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

(Santiago, Chile, August 13, 2008) Quiñenco S.A., a leading Chilean business conglomerate, announced today its consolidated financial results in Chilean GAAP, for the second quarter ended June 30, 2008.

Consolidated financial results are presented in accordance with Chilean GAAP. All figures are presented in constant Chilean pesos and have been adjusted to reflect the effects of inflation (8.9% year-over-year). Figures in US$ have been converted from Chilean pesos (Ch$) at the observed exchange rate on June 30, 2008 (Ch$526.05 = US$1.00) and are only provided for the reader's convenience.

2Q 2008 HIGHLIGHTS

- **Consolidated sales rose by 21.1% in 2Q 2008 to Ch$234,109 million (US$445.0 million), mainly attributable to growth of Madeco's revenues.**

- **Operating income grew by 20.0% to Ch$15,457 million (US$29.4 million), mainly reflecting improved operating income at Madeco, which was boosted by higher sales of the cables and flexible packaging units, which was partially offset by a lower contribution from Telefónica del Sur.**

- **Results from equity method investments reflected the positive results of Banco de Chile and CCU during the quarter. Income from equity investments amounted to Ch$30,738 million (US$58.4 million).**

- **Non-operating income reached Ch$7,971 million (US$15.0 million) compared to Ch$16,109 million (US$30.6 million) in 2Q 2007.**

- **2Q 2008 net income amounted to Ch$14,438 million (US$27.4 million), compared to the Ch$22,823 million (US$43.4 million) reported in 2Q 2007, as a consequence of the lower non-operating results which offset strong operating results. YTD net earnings amounted to Ch$156,904 million (US$298.3 million), up by 124.9% from the Ch$69,752 million (US$132.6 million) reported for the six months ended June 30, 2007.**

- **Earnings per share amounted to Ch$12.61 (US$0.02) for the second quarter of 2008.**

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GROUP HIGHLIGHTS – SECOND QUARTER 2008 AND SUBSEQUENT EVENTS

Quiñenco-Dividend Distribution

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

Shareholders approve Madeco and Nexans Agreement

In April 2008, Madeco and Nexans' shareholders approved the transaction previously agreed between both companies. Madeco's shareholders approved a corporate reorganization which involves the transfer of assets and liabilities from Madeco to subsidiaries, and redistribution among them, within a period of twelve consecutive months. Shareholders also approved to transfer Madeco's Wire and Cable Unit assets in Chile, Peru, Brazil, Argentina and Colombia to Nexans, once the corporate reorganization of Madeco has taken place. The transfer involves approximately 51% of Madeco's assets (based on audited consolidated financial statements as of December 31, 2007). Closing is expected to occur in the third quarter of 2008.

Madeco – Extraordinary Dividend Proposed

In April 2008, Madeco's Board of Directors agreed to propose to the next Annual Shareholders' Meeting to be held in the first quarter of 2009, the distribution of an extraordinary dividend of a maximum of US$165 million, equivalent to 76% of the estimated net profit from the transaction between Madeco and Nexans, subject to final closure of the transaction.

CCU - Viña San Pedro and Viña Tarapacá Merger

In July 2008, CCU informed that the Board of Directors approved the merger of Viña Tarapacá (VT) and Viña San Pedro (VSP), subject to mutual due diligences and Shareholders' approval, among others. The merger between VSP and VT would be carried out with a ratio of 60%-40% respectively. Prior to the merger, CCU is to purchase from the controllers of VT, Compañía Chilena de Fósforos (CCF), 25% of VT's capital at US$33.1 million. Thus, shareholders of the new merged company would be CCU with 44.9%, CCF with 30%, and other shareholders the remaining 25.1%. The transaction is expected to close by November 2008.

CCU - ICSA acquisition completed

On April 2, 2008 CCU announced that the acquisition of Inversora Cervecera S.A. (ICSA), an Argentine brewery, was completed. The acquisition was pending approval from the Argentine Antitrust Commission, which was granted on March 31, 2008. ICSA commercializes the Bieckert, Palermo and Imperial beer brands, with a 5.8% market share in Argentina.

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Net Income Contribution

		Quarter				Year to Date	
Sector / Company	Quiñenco's ownership % at 6/30/2008	2Q 2007 MCh$	1Q 2008 MCh$	**2Q 2008 MCh$**	2Q 2008 MUS$	YTD 2007 MCh$	YTD 2008 MCh$
Financial Services:							
Banco de Chile (1)	27.1%	17,003	15,668	**17,567**	33.4	32,461	33,235
Food & Beverage:							
CCU (2)	33.1%	2,264	11,067	**4,197**	8.0	11,577	15,264
Telecommunications:							
Telefónica del Sur (3)	74.4%	1,503	978	**721**	1.4	2,890	1,700
Manufacturing:							
Madeco (4)	45.2%	3,169	1,056	**2,711**	5.2	6,521	3,767
Other operating companies (5)		(539)	(68)	**(94)**	(0.2)	(6,097)	(162)
Total operating companies		23,400	28,701	**25,102**	47.7	47,352	53,804
Quiñenco & holding companies (6)		(577)	113,765	**(10,664)**	(20.3)	22,400	103,100
Total		22,823	142,466	**14,438**	27.4	69,752	156,904

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

(1) Represents Quiñenco's economic rights in Banco de Chile (29.7% in June 2007). Voting rights as of June 2008 of 61.7% are held through LQIF.
(2) Indirect ownership through IRSA S.A. and IRSA Ltda. IRSA is controlled jointly between Quiñenco and Heineken.
(3) Direct and indirect ownership through VTR S.A.
(4) Direct and indirect ownership through Río Grande S.A.
(5) In 2007, Other operating companies included Indalsa and subsidiaries and Río Rimac S.A. and subsidiaries. In 2008, these companies are grouped with Quiñenco and holding companies (with a net profit of Ch$937 million or US$1.8 million) as they no longer carry out commercial activity.
(6) Quiñenco corporate level.

Net Income – 2Q 2008

Quiñenco reported net income of Ch$14,438 million (US$27.4 million) in the second quarter of 2008, compared to net income of Ch$22,823 million (US$43.4 million) in the same period of 2007. The decrease in quarterly net income was mainly due to higher losses at the holding company level. Earnings per ordinary share amounted to Ch$12.61 (US$0.02) in 2Q 2008.

The net income contribution from operating companies was Ch$25,102 million (US$47.7 million), up by 7.3% compared to the same quarter in 2007. The increase was mainly attributable to a higher contribution from CCU, Banco de Chile and reduced losses from other operating companies, which in 2007 included Indalsa. This growth was partially offset by lower results from Telefónica del Sur and Madeco.

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Consolidated Income Statement Breakdown

	Quarter				Year to Date	
	2Q 2007 MCh$	1Q 2008 MCh$	**2Q 2008 MCh$**	2Q 2008 MUS$	YTD 2007 MCh$	YTD 2008 MCh$
Revenues						
Madeco	177,394	176,586	**218,524**	415.4	346,046	395,110
Telefónica del Sur	15,782	15,689	**15,341**	29.2	31,697	31,031
Quiñenco & holding	187	442	**244**	0.4	487	686
Total Revenues	**193,363**	**192,717**	**234,109**	**445.0**	**378,230**	**426,827**
Operating income (loss)						
Madeco	12,792	9,659	16,598	31.6	24,665	26,257
Telefónica del Sur	2,770	2,259	1,549	2.9	5,709	3,807
Quiñenco & holding	(2,684)	(3,728)	(2,690)	(5.1)	(5,534)	(6,417)
Total Operating income (loss)	**12,878**	**8,190**	**15,457**	**29.4**	**24,840**	**23,647**
Non-operating income (loss)						
Interest income	1,742	2,162	**2,598**	4.9	3,838	4,760
Share of net income/loss from related co:						
Banco de Chile	17,003	23,371	**26,204**	49.8	32,461	49,575
CCU	2,264	11,067	**4,197**	8.0	11,577	15,264
Other equity investments	609	75	**337**	0.6	415	413
Other non-op income	7,819	131,484	**3,130**	5.9	44,851	134,614
Amortization of GW expense	(6,228)	(11,424)	**(11,885)**	(22.6)	(12,262)	(23,309)
Interest expense	(6,750)	(8,084)	**(9,883)**	(18.8)	(15,208)	(17,966)
Other non-op expenses	(719)	(3,583)	**(2,779)**	(5.3)	(2,029)	(6,363)
Price-level restatement	(1,014)	(479)	**(3,405)**	(6.5)	(1,168)	(3,885)
Foreign exchange gains & losses	1,383	(150)	**(543)**	(1.0)	2,392	(693)
Total Non-operating income (loss)	**16,109**	**144,439**	**7,971**	**15.0**	**64,867**	**152,410**
Income Tax	(912)	(2,797)	**(491)**	(0.9)	(9,749)	(3,288)
Extraordinary items	-	-	**-**	-	-	-
Minority Interest	(5,655)	(7,697)	**(8,842)**	(16.8)	(10,999)	(16,539)
Amortization of negative GW	403	331	**343**	0.7	793	674
Net income (loss)	**22,823**	**142,466**	**14,438**	**27.4**	**69,752**	**156,904**

Revenues – 2Q 2008

Consolidated revenues for the second quarter of 2008 reached Ch$234,109 million (US$445.0 million), up by 21.1% from the Ch$193,363 million (US$367.6 million) reported in the second quarter of 2007, almost entirely explained by a 23.2% increase in Madeco's sales, as a result of higher sales volumes associated with the cables and flexible packaging business units, together with higher copper and aluminum prices.

Consolidated sales can be broken down as follows: Madeco (93.3%), Telefónica del Sur (6.6%) and others (0.1%).

Operating Income - 2Q 2008

Operating income for the second quarter of 2008 reached Ch$15,457 million (US$29.4 million), up 20.0% from the Ch$12,878 million (US$24.5 million) reported in the second quarter of 2007. The growth in consolidated operating income was primarily attributable to Madeco's improved performance during the quarter, 29.8% over the second quarter of 2007, owing to higher revenues, increased sales of valued-added products and slightly lower SG&A expenses. This growth was partially offset by lower operating income at Telefónica del Sur, mainly due to increased depreciation and operating costs related to new product development.

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EBITDA – 2Q 2008

EBITDA amounted to Ch$24,757 million (US$47.1 million) in 2Q 2008, compared to Ch$21,620 million (US$41.1 million) in 2Q 2007, an increase of 14.5% compared to the same period of 2007, mainly attributable to Madeco's operations.

Non-Operating Results – 2Q 2008

Quiñenco reported non-operating income of Ch$7,971 million (US$15.0 million) in the second quarter of 2008, compared to non-operating income of Ch$16,109 million (US$30.6 million) in the same quarter of 2007. The variation between the two periods is mostly explained by higher goodwill amortization, lower other non-operating income and higher financial expenses, which were partially offset by an increase in the contribution of related companies. 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$30,738 million (US$58.4 million), compared to Ch$19,876 million (US$37.8 million) in 2Q 2007, an increase of 54.6%.

The increase mainly corresponds to an increment in equity income from Banco de Chile of Ch$9,201 million (US$17.5 million), explained by the increase of 8.7% in Banco de Chile's net income for the period and the increase in Quiñenco's economic rights in the bank, which went from 29.7% in June 2007 to 40.4% in June 2008, as a result of the association with Citigroup and subsequent merger with Citibank Chile on January 1, 2008 (see Minority Interest).

Income from equity method investments also increased in the second quarter of the year due to the 85.8% rise in CCU's net income, which resulted in a Ch$1,933 million (US$3.7 million) increase in Quiñenco's proportionate share.

Other non-operating income

Other non-operating income was Ch$3,130 million (US$5.9 million), compared to Ch$7,819 million (US$14.9 million) in the second quarter of 2007. Other non-operating income in 2Q 2008 was mainly composed of dividends received from Quiñenco's investment in Entel (accounted for under the cost method) amounting to Ch$2,381 million (US$4.5 million). Other non-operating income in 2Q 2007 included gains on the sale of shares of Entel and sales of fixed assets for a total of Ch$5,042 million (US$9.6 million).

Amortization of goodwill expense

Amortization of goodwill expense amounted to Ch$11,885 million (US$22.6 million) in the second quarter of 2008, an increase of 90.8% from the Ch$6,228 million (US$11.8 million) reported in the same period of 2007. The increase in goodwill expense is due to the incorporation of Citigroup in LQIF and the subsequent merger of Citibank Chile with Banco de Chile.

Interest Expense

Interest expense for the second quarter of 2008 amounted to Ch$9,883 million (US$18.8 million), an increase of 46.4% compared to the same period in 2007, mainly attributable to higher interest expense at Madeco due to increased financing needs related mostly to the corporate reorganization process and working capital.

Other non-operating expenses

Other non-operating expenses amounted to Ch$2,779 million (US$5.3 million), compared to Ch$719 million (US$1.4 million) in the second quarter of 2007. Other non-operating expenses in 2Q 2008 were mainly due to charges related to the restructuring process of Madeco.

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Price-level restatement

Price-level restatement losses amounted to Ch$3,405 million (US$6.5 million) in the second quarter of 2008, compared to price-level restatement losses of Ch$1,014 million (US$1.9 million) in the same period in 2007, reflecting the effect of the higher inflation rate during the period on non-monetary assets and liabilities, as well as the restatement of increased profit & loss accounts during the quarter.

Foreign Currency Exchange Differences

In 2Q 2008, the losses specific to foreign currency differences amounted to Ch$543 million (US$1.0 million), compared to gains amounting to Ch$1,383 million (US$2.6 million) reported in the second quarter of 2007, almost entirely attributable to Madeco's operations, which were impacted by the appreciation of the Peruvian Sol and the US dollar during the period.

Income Taxes – 2Q 2008

Quiñenco reported income tax expense of Ch$491 million (US$0.9 million), compared to Ch$912 million (US$1.7 million) in the same period of 2007.

Minority Interest – 2Q 2008

In the second quarter of 2008, Quiñenco reported a deduction from income of Ch$8,842 million (US$16.8 million), compared to a deduction from income of Ch$5,655 million (US$10.7 million) in 2Q 2007. Of the total amount reported in 2Q 2008, Ch$4,416 million (US$8.4 million) corresponds to Citigroup's interest (32.96%) in LQIF's net income. The remaining Ch$4,426 million (US$8.4 million) is mainly related to minority shareholders' proportionate share of Madeco's, and to a lesser extent, Telefónica del Sur's second quarter 2008 income.

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CONSOLIDATED BALANCE SHEET ANALYSIS (vis-à-vis the 1st quarter of 2008)

Condensed Consolidated Balance Sheet

	As of 6/30/07 MCh$	As of 3/31/08 MCh$	**As of 6/30/08 MCh$**	As of 6/30/08 MUS$
Current assets	521,624	702,412	**617,762**	1,174.3
Fixed assets	329,311	318,856	**336,957**	640.6
Other assets	925,940	1,430,136	**1,547,677**	2,942.1
Total assets	1,776,875	2,451,404	**2,502,396**	4,757.0
Current liabilities	213,295	224,016	**336,552**	639.8
Long-term liabilities	442,365	443,289	**365,659**	695.1
Minority interest	210,313	591,689	**620,136**	1,178.9
Shareholders' equity	910,902	1,192,410	**1,180,049**	2,243.2
Total liabilities & shareholders' equity	1,776,875	2,451,404	**2,502,396**	4,757.0

Current Assets

Current assets decreased 12.1% compared to the first quarter of 2008, mainly due to a reduction in current assets at the Corporate level, which was partially offset by an increase at Madeco mainly due to higher inventories.

Fixed Assets and Other Assets

Fixed assets increased by 5.7% compared to the first quarter of 2008, mainly reflecting the incorporation of fixed assets at Madeco.
Other assets increased by 8.2% compared to the first quarter of 2008, mostly attributable to the increase in the share ownership of Banco de Chile during the quarter.

Current Liabilities

Current liabilities increased by 50.2% compared to the first quarter of 2008, primarily due to an increase in short term debt at Madeco to finance its corporate reorganization process and working capital, and the short term amortizations of LQIF bonds.

Long-term Liabilities

Long-term liabilities decreased by 17.5% compared to the first quarter of 2008, mainly attributable to LQIF bond amortizations due within a year now reflected in current liabilities.

Minority Interest

Minority interest increased by 4.8% compared to the first quarter of 2008, mostly attributable to minority interest in Madeco and LQIF.

Equity

Shareholders' equity did not vary significantly compared to the first quarter of 2008.

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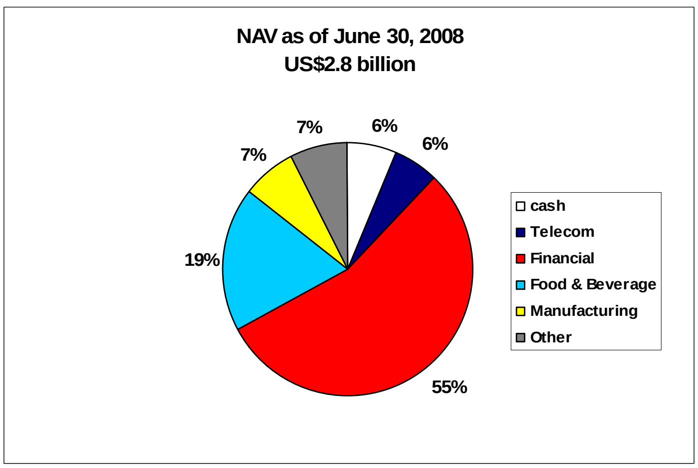
Quiñenco Corporate Level Debt and Cash

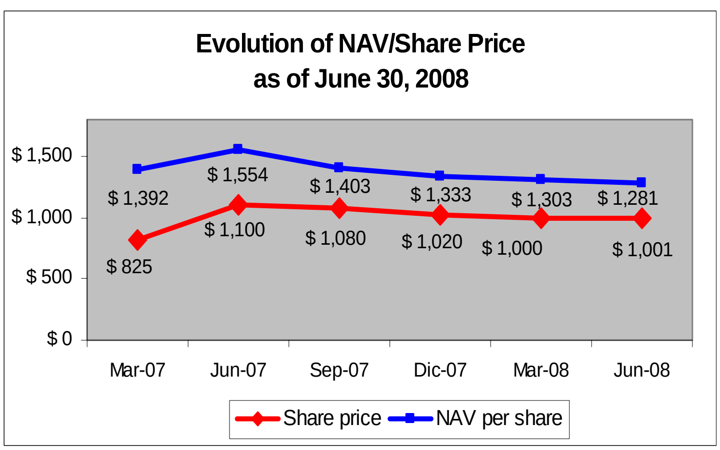
As of June 30, 2008	Debt		Cash & equivalents		Net Debt	
	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$
Corporate level	326,713	621.1	114,658	218.0	212,055	403.1
Adjusted for:						
32.96% interest of Citigroup in LQIF	(53,949)	(102.6)	(2,883)	(5.5)	(51,066)	(97.1)
50.00% interest in IRSA	16,031	30.5	490	0.9	15,541	29.5
Total	288,796	549.0	112,265	213.4	176,531	335.6

The debt to total capitalization ratio at the corporate level (unadjusted) was 16.9% as of June 30, 2008.

NAV

As of June 30, 2008, the estimated net asset value (NAV) of Quiñenco was US$2,787 million (Ch$1,281 per share) and market capitalization was US$2,178 million (Ch$1,001 per share). The discount to NAV is estimated at 22% 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 2007 and 2008:

FINANCIAL SERVICES							
	Ownership %	2Q 2007 MCh$	1Q 2008 MCh$	**2Q 2008 MCh$**	2Q 2008 MUS$	YTD 2007 Mch$	**YTD 2008 MCh$**
Banco de Chile (1)	40.4%	17,003	23,371	**26,204**	49.8	32,461	**49,575**

1) Ownership % in the above table corresponds to LQIF's economic rights in Banco de Chile as of June 30, 2008. Quiñenco's share of 2Q 2008 income from Banco de Chile is 67.04% (equivalent to Ch$17,567 million).

BANCO DE CHILE

	Quarter			Accumulated for Year		
	2Q 2007 MCh$	**2Q 2008 MCh$**	2Q 2008 MUS$	YTD 2007 MCh$	**YTD 2008 MCh$**	YTD 2008 MUS$
Operating revenues	186,992	**262,541**	499.1	351,241	522,674	993.6
Provision for loan losses	(15,686)	**(35,085)**	(66.7)	(29,460)	(61,118)	(116.2)
Operating expenses	(98,197)	**(136,504)**	(259.5)	(189,694)	(296,281)	(563.2)
Net Income (loss)	57,003	**61,984**	117.8	108,531	122,083	232.1
Loan portfolio				10,276,214	12,371,195	23,517.1
Total assets				13,786,337	16,291,693	30,969.9
Shareholders' equity				855,488	1,199,940	2,281.0
Net interest margin	4.0%	**5.2%**				
Efficiency ratio	52.5%	**52.0%**				
ROAE	27.3%	**21.2%**				
ROAA	1.7%	**1.7%**				

Note: Financial figures for periods before 2008 correspond to Banco de Chile as it existed prior to the merger with Citibank Chile.

2Q 2008 Results

Banco de Chile reported net income of Ch$61,984 million (US$117.8 million) in the second quarter of 2008, an increase of 8.7% compared to the second quarter of 2007, mainly reflecting strong growth in operating revenues. This increase more than offset the rise in operating expenses of Ch$38,307 million (US$72.8 million), mainly attributable to the merger of Banco de Chile and Citibank Chile (as of January 1, 2008), and higher provisions for loan losses of Ch$19,399 million (US$36.9 million).

Operating revenues increased by 40.4% to Ch$262,541 million (US$499.1 million) in the second quarter of 2008. The rise in operating revenues was primarily due to an increase in net financial income, up by 39.5% to Ch$188,572 million (US$358.5 million) as a result of a 14.5% growth in average interest earning assets and an increase of 98 basis points in net financial margin from 4.52% in 2Q 2007 to 5.50% in 2Q 2008. The average loan portfolio expanded due to organic growth and the incorporation of Citibank Chile's portfolio. The net financial margin rose mainly due to a higher contribution from non-interest bearing liabilities (demand deposits) reflecting higher nominal interest rates, a more favorable funding structure as a consequence of the incorporation of Citibank's portfolio, increased revenues from management of UF/CLP Gap position given higher inflation, and higher benefits from derivative contracts. Net financial income, comprised 71.8% of operating revenues in 2Q 2008.

In addition, fee income increased by 23.0% or Ch$10,817 million (US$20.6 million) to Ch$57,813 million (US$109.9 million), mainly due to the incorporation of Citibank Chile customers and expansion of the Bank's network, as

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reflected by an 18.8% growth in the number of checking accounts. Also, during the quarter an extraordinary income from the sale of stocks of Visa Inc., as a consequence of its public offering on the NYSE, of Ch$8,160 million (US$15.5 million) was registered.

Provisions for loan losses were Ch$35,085 million (US$66.7 million), which represented an increase of Ch$19,399 million (US$36.9 million) compared to the same period of 2007. The sharp increase is explained by the incorporation of Citibank Chile's loan portfolio, organic loan growth, and due to higher risks associated with the consumer portfolio, reflecting the global and local economic scenario.

Operating expenses increased by Ch$38,307 million (US$72.8 million) to Ch$136,504 million (US$259.5 million) compared to the second quarter of 2007. The increase was primarily attributable to the incorporation of Citibank Chile's cost base. In addition, a one-time cost related to the anticipated collective bargaining agreement for approximately Ch$13,000 million (US$24.7 million) and non-recurring merger related expenses of Ch$5,800 million (US$11.0 million) also served to increase operating expenses during the period.

Price-level restatement losses increased from Ch$8,343 million (US$15.9 million) to Ch$21,162 million (US$40.2 million) as a result of the increase in net amounts of non-monetary assets and liabilities due to the merger and a higher inflation rate used for adjustment purposes (2.39%) compared to the three month period ended June 30, 2007 (1.63%).

As of June 2008, the Bank's loan portfolio had demonstrated robust growth of 20.4% over the last twelve month period. The loan expansion reflects organic growth, as well as the incorporation of Citibank Chile's loan portfolio. Commercial loans, consumer loans and foreign trade loans were the drivers of the portfolio expansion.

Banco de Chile is the second ranked bank in the country with a market share of 19.3% according to information published by the Chilean Superintendency of Banks for the period ended June 30, 2008. Its return on capital and reserves after taxes (annualized) reached 22.7%, compared to 15.4% for the local financial system, according to the same source.

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FOOD & BEVERAGE SECTOR

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

FOOD & BEVERAGE							
	Ownership %	2Q 2007 MCh$	1Q 2008 MCh$	**2Q 2008 MCh$**	2Q 2008 MUS$	YTD 2007 MCh$	**YTD 2008 MCh$**
CCU	33.1%	2,264	11,067	**4,197**	8.0	11,577	**15,264**

CCU

	Quarter			Accumulated for Year		
	2Q 2007 MCh$	**2Q 2008 MCh$**	2Q 2008 MUS$	YTD 2007 MCh$	**YTD 2008 MCh$**	YTD 2008 MUS$
Sales	131,616	**148,846**	283.0	308,515	**336,726**	640.0
Operating income (loss)	10,855	**14,622**	27.8	49,425	**56,522**	107.4
Net Income (loss)	6,834	**12,698**	24.1	35,022	**46,177**	87.8
Total Assets				733,612	**839,233**	1,595.3
Shareholders' equity				392,869	**434,916**	826.8

2Q 2008 Results

In the second quarter of 2008, CCU's sales grew by 13.1% compared to the second quarter of 2007, mainly due to an increase in consolidated sales volumes, partially offset by slightly lower average prices. The growth in sales volume was led by the Argentine beer segment (+52.9%), non-alcoholic beverage segment (+9.1%), and the Chilean beer segment (+3.5%), and partially offset by lower volumes of wines and spirits. Growth of the Argentine beer business was boosted by the acquisition of ICSA. Lower average prices were across the board with the exception of spirits and beer in Argentina.

Operating income increased by 34.7% to Ch$14,622 million (US$27.8 million) due to the higher sales level and an increase in the gross margin as a percentage of sales from 48.4% in the second quarter of 2007 to 50.5% in the second quarter of 2008. This growth was partially offset by an increase in SG&A expenses mostly associated with higher transportation costs due to the higher cost of fuel. The consolidated operating margin, which reflects the seasonality of CCU's business in the winter months, was 9.8% of sales, compared to 8.2% in the same period of 2007. EBITDA reached Ch$27,652 million (US$52.6 million) up 21.9% from the second quarter of 2007.

CCU reported non-operating losses of Ch$2,707 million (US$5.1 million), down 17.8% from the Ch$3,291 million (US$6.3 million) reported in 2Q 2007. The improvement in non-operating results was mainly attributable to higher foreign currency exchange gains due to the appreciation of the US dollar during the period, partially offset by lower non-operating income/expenses due to CCU's dilution in VSP in 2Q 2007 and higher non-recurrent expenses in 2Q 2008. Net financial expenses also increased due to higher debt and lower financial income owing to the negative effect of inflation.

Net income amounted to Ch$12,698 million (US$24.1 million), a significant increase of 85.8% from the net income of Ch$6,834 million (US$13.0 million) reported in the second quarter of 2007. The rise in quarterly profits was due to the aforementioned improvement in both operating and non-operating results during the period, and an income tax credit due to a non-recurring tax loss.

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TELECOMMUNICATIONS SECTOR

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

TELECOMMUNICATIONS							
	Ownership %	2Q 2007 MCh$	1Q 2008 MCh$	**2Q 2008 MCh$**	2Q 2008 MUS$	YTD 2007 MCh$	**YTD 2008 MCh$**
Telefónica del Sur	74.4%	1,503	978	**721**	1.4	2,890	**1,700**

TELEFONICA DEL SUR

	Quarter			Accumulated for Year		
	2Q 2007 MCh$	**2Q 2008 MCh$**	2Q 2008 MUS$	YTD 2007 MCh$	**YTD 2008 MCh$**	YTD 2008 MUS$
Sales	15,782	**15,341**	29.2	31,697	**31,030**	59.0
Operating income (loss)	2,770	**1,549**	2.9	5,709	**3,807**	7.2
Net Income (loss)	2,039	**969**	1.8	3,921	**2,283**	4.3
Total Assets				149,517	**163,544**	310.9
Shareholders' equity				80,146	**80,911**	153.8

2Q 2008 Results

Telefónica del Sur's revenues reached Ch$15,341 million (US$29.2 million) down by 2.8% from the Ch$15,782 million (US$30.0 million) reported in the second quarter of 2007. This reduction is mainly due to migration from single products to bundled products, which affects average prices negatively, despite an overall 7.5% growth in the number of clients. However, in the medium term bundling tends to increase customer loyalty and improve income per client. Quarterly sales were also affected by the decline which the industry has experienced in traditional telephony services, with lower revenues for the company from basic telephony, public telephones and long distance.

Basic telephony services accounted for 45.2% of all revenues, followed by Internet (23.8%), access charges (11.3%), long distance services (6.1%), security services (4.6%), public telephones (3.3%), digital TV (3.0%) and other services (2.7%).

Operating income fell by 44.1% to Ch$1,549 million (US$2.9 million) mainly explained by the increment in depreciation related to investments in new product development, including wireless networks and infrastructure for internet and digital TV services, which have not yet reached break-even. Operating costs also increased in comparison to the previous period due to costs related to the new digital IP television programming, and higher costs of international wide-band, reflecting client growth and upgrades carried out.

Telefónica del Sur reported non-operating losses of Ch$307 million (US$0.6 million), up by Ch$147 million (US$0.3 million) in comparison to the second quarter of 2007. The greater loss is mainly explained by a higher charge of monetary correction reflecting the increased inflation rate, which was only partially offset by lower financial expenses.

Telefónica del Sur reported net income of Ch$969 million (US$1.8 million), a decrease of 52.5% compared to the second quarter of 2007, mainly as a result of the aforementioned deterioration in operating results, and to a lesser extent due to higher non-operational losses.

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MANUFACTURING SECTOR

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

MANUFACTURING							
	Ownership %	2Q 2007 MCh$	1Q 2008 MCh$	**2Q 2008 MCh$**	2Q 2008 MUS$	YTD 2007 MCh$	**YTD 2008 MCh$**
Madeco	45.2%	3,169	1,056	**2,711**	5.2	6,521	**3,767**

MADECO

	Quarter			Accumulated for Year		
	2Q 2007 MCh$	**2Q 2008 MCh$**	2Q 2008 MUS$	YTD 2007 MCh$	**YTD 2008 MCh$**	YTD 2008 MUS$
Sales	177,394	**218,524**	415.4	346,047	**395,110**	751.1
Operating income (loss)	12,792	**16,598**	31.6	24,664	**26,257**	49.9
Net Income (loss)	6,864	**6,002**	11.4	14,130	**8,339**	15.9
Total assets				529,762	**598,473**	1,137.7
Shareholders' equity				288,630	**283,496**	538.9

2Q 2008 Results

Madeco's sales increased 23.2% from Ch$177,394 million (US$337.2 million) to Ch$218,524 million (US$415.4 million) in the second quarter of 2008, mainly boosted by 12.5% growth in consolidated sales volumes, together with higher copper and aluminum prices. In terms of business units, sales of the cable and flexible packaging units grew 41.0% and 20.9% respectively, whereas sales of brass mills and aluminum profiles dropped by 24.7% and 14.3%, respectively.

Sales of the cables business unit reached Ch$155,522 million (US$295.6 million), 41.0% over 2Q 2007, primarily due to higher sales of aluminum cable in Brazil, copper cables in Peru, and copper rod to third parties in Chile. Brass mills sales reached Ch$23,915 million (US$45.5 million), 24.7% less than the previous period, due to lower volumes sold in Chile, which were only slightly offset by higher volumes in Argentina. Sales of flexible packaging increased by 20.9% to Ch$30,203 million (US$57.4 million) boosted by higher sales volumes in Chile and Argentina. Despite 12.5% growth in sales volumes of aluminum profiles, revenues of this unit declined 14.3% mainly due to lower average prices.

Sales of the wire and cable business unit (whose principal operation is Ficap Brazil) accounted for 71.2% of total sales, followed by flexible packaging (13.8%), brass mills (10.9%), and aluminum profiles (4.1%).

Operating income increased by 29.8% to Ch$16,598 million (US$31.6 million), reflecting a 25.9% growth in gross income due to higher revenues, sales growth of higher value-added products, and slightly lower SG&A expenses as a percentage of sales (4.9% in 2Q 2008 compared to 5.1% in 2Q 2007). Operating income of the wire and cable business unit accounted for 77.2% of total operating income, followed by flexible packaging (20.7%), aluminum profiles (1.9%) and brass mills (0.2%). The operating margin increased slightly to 7.6% of sales in line with operating performance (from 7.2% in 2Q 2007). EBITDA reached Ch$20,669 million (US$39.3 million), up 23.1% from the second quarter of 2007.

Non-operating losses increased from Ch$3,239 million (US$6.2 million) to Ch$9,159 million (US$17.4 million) in 2Q 2008. The increase in non-operating losses was mainly attributable to exchange rate losses related to the depreciation of the Chilean peso vs. the US dollar and the appreciation of the Peruvian sol, as well as higher price-

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level restatement losses due to the rise in the inflation rate. Higher financial and other non-operational expenses also increased during the period due to financing needs and other charges mostly related to the corporate reorganization process.

Madeco reported a net profit of Ch$6,002 million (US$11.4 million) for the second quarter of 2008, 12.6% lower than the second quarter of 2007. The decline in net quarterly earnings was attributable to the aforementioned deterioration in non-operating results which off-set the growth in operating income during the quarter.

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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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