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QUIÑENCO S.A. ANNOUNCES CONSOLIDATED RESULTS FOR THE SECOND QUARTER OF 2007

(Santiago, Chile, August 13, 2007) Quiñenco S.A., a leading Chilean business conglomerate, announced today its consolidated financial results in Chilean GAAP, for the second quarter ended June 30, 2007.

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 (2.9% year-over-year). Figures in US$ have been converted from Chilean pesos (Ch$) at the observed exchange rate on June 30, 2007 (Ch$526.86 = US$1.00) and are only provided for the reader's convenience.

2Q 2007 HIGHLIGHTS

- **Consolidated sales rose by 1.8% in 2Q 2007 to Ch$177,640 million (US$337.2 million), mainly attributable to growth of Madeco's revenues.**

- **Operating income fell by 47.0% to Ch$11,831 million (US$22.5 million), as a consequence of lower operating income at Madeco, which was affected by weak brass mills sales and a rising cost scenario.**

- **Results from equity method investments reflected the continued solid earnings of CCU and Banco de Chile. Income from equity investments amounted to Ch$18,263 million (US$34.7 million).**

- **Non-operating income reached Ch$14,813 million (US$28.1 million) compared to Ch$3,713 million (US$7.0 million) in 2Q 2006.**

- **2Q 2007 net income amounted to Ch$20,978 million (US$39.8 million) in 2Q 2007, an increase of 24.8% from the Ch$16,813 million (US$31.9 million) reported in 2Q 2006 as a consequence of strong non-operating results. YTD net earnings amounted to Ch$64,052 million (US$121.6 million), up by 97.8% from the Ch$32,383 million (US$61.5 million) reported for the six months ended June 30, 2006.**

- **Earnings per share amounted to Ch$19.43 (US$0.04) for the second quarter of 2007.**

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GROUP HIGHLIGHTS – SECOND QUARTER 2007 AND SUBSEQUENT EVENTS

Quiñenco-Citigroup Strategic Alliance

On July 19, 2007, Quiñenco and Citigroup announced that they had reached an agreement to establish a strategic partnership. For more information, please see the Significant Information filed with the Chilean Superintendency of Securities and Insurance (SVS) at www.quinenco.cl (available in Spanish only).

Quiñenco-Capital Increase

At an Extraordinary Shareholders' Meeting held on April 27, 2007, shareholders approved a capital increase of Ch$55,000 million through the issuance of 67,259,921 new shares with no par value. Preferential rights associated with the share increase allow for the subscription of 0.0622926965 new shares for each share held at Ch$1,000 per share. The preferential rights period concluded on August 11, 2007. Proceeds from the capital increase will be primarily used to finance Quiñenco's participation in Banco de Chile's capital increase.

Quiñenco-Dividend Distribution

At the General Ordinary Shareholders' Meeting held on April 27, 2007, shareholders approved a dividend distribution corresponding to 2006 net income of Ch$15.85 per share, payable to shareholders registered with the company as of May 9, 2007. The total amount of the dividend was Ch$17,113 million, equivalent to 30.0% of 2006 net income.

Banco de Chile- Capitalization of 30% of 2006 Net Income

In an Extraordinary Shareholders' Meeting held on March 22, 2007, shareholders agreed to capitalize 30% of Banco de Chile's 2006 net income, equivalent to Ch$33,833 million. Subsequently, on May 10, 2007, the bank issued 882,459,200 fully paid-in shares, which were distributed at a ratio of 0.02213 shares for each Banco de Chile share held, to those shareholders registered with the bank as of May 4, 2007. Banco de Chile's total outstanding shares increased to 69,920,023,865 shares as of May 10, 2007. As a consequence of the share issue, we received 450,184,948 fully paid-in shares in Banco de Chile, and our dividend rights in the bank increased from 29.5% to 29.7%.

Banco de Chile-Capital Increase

At an Extraordinary Shareholders' Meeting held on May 17, 2007, shareholders approved a capital increase of Ch$110,000 million through the issuance of 2,516,010,979 new shares with no par value. Proceeds from the capital increase will be used to strengthen the bank's capital base in order to grow its business volumes and carry out new projects.

Entel

During the second quarter of 2007, Quiñenco sold on the Chilean stock exchanges 347,515 shares of Entel, equivalent to a 0.15% interest in the company. Proceeds from the sale of shares amounted to Ch$2,752 million (US$5.2 million) and the corresponding gain on sale was Ch$1,996 million (US$3.8 million). As of June 30, 2007, Quiñenco holds 6,861,169 shares of Entel, equivalent to a 2.90% interest in the company.

Madeco

On July 11, 2007, Madeco, through its subsidiary Alusa, acquired an additional 10.5% interest in Peruplast for US$2.3 million, bringing its holdings in Peruplast to 50%. Nexus Group owns the remaining 50% (Nexus Group and Madeco also jointly own Tech Pak in Peru).

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Net Income Contribution

Sector / Company	Quiñenco's ownership % at 6/30/2007	2Q 2006 MCh$	1Q 2007 MCh$	**2Q 2007 MCh$**	2Q 2007 MUS$	YTD 2006 MCh$	YTD 2007 MCh$
Financial Services:							
Banco de Chile (1)(2)	52.1%	16,860	14,195	**15,613**	29.6	30,608	29,808
Food & Beverage:							
CCU (3)	33.1%	1,115	8,552	**2,079**	3.9	8,156	10,631
Telecommunications:							
Telefónica del Sur (1)	73.7%	1,503	1,274	**1,381**	2.6	3,107	2,654
Manufacturing:							
Madeco (1)	46.2%	6,327	3,077	**2,910**	5.5	9,546	5,988
Other operating companies (4)		(2,553)	(5,104)	**(495)**	(0.9)	(3,771)	(5,599)
Total operating companies		23,252	21,994	**21,488**	40.8	47,646	43,482
Quiñenco & holding companies (5)		(6,439)	21,080	**(510)**	(1.0)	(15,263)	20,570
Total		16,813	43,074	**20,978**	39.8	32,383	64,052

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) Ownership % in the above table corresponds to voting rights in Banco de Chile.
(3) Operating company which is controlled jointly between Quiñenco and Heineken International.
(4) Other operating companies include results from Hoteles Carrera, Habitaria and Indalsa.
(5) Quiñenco and intermediate holding companies.

Net Income – 2Q 2007

Quiñenco reported net income for the second quarter of 2007, which amounted to Ch$20,978 million (US$39.8 million), up by 24.8% compared to the net income of Ch$16,813 million (US$31.9 million) reported in the second quarter of 2006. The increase in quarterly net income was attributable to improved results at the holding company level, which more than offset the 7.6% decline in results from operating companies.

The net income contribution from operating companies reached Ch$21,488 million (US$40.8 million), down by Ch$1,764 million (US$3.3 million) compared to the same quarter in 2006. The decrease was attributable to lower results from Madeco, Banco de Chile and Telefónica del Sur, the effect of which was partially offset by higher results from CCU and other operating companies.

Earnings per ordinary share amounted to Ch$19.43 (US$0.04).

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Consolidated Income Statement Breakdown

	2Q 2006 MCh$	1Q 2007 MCh$	**2Q 2007 MCh$**	2Q 2007 MUS$	YTD 2006 MCh$	YTD 2007 MCh$
Revenues						
Madeco	160,134	154,796	**162,969**	309.3	283,642	317,766
Telefónica del Sur	14,169	14,608	**14,499**	27.5	28,303	29,106
Quiñenco & holding	246	275	**172**	0.4	559	447
Total	**174,549**	**169,679**	**177,640**	**337.2**	**312,504**	**347,319**
Operating income (loss)						
Madeco	21,731	10,897	**11,752**	22.3	31,656	22,649
Telefónica del Sur	3,011	2,697	**2,545**	4.8	6,220	5,242
Quiñenco & holding	(2,412)	(2,615)	**(2,466)**	(4.6)	(4,843)	(5,081)
Total	**22,330**	**10,979**	**11,831**	**22.5**	**33,033**	**22,810**
Non-operating income (loss)						
Interest income	1,265	1,923	**1,600**	3.0	2,558	3,524
Share of net income/loss from related co:						
Banco de Chile	16,860	14,195	**15,613**	29.6	30,608	29,808
CCU	1,115	8,552	**2,079**	4.0	8,156	10,631
Other equity investments	199	(189)	**570**	1.1	1,568	381
Other non-op income	3,606	33,990	**7,196**	13.7	4,135	41,185
Amortization of GW expense	(6,374)	(5,538)	**(5,722)**	(10.9)	(11,841)	(11,259)
Interest expense	(8,239)	(7,763)	**(6,202)**	(11.8)	(15,508)	(13,965)
Other non-op expenses	(3,239)	(1,202)	**(661)**	(1.2)	(5,043)	(1,863)
Price-level restatement	(927)	(141)	**(931)**	(1.8)	(198)	(1,072)
Foreign exchange gains & losses	(553)	926	**1,271**	2.4	916	2,196
Total	**3,713**	**44,753**	**14,813**	**28.1**	**15,351**	**59,566**
Income Tax	(1,049)	(8,111)	**(841)**	(1.6)	(3,547)	(8,952)
Extraordinary items	-	-	**-**	-	-	-
Minority Interest	(8,557)	(4,906)	**(5,195)**	(9.9)	(13,228)	(10,100)
Amortization of negative GW	376	359	**370**	0.7	774	729
Net income (loss)	**16,813**	**43,074**	**20,978**	**39.8**	**32,383**	**64,053**

Revenues – 2Q 2007

Consolidated revenues for the second quarter of 2007 were Ch$177,640 million (US$337.2 million), up by 1.8% from the Ch$174,549 million (US$331.3 million) reported in the second quarter of 2006, explained by a 1.8% increase in Madeco's sales as a result of the consolidation of recently acquired businesses (Peruplast, Tech Pak and Cedsa), which more than offset the decline in sales associated with the brass mills unit and W&C products in Chile, Brazil and Peru.

Consolidated sales can be broken down as follows: Madeco (91.7%), Telefónica del Sur (8.2%) and others (0.1%).

Operating Income - 2Q 2007

Operating income for the second quarter of 2007 was Ch$11,831 million (US$22.5 million), down by 47.0% from the Ch$22,330 million (US$42.4 million) reported in the second quarter of 2006. The sharp decline in consolidated operating income was mostly attributable to Madeco's operations, which was affected from an increase in raw material costs, energy and operating costs, reduced sales of brass mills products and increased SG&A expenses.

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EBITDA – 2Q 2007

EBITDA amounted to Ch$19,863 million (US$37.7 million) in 2Q 2007, compared to Ch$29,749 million (US$56.5 million) in 2Q 2006, a decrease of 33.2% compared to the same period of 2006, mainly attributable to Madeco's operations.

Non-Operating Results – 2Q 2007

Quiñenco reported non-operating income of Ch$14,813 million (US$28.1 million) in the second quarter of 2007, compared to non-operating income of Ch$3,713 million (US$7.0 million) in the same quarter of 2006. The variation between the two periods is mostly explained by an increase in other non-operating income and a reduction in interest expense and other non-operating expenses. 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) reached Ch$18,263 million (US$34.7 million), varying only slightly from the Ch$18,174 million (US$34.5 million) reported in 2Q 2006. Quiñenco's proportionate share of net income from Banco de Chile decreased by Ch$1,247 million (US$2.4 million) or 7.4% compared to 2Q 2006. This decline was offset by the increase in its share of income from CCU and other equity investments which more than doubled from Ch$1,314 million (US$2.5 million) to Ch$2,650 million (US$5.0 million) compared to 2Q 2006.

Other non-operating income

Other non-operating income was Ch$7,196 million (US$13.7 million) compared to Ch$3,606 million (US$6.8 million) in the second quarter of 2006. Other non-operating income in 2Q 2007 was mainly composed of dividends received from Quiñenco's investment in Entel, (accounted for under the cost method) of Ch$1,649 million (US$3.1 million), gains on the sale of shares of Entel of Ch$1,996 million (US$3.8 million) and sales of fixed assets (Telefónica del Sur and Madeco) amounting to Ch$3,174 million (US$6.0 million).

Amortization of goodwill expense

Amortization of goodwill expense amounted to Ch$5,722 million (US$10.9 million) in the second quarter of 2007, compared to Ch$6,374 million (US$12.1 million) reported in the same period of 2006. 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 (kept on the books as Bank of Chile). Of the total balance of goodwill at the consolidated level of Ch$281,099 million (US$533.5 million) as of June 30, 2007, Ch$267,961 million (US$508.6 million) was associated with the acquisition of the banks.

Interest Expense

Interest expense for the second quarter of 2007 amounted to Ch$6,202 million (US$11.8 million), a decrease of 24.7% compared to the same period in 2006. The decrease corresponds to more favorable financing conditions at the corporate level and lower bond financing costs at Madeco.

Other non-operating expenses

Other non-operating expenses amounted to Ch$661 million (US$1.3 million) compared to Ch$3,239 million (US$6.1 million) in the second quarter of 2006. Other non-operating expenses are mostly composed of expenses associated with personnel severance and charges for asset obsolescence and write-downs.

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Price-level restatement

Price-level restatement losses, which amounted to Ch$927 million (US$1.8 million) in the second quarter of 2007 did not vary significantly from the price-level restatement losses of Ch$931 million (US$1.8 million) in the same period of 2006.

Foreign Currency Exchange Differences

In 2Q 2007, the gains specific to foreign currency differences amounted to Ch$1,271 million (US$2.4 million), compared to losses amounting to Ch$553 million (US$1.0 million) reported in the second quarter of 2006. The variation was almost entirely attributable Madeco's operations as a result of the appreciation of the Brazilian real and Colombian peso during 2Q 2007.

Income Taxes – 2Q 2007

Quiñenco reported income tax expense of Ch$841 million (US$1.6 million), compared to Ch$1,049 million (US$2.0 million) in the same period of 2006.

Minority Interest – 2Q 2007

In the second quarter of 2007, Quiñenco reported a deduction from income of Ch$5,195 million (US$9.9 million), compared to a deduction from income of Ch$8,557 million (US$16.2 million) in 2Q 2006. The amount is mainly related to minority shareholders' proportionate share of Madeco's and, to a lesser extent, Telefónica del Sur's second quarter 2007 income.

CONSOLIDATED BALANCE SHEET ANALYSIS (vis-à-vis the 1st quarter of 2007)

Condensed Consolidated Balance Sheet

	As of 6/30/06 MCh$	As of 3/31/07 MCh$	**As of 6/30/07 MCh$**	As of 6/30/07 MUS$
Current assets	381,410	477,080	**478,993**	909.1
Fixed assets	266,334	292,503	**302,398**	574.0
Other assets	867,281	833,015	**850,266**	1,613.8
Total assets	1,515,025	1,602,598	**1,631,657**	3,096.9
Current liabilities	133,573	145,317	**195,863**	371.8
Long-term liabilities	451,154	433,985	**406,212**	771.0
Minority interest	168,322	195,022	**193,124**	366.5
Shareholders' equity	761,976	828,274	**836,458**	1,587.6
Total liabilities & shareholders' equity	1,515,025	1,602,598	**1,631,657**	3,096.9

Current Assets

Current assets did not vary significantly compared to the first quarter of 2007.

Fixed Assets and Other Assets

Fixed assets increased by 3.4% compared to the first quarter of 2007, mainly attributable to incorporation of fixed assets at Telefónica del Sur and at the corporate level.

Other assets increased by 2.1%, mainly due to an increase in equity investment in Banco de Chile related to new shares received (in lieu of dividends) in connection with a capitalization of a portion of the bank's 2006 net income.

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Current Liabilities

Current liabilities increased by 34.8% compared to the first quarter of 2007, primarily due to an increase in short term bank obligations at Madeco and the corporate level.

Long-term Liabilities

Long-term liabilities decreased by 6.4% compared to the first quarter of 2007, mainly attributable to a reduction in long-term bank obligations at Madeco and the corporate level.

Minority Interest

Minority interest did not vary significantly compared to the first quarter of 2007.

Equity

Shareholders' equity did not vary significantly compared to the first quarter of 2007.

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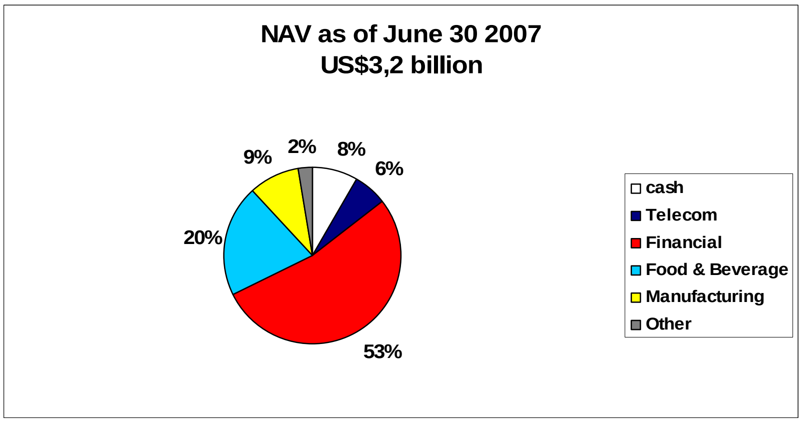
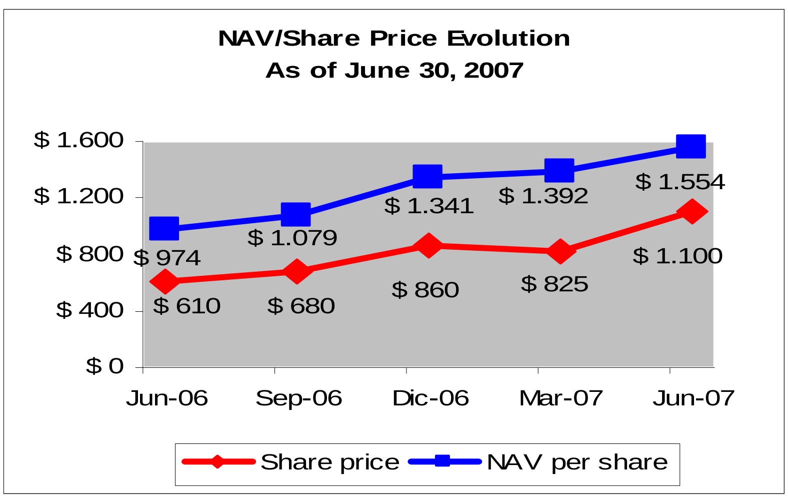
Quiñenco Corporate Level Debt and Cash

As of June 30, 2007, financial debt at the corporate level was Ch$339,089 million (US$643.6 million). As of the same date, cash and cash equivalents amounted to Ch$169,990 million (US$322.6 million). The debt to total capitalization ratio at the corporate level was 28.7%.

NAV

As of June 30, 2007, the estimated net asset value (NAV) of Quiñenco was US$3,185 million (Ch$1,554 per share) and market capitalization was US$2,254 million (Ch$1,100 per share). The discount to NAV is estimated at 29% as of the same date.





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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 2006 and 2007:

FINANCIAL SERVICES							
	Ownership %	2Q 2006 MCh$	YTD 2006 MCh$	1Q 2007 MCh$	**2Q 2007 MCh$**	2Q 2007 MUS$	**YTD 2007 MCh$**
Banco de Chile (1)	52.1%	16,860	30,608	14,195	**15,613**	29.6	**29,808**

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

BANCO DE CHILE

	Quarter			Accumulated for Year		
	2Q 2006 MCh$	**2Q 2007 MCh$**	2Q 2007 MUS$	YTD 2006 MCh$	**YTD 2007 MCh$**	YTD 2007 MUS$
Operating revenues	148,643	**164,765**	312.7	278,566	309,801	588.0
Provision for loan losses	(7,291)	**(14,403)**	(27.3)	(14,117)	(27,093)	(51.4)
Operating expenses	(77,441)	**(81,163)**	(154.1)	(150,082)	(160,260)	(304.2)
Net Income (loss)	56,890	**52,343**	99.3	103,334	99,661	189.2
Loan portfolio				9,038,306	10,497,898	19,925.4
Total assets				11,834,332	13,689,487	25,983.2
Shareholders' equity				755,520	785,572	1,491.0
Net interest margin	4.5%	**4.1%**				
Net Financial Margin	4.6%	**4.1%**				
Efficiency ratio	52.1%	**49.3%**				
ROAE	31.2%	**27.3%**				
ROAA	1.9%	**1.6%**				

2Q 2007 Results

Banco de Chile's operating revenues increased by 10.8% to Ch$164,765 million (US$312.7 million) in the second quarter of 2007. The increase in operating revenues was mainly due to a rise in fee income, net financial income and lower losses on financial instruments and non-forward derivatives contracts. Fee income, which rose by Ch$7,714 million (US$14.6 million) to Ch$41,027 million (US$77.9 million) benefited from a 28% growth in fee income earned by subsidiaries, particularly the Mutual Fund and Securities Brokerage subsidiaries, as well as a 20% growth in fee income generated by banking activities. Net financial income increased by 3.9% to Ch$123,983 million (US$235.3 million), mainly as a result of a 16.3% growth in average interest earning assets, principally, the average loan portfolio.

Provisions for loan losses amounted to Ch$14,403 million (US$27.3 million), a marked increase from the Ch$7,291 million (US$13.8 million) reported in the second quarter of 2006, but in line with growth of the loan portfolio, primarily concentrated in the retail segment, and in keeping with associated risk levels.

Other expenses (net) amounted to Ch$2,833 million (US$5.4 million), compared to other income (net) of Ch$5,129 million (US$9.7 million) reported in 2Q 2006. The variation is explained by a non-recurring tax credit in 2Q 2006 and losses related to assets received in lieu of payment and the bank's participation in the Transantiago financial consortium (AFT).

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Operating expenses increased by 4.8% to Ch$81,163 million (US$154.1 million) compared to the second quarter of 2006, primarily due to a reclassification of approximately Ch$3,500 million (US$6.6 million) to salaries expense (from other services expense) in accordance with the new Chilean labor law which mandated the incorporation of outsourced workers as permanent employees. In addition, a higher level of personnel expenses, communication and software expenses and rental and maintenance expenses affected the level of operating expenses during the period.

Price-level restatement losses totaled Ch$7,661 million (US$14.5 million) compared to price-level restatement losses of Ch$6,111 million (US$11.6 million) reported in 2Q 2006. The losses in 2Q 2007 reflect the higher inflation experienced during the period (1.6% vs. 1.5% in 2Q 2006).

Net income decreased by 8.0% to Ch$52,343 million (US$99.3 million) in 2Q 2007, mainly due to the aforementioned increase in loan loss provisions, other expenses (net) and operating expenses, which served to more than offset the strong growth in operating revenues during the quarter.

As of June 2007, the Bank's loan portfolio (net of interbank loans) had grown by 16.1% to Ch$10,497,898 million (US$19.9 billion) over the last twelve month period. The retail segment was particularly robust with notable increases in consumer and mortgage loans as was the wholesale segment registering strong growth in commercial and contingent loans.

Banco de Chile is the second ranked bank in the country with a market share of 17.9% according to information published by the Chilean Superintendency of Banks for the period ended June 30, 2007. Its return on capital and reserves after taxes (annualized) reached 29.1%, making it one of the most profitable banks in the country for the same period. The Chilean financial system as a whole reported a return on capital and reserves of 17.3%, 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 2006 and 2007:

FOOD & BEVERAGE							
	Ownership %	2Q 2006 MCh$	YTD 2006 MCh$	1Q 2007 MCh$	**2Q 2007 MCh$**	2Q 2007 MUS$	**YTD 2007 MCh$**
CCU	33.1%	1,115	8,156	8,552	**2,079**	3.9	**10,631**

CCU

	Quarter			Accumulated for Year		
	2Q 2006 MCh$	**2Q 2007 MCh$**	2Q 2007 MUS$	YTD 2006 MCh$	**YTD 2007 MCh$**	YTD 2007 MUS$
Sales	113,343	**120,936**	229.4	258,674	**283,301**	537.7
Operating income (loss)	5,770	**9,985**	19.0	33,743	**45,385**	86.1
Net Income (loss)	3,372	**6,288**	11.9	24,673	**32,160**	61.0
Total Assets				647,025	**673,657**	1,278.6
Shareholders' equity				337,324	**360,762**	684.7

2Q 2007 Results

In the second quarter of 2007, CCU's sales grew by 6.7% compared to the second quarter of 2006, due to an increase in consolidated sales volumes and higher average prices. The growth in sales volumes was led by the Argentine beer segment (+20.8%), nectars (+22.0%), the Chilean beer segment (+1.9%), domestic wines (+4.1%),

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spirits (+3.7%) and the Argentine wine segment (+12.0%). These volumes increases were partially offset by lower sales volumes of the soft drinks and mineral water segments. Higher average prices were mostly attributable to the Chilean export wine, Argentine wines, spirits, soft drinks and Chilean beer segments, partially offset by declines in prices associated with the Chilean domestic wine and Argentine beer segments, measured in Chilean pesos.

The increase in sales translated directly into an improvement of 73.0% in CCU's operating income, in spite of a 1.9% increase in cost of goods sold and a 4.8% rise in SG&A expenses. The consolidated operating margin, which reflects the seasonality of CCU's business in the winter months, reached 8.3% of sales, compared to 5.1% in the same period of 2006.

CCU reported non-operating losses of Ch$3,024 million (US$5.7 million) compared to non-operating losses of Ch$1,921 million (US$3.6 million) in 2Q 2006. The deterioration in non-operating results was primarily attributable to lower non-operating income (net) and an increase in price-level restatement losses due to the effects of the higher inflation rate on non-monetary assets and liabilities. Worth noting is that in 2Q 2006, non-operating income included a non-recurring gain on the sale of a property site. This was partially offset by lower amortization of GW expense and an improvement in foreign currency exchange results.

Net earnings improved from Ch$3,372 million (US$6.4 million) in 2Q 2006 to Ch$6,288 million (US$11.9 million) in 2Q 2007, an increase of 86.5%, primarily attributable to the aforementioned jump in sales, which led to a marked increase in operating income, partially offset by higher non-operating losses, charges for minority interest and higher income taxes.

TELECOMMUNICATIONS SECTOR

The following table details Quiñenco's proportionate share of income from investments in the Telecommunications sector during 2006 and 2007:

TELECOMMUNICATIONS							
	Ownership %	2Q 2006 MCh$	YTD 2006 MCh$	1Q 2007 MCh$	**2Q 2007 MCh$**	2Q 2007 MUS$	**YTD 2007 MCh$**
Telefónica del Sur	73.7%	1,503	3,107	1,274	**1,381**	2.6	**2,654**

TELEFONICA DEL SUR

	Quarter			Accumulated for Year		
	2Q 2006 MCh$	**2Q 2007 MCh$**	2Q 2007 MUS$	YTD 2006 MCh$	**YTD 2007 MCh$**	YTD 2007 MUS$
Sales	14,169	**14,499**	27.5	28,303	**29,106**	55.2
Operating income (loss)	3,011	**2,545**	4.8	6,220	**5,242**	9.9
Net Income (loss)	2,039	**1,873**	3.6	4,216	**3,601**	6.8
Total Assets				133,025	**137,298**	260.6
Shareholders' equity				72,038	**73,596**	139.7

2Q 2007 Results

Telefónica del Sur's revenues reached Ch$14,499 million (US$27.5 million) up by 2.3% from the Ch$14,169 million (US$26.9 million) reported in the second quarter of 2006. Nonetheless, the revenue mix continued to change, favoring
growth in local telephony and Internet services (+Ch$661 million or US$1.3 million), which more than offset the decline in revenues from long distance, public telephones and others (-Ch$396 million or US$0.8 million).

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Basic telephony services accounted for 47.0% of all revenues, followed by internet (18.1%), data and telesecurity (10.0%), user access charges (10.3%), long distance services (6.7%), public telephones (3.2%) and others (4.7%).

Operating income fell by 15.5% to Ch$2,545 million (US$4.8 million), mainly explained by the increment in depreciation (on handsets), sales and marketing expenses associated with the PHS wireless "Superinalambrico" telephone launched last year, which has yet to reach its breakeven point.

Telefónica del Sur reported non-operating losses of Ch$147 million (US$0.3 million), down by 68.3% from the Ch$464 million (US$0.9 million) reported in 2Q 2006. The improvement in non-operating results was primarily attributable to a discount in financial costs with suppliers related to the prepayment of supplier debt.

Telefónica del Sur reported net income of Ch$1,873 million (US$3.6 million), a decrease of 8.2% compared to the second quarter of 2006, mainly as a result of the aforementioned deterioration in operating results, the effect of which was partially offset by lower non-operating losses.

MANUFACTURING SECTOR

The following table details Quiñenco's proportionate share of income (loss) from investments in the Manufacturing sector during 2006 and 2007:

MANUFACTURING

	Ownership %	2Q 2006 MCh$	YTD 2006 MCh$	1Q 2007 MCh$	**2Q 2007 MCh$**	2Q 2007 MUS$	**YTD 2007 MCh$**
Madeco	46.2%	6,327	9,546	3,077	**2,910**	5.5	**5,988**

MADECO

	Quarter			Accumulated for Year		
	2Q 2006 MCh$	**2Q 2007 MCh$**	2Q 2007 MUS$	YTD 2006 MCh$	**YTD 2007 MCh$**	YTD 2007 MUS$
Sales	160,134	**162,969**	309.3	283,642	**317,766**	603.1
Operating income (loss)	21,731	**11,752**	22.3	31,656	**22,649**	43.0
Net Income (loss)	13,714	**6,306**	12.0	20,445	**12,975**	24.6
Total assets				434,742	**486,466**	923.3
Shareholders' equity				248,436	**265,041**	503.1

2Q 2007 Results

Madeco's sales in the second quarter of 2007 increased by Ch$2,835 million (US$5.4 million) or 1.8% from Ch$160,134 million (US$303.9 million) to Ch$162,969 million (US$309.3 million). The increase in revenues was mainly due to the consolidation of Peruplast, Tech Pak (flexible packaging business unit) and Cedsa (W&C business unit) in 2007, the effect of which was partially offset by a reduction in sales of Brazilian and Peruvian W&C products and sales of the brass mills business unit.

Wire and cable sales increased by Ch$651 million (US$1.2 million) or 0.6% to Ch$101,334 million (US$192.3 million), mainly due to the consolidation of the Colombian operations of Cedsa, which contributed Ch$6,688 million (US$12.7 million) to quarterly sales and to a lesser extent, higher sales in Argentina (+Ch$1,635 million or US$3.1 million). This increase was partially offset by lower sales of Ch$7,924 million (US$15.0 million) of copper rod in Peru and Chile and copper cables in Brazil.

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Sales of the brass mills business unit declined by 23.3% to Ch$29,168 million (US$55.4 million), attributable to lower volume sales in Chile and Argentina as well as a drop in export sales, partially offset by higher copper prices vis-à-vis 2Q 2006. The flexible packaging business unit benefited from the consolidation of the Peruvian Peruplast and Tech Pak operations. Sales of this business unit increased by 93.0% to Ch$22,947 million (US$43.6 million), almost entirely due to the inclusion of these companies. Sales of aluminum profiles were flat, increasing by 0.6% to Ch$9,520 million (US$18.1 million) as a result of higher aluminum prices, partially offset by lower sales volumes.

Sales of the wire and cable business unit (whose principal operation is Ficap Brazil) accounted for 62.2% of total sales, followed by brass mills (17.9%), flexible packaging (14.1%) and aluminum profiles (5.8%).

Madeco's operating income fell by 45.9% to Ch$11,752 million (US$22.3 million) as a result of a 31.9% reduction in gross income (-Ch$9,376 million or US$17.8 million) and to a lesser extent, a 7.9% rise in SG&A expenses (+Ch$604 million or US$1.1 million). Gross income was affected by higher raw material costs, particularly copper and aluminum. SG&A expenses experienced an increase for a variety of reasons, including higher turnover costs, expenses related to the implementation of Sarbanes Oxley requirements and the consolidation of Peruplast and Tech Pak. Operating income of the wire and cable business unit accounted for 68.4% of total operating income, followed by flexible packaging (20.1%), aluminum profiles (8.6%) and brass mills (2.9%). The operating margin dropped to 7.2% of sales as a consequence of the weakened operating performance (from 13.6% in 2Q 2006). EBITDA reached Ch$15,433 million (US$29.3 million), a decrease of 38.9% compared to the second quarter of 2006.

Non-operating losses amounted to Ch$2,975 million (US$5.6 million), down from the Ch$5,095 million (US$9.7 million) reported in 2Q 2006. The improvement in non-operating results was mainly attributable to foreign currency translation gains related to the appreciation of the Brazilian real and Colombian peso. In addition, interest expense declined vis-à-vis the second quarter of 2006 due to lower financial expenses associated with outstanding bonds.

Madeco reported a net profit of Ch$6,306 million (US$12.0 million) for the second quarter of 2007, compared to net income of Ch$13,714 million (US$26.0 million) in 2Q 2006. The decrease in net quarterly earnings was attributable to the aforementioned deterioration in Madeco's operating performance during the second quarter, the effect of which was partially offset by lower non-operating losses and a reduced income tax burden.

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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
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