 2000
CCU	30.8%	4,611	8,406	3,799
Lucchetti	87.0%	(5,440)	(869)	(859)

CCU

(in millions of Ch$ as of 3/31/2001)

	4Q 2000	1Q 2001	1Q 2000
Sales	97,680	90,441	85,069
Operating income (loss)	21,133	17,576	15,738
Net Income (loss)	14,977	27,299	12,338
Total assets	626,091	633,607	596,181
Shareholders' equity	402,357	429,279	405,652

First Quarter Results

CCU's sales in the first quarter of 2001 increased by 6.3% compared to the first quarter of 2000, due to a 3.3% increase in volume sold and 2.9% higher average prices. The growth in volumes sold was led by a 161.3% growth in nectars, 22.3% in domestic wine, 21.0% in export wine and a 4.3% growth in the Chilean beer segment. A reduction in the volume sold was reported in the mineral water and Argentine beer and segments which decreased by 1.7% and 0.5% respectively, during the first quarter, partially offsetting the increase in volume sold in the segments mentioned above.

CCU reported an increase of 11.7% in operating income in the first quarter of 2001, compared to the first quarter of 2000. This increase was a result of the higher sales level which contributed to a 4.8% increase in gross profit, partially offset by higher SG&A expenses. In spite of an increase in absolute terms in SG&A expenses of 1.5%, SG&A as a percentage of sales decreased from 37.9% to 36.2%, thus contributing to the improvement in operating profit. Operating income as a percentage of sales was 19.4% in the first quarter of 2001, up from the 18.5% reported in 2000.

QUIÑENCO S.A.
Enrique Foster Sur N° 20, floor N°14
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101

Net income rose by 121.3% in the first quarter of 2001 to Ch$27,299 million (US$45.9 million). The increase corresponded to the higher level of operating profits and non-operating income which totaled Ch$12,778 million (US$21.5 million). Non-operating income included the extraordinary gain related to the sale of 6.7% of Backus & Johnston in Peru in the first quarter of 2001.

LUCCHETTI

(in millions of Ch$ as of 3/31/2001)

	4Q 2000	1Q 2001	1Q 2000
Sales	21,284	21,620	22,694
Operating income (loss)	(975)	1,605	1,025
Net Income (loss)	(6,255)	(999)	(988)
Total assets	134,940	134,885	147,758
Shareholders' equity	35,924	35,375	42,920

First Quarter Results

Lucchetti reported sales of Ch$21,620 million (US$36.3 million) in the first quarter of 2001, down 5% compared to the same period of 2000. The decrease in sales mainly corresponded to the Chilean operations, and to a lesser extent, the Peruvian operations, partially offset by higher sales in Lucchetti Argentina. In Chile, lower pasta volumes affected the company's sales level, partially compensated for by higher sales of cooking oils. In Peru, sales were off by 6%, affected by the depressed economic activity in that country. Consolidated sales can be broken down as follows: Chile (57%), Peru (25%) and Argentina (19%).

In spite of the lower sales level, operating profit increased by 57% in the first quarter in 2001. The increase was primarily attributable to the Chilean operations which benefited from a higher gross margin related to cooking oils and lower SG&A expenses.

Lucchetti´s net loss of Ch$999 million (US$1.7 million) varied only slightly from the net loss it reported in the first quarter of 2000, in spite of the improved results at the operating level. Non-operating losses which totaled Ch$2,990 million (US$5.0 million), increased 60% during the period mainly due to higher interest expense and exchange rate losses, partially offset by price-level restatement gains realized during the period.

TELECOMMUNICATIONS SECTOR

The following table details Quiñenco's proportional share of income from investments in the Telecommunications sector during 2000 and 2001:

QUIÑENCO S.A.
Enrique Foster Sur Nº 20, floor Nº14
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101

(in millions of Ch$ as of 3/31/2001)

Sector	TELECOMMUNICATIONS			
Company	Ownership %	4Q 2000	1Q 2001	1Q 2000
Telsur	73.6%	1,626	1,275	1,111
Entel (1)	13.7%	1,088	1,303	940

(1) non-controlling interest

TELSUR

(in millions of Ch$ as of 3/31/2001)

	4Q 2000	1Q 2001	1Q 2000
Sales	10,923	11,025	10,053
Operating income (loss)	3,508	3,082	2,598
Net Income (loss)	2,210	1,733	1,510
Total assets	113,612	119,322	110,863
Shareholders' equity	52,154	53,759	52,739

First Quarter Results

Telsur's sales in the first quarter of 2001 were Ch$11,025 million (US$18.5 million), a increase of 9.7% over the sales level reported during the same period in 2000. The increase in sales mainly corresponded to Telsur's geographic expansion into Conception in late 2000 and higher average prices and minutes related to long distance services, both domestic and international.

The increase in sales translated directly into higher operating income which reached Ch$3,082 million (US$5.2 million), an increase of over 19%. Net profit during the quarter was Ch$1,733 million (US$2.9 million), having jumped by more than 15% over the same period in 2000, in spite of a higher level of non-operating losses (Ch$923 million, US$1.6 million).

MANUFACTURING SECTOR

The following table details Quiñenco's proportional share of income (loss) from investments in the Manufacturing sector during 2000 and 2001:

(in millions of Ch$ as of 3/31/2001)

Sector	MANUFACTURING			
Company	Ownership %	4Q 2000	1Q 2001	1Q 2000
Madeco	56.1%	(3,584)	(434)	(2,914)

QUIÑENCO S.A.
Enrique Foster Sur N° 20, floor N°14
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101

MADECO

(in millions of Ch$ as of 3/31/2001)

	4Q 2000	1Q 2001	1Q 2000
Sales	83,522	88,135	67,827
Operating income (loss)	4,762	5,773	682
Net Income (loss)	(6,387)	(773)	(5,158)
Total assets	439,247	452,063	407,159
Shareholders' equity	155,540	159,399	148,619

First Quarter Results

Madeco's sales level in the first quarter of 2001 increased by 29.9% to Ch$88,135 million (US$148.1 million). The increase was primarily attributable to higher volumes sold in the Brazilian operations which experienced heavy demand for copper telecommunications cables and fiber optic cables during the quarter. Additionally, the brass mills and aluminum profiles segments increased sales by 10.5% and 23.0%, respectively during the first quarter of 2001. Sales of the wire and cable business unit (whose principal operation is Ficap Brazil) accounted for 60.2% of total sales, followed by brass mills (20.3%), flexible packaging (11.3%) and aluminum profiles (8.1%).

The higher consolidated sales level translated directly into higher operating income, in spite of an increase in absolute terms in cost of goods sold and SG&A expense. Operating income, which reached Ch$5,773 million (US$9.7 million) showed dramatic improvement over the Ch$682 million (US$1.1 million) reported in the first quarter of 2000. 78.4% of operating income was generated in the wire and cable segment, followed by brass mills (17.0%), flexible packaging (2.1%) and aluminum profiles (2.5%).

Non-operating losses were reduced by 27.0% in 1Q 2001, mainly as a result of the sale of 25% Ficap Optel in Brazil to Corning which produced an extraordinary gain of Ch$2,913 million (US$4.9 million). This was partially offset by an increase in interest expense from Ch$4,076 million (US$6.9 million) to Ch$4,908 million (US$8.2 million) related to dollar-denominated debt and an increase in short-term and long-term bank obligations which amounted to Ch$201,454 million (US$338.6 million) as of March 31, 2001.

REAL ESTATE/HOTEL ADMINISTRATION

The following table details Quiñenco's proportional share of income from investments in the Real Estate/Hotel Administration sector during 2000 and 2001:

(in millions of Ch$ as of 3/31/2001)

QUIÑENCO S.A.
Enrique Foster Sur N° 20, floor N°14
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101

Sector	REAL ESTATE/HOTEL ADMINISTRATION			
Company	Ownership %	4Q 2000	1Q 2001	1Q 2000
Hoteles Carrera	87.2%	(46)	10	39
Habitaria	50.0%	34	(198)	(132)
Plava Laguna	39.4%	190	(461)	-

HOTELES CARRERA

(in millions of Ch$ as of 3/31/2001)

	4Q 2000	1Q 2001	1Q 2000
Sales	2,118	2,091	2,170
Operating income (loss)	44	182	215
Net Income (loss)	(51)	11	43
Total assets	23,581	23,655	24,790
Shareholders' equity	13,536	13,547	14,691

First Quarter Results

Carrera reported sales revenues of Ch$2,091 million (US$3.5 million) in the first quarter of 2001, a decrease of 4% compared for the first quarter of 2000. The decrease was related to lower average occupancy rates in the Santiago, Concepción and La Serena hotels, partially offset by higher average occupancy rates in the Iquique and Antofagasta hotels which were mostly seasonal in nature.

Hoteles Carrera reported operating income during the first quarter of 2001 of Ch$182 million (US$0.3 million), down from the Ch$215 million (US$0.4 million) reported in 2000 as a result of the lower overall revenue level. This also affected the net profit level of Hoteles Carrera in the period ended March 31, 2001.

HABITARIA

(in millions of Ch$ as of 3/31/2001)

	4Q 2000	1Q 2001	1Q 2000
Sales	3,979	2,228	269
Operating income (loss)	440	(227)	(272)
Net Income (loss)	(72)	(395)	(265)
Total assets	40,324	42,051	29,791
Shareholders' equity	13,406	13,011	9,209

QUIÑENCO S.A.
Enrique Foster Sur N° 20, floor N°14
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101

First Quarter Results

Habitaria reported consolidated sales of Ch$2,228 million (US$3.7 million) in the first quarter of 2001. During the quarter ended March 31, 2001, Habitaria completed final delivery of 58 apartments, included with sales for the period. As of the same date, an additional 187 apartments are under sales agreements, to be delivered in future periods (revenue recognition is upon physical delivery).

During the first quarter of 2001, Habitaria recorded a net loss of Ch$395 million (US$0.7 million). As explained above, since Habitaria recognizes income (and its corresponding cost) related to the sale of its apartments upon complete delivery, quarterly revenues do not reflect apartments sold under agreements during the period. Additionally, administration and overhead expenses are recognized in the period incurred, signifying that to a certain extent, earnings reflect a mis-matching of revenues and expenses. The real estate sector in Chile continues to be depressed, never having recovered from the downturn in economic activity which began in 1998. Nonetheless, local interest rates on mortgage loans are at a record low in an attempt to stimulate activity in the sector, and its full recovery is a high priority for the current government.

#

* 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**

QUIÑENCO S.A.
Enrique Foster Sur Nº 20, floor Nº14
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101