For further information contact:
Quiñenco S.A.
Pilar Rodríguez-IRO
(56-2) 750-7221
E-mail: prodriguez@lq.cl

QUIÑENCO S.A. ANNOUNCES 2009 CONSOLIDATED FOURTH QUARTER AND YEAR END RESULTS

(Santiago, Chile, March 30, 2010) Quiñenco S.A., a leading Chilean business conglomerate, announced today its consolidated financial results for the fourth quarter and year ended December 31, 2009.

Consolidated financial results are presented in accordance with IFRS and the regulations established by the Superintendency of Securities and Insurance (SVS). All figures are presented in nominal Chilean pesos, unless stated otherwise. Figures in US$ have been converted from Chilean pesos (Ch$) at the observed exchange rate on December 31, 2009 (Ch$507.10 = US$1.00), unless indicated otherwise, and are only provided for the reader's convenience.

2009 HIGHLIGHTS

- Net income[1] amounted to Ch$155,401 million (US$306.4 million) in 2009, below that obtained in 2008, mainly due to the gain related to two transactions carried out in 2008: the association with Citigroup in LQIF and the sale of Madeco's wire and cable unit to Nexans. Results in 2009 were favorably impacted by gains at the Corporate level from the sale of financial assets, and by the positive effect of the negative rate of inflation during the period on financial obligations and expenses denominated in UFs, as well as the lower level of indebtedness vis-à-vis 4Q 2008.

- The contribution of operating companies during 2009 was boosted by higher results from CCU, particularly noteworthy given the consumption slowdown experienced. However, Banco de Chile and Madeco registered lower results. The decline in the Banking sector's contribution was partially mitigated by lower accrued interest expense of Banco de Chile's Subordinated debt with the Chilean Central Bank during the year.

- Earnings per ordinary share amounted to Ch$135.77 (US$0.27) in 2009.

- As of the year 2009, Quiñenco prepares its consolidated financial statements in accordance with IFRS. Although this impacts the financial statements in terms of presentation and certain accounting principles, the impact on Equity, net of dividends, as of December 2008 with respect to Chilean GAAP was a reduction of 3%.

[1] Net income corresponds to Net income attributable to Controller (Parent company shareholders).

QUIÑENCO S.A.
Enrique Foster Sur Nº 20, 14th Floor
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101

GROUP HIGHLIGHTS – FOURTH QUARTER 2009 AND SUBSEQUENT EVENTS

Quiñenco – Sale of Telefónica del Sur materialized

On December 1, Quiñenco announced the agreement with GTD Grupo Teleductos (GTD) to sell Quiñenco's direct and indirect share in Telsur of 74.43% for Ch$57,212 million (US$112.8 million), equivalent to a price per share of Telsur of Ch$341.54 (US$0.67). The transaction was successfully materialized on January 20, 2010, through a Public Offering carried out by GTD.

Quiñenco – Citigroup exercises options to reach 50% of LQIF

In accordance with the terms of the strategic agreement, Citigroup exercised its two options to acquire a total of 17.04% of LQIF. Once these options are materialized during 2Q 2010, Citigroups' share in LQIF will increase to 50%. Once formalized, the first option will generate a gain, before taxes, of approximately Ch$155,000 million (US$306 million) for Quiñenco and the second option will generate an increase in Quiñenco's Equity, before taxes, of approximately Ch$155,000 million (US$306 million).

Quiñenco – Earthquake hits Central and Southern Chile

On February 27, Central and Southern Chile suffered the impact of a very strong earthquake. Operations of the Quiñenco Group of companies were not interrupted by this event. The Quiñenco Group has insurance policies with fist class insurance companies, which include damage caused by earthquakes, fire and other events.

QUIÑENCO S.A.
Enrique Foster Sur Nº 20, 14th Floor
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101

QUIÑENCO REPORTS IN ACCORDANCE WITH IFRS – MAIN IMPLICATIONS

Overview

As of the year 2009, Quiñenco reports its financial statements in accordance with International Financial Reporting Standards (IFRS). In comparison to Chilean GAAP, the main changes and considerations are the following:

- Consolidation with Banco de Chile, SM Chile and Banchile Seguros de Vida, and On-Balance accounting of Banco de Chile's Subordinated Debt with the Chilean Central Bank.
- Elimination of price-level restatement.
- Other changes in accounting principles. (For further detail please refer to notes of Consolidated Financial Statements filed with the Superintendency of Securities and Insurance or SVS).
- Application of IFRS implied a substantial increase in total assets from Ch$2,505 billion (US$4.9 billion) as of December 31, 2008 to Ch$20,610 billion (US$40.6 billion) and a decrease in Equity, net of dividend provisions, of 3.2% to Ch$1,212 billion (US$2.4 billion) as of the same date. In terms of results, in accordance with IFRS net income in the year 2008 would have been 8.6% higher than that reported under Chilean GAAP, reaching Ch$252,002 million (US$496.9 million). (For further detail please refer to notes of Consolidated Financial Statements filed with the SVS; certain adjustments to the figures reported previously for 2008 have been made).

Segment Information

In accordance with IFRS requirements, financial information is reported for the three segments defined by Quiñenco for this purpose: Manufacturing, Financial and Others. However, in order to allow a better understanding of the consolidated financial statements, the latter and the subsequent analysis, have been divided in Banking and Non-banking or Industrial activities, as follows:

- **Industrial Sector (non-banking)**: includes the following Segments and main companies:
  - **i) Manufacturing**
    - Madeco
  - **ii) Financial**
    - LQ Inversiones Financieras (LQIF holding)
  - **iii) Other**
    - Telefónica del Sur (Telsur)
    - Quiñenco and others (includes CCU)

The companies composing this sector reported their financial statements in accordance with IFRS, with the exception of Banchile Seguros de Vida, included in Quiñenco and others, which prepared its financial statements in accordance with Chilean GAAP. As of September 2009, CCU reports in accordance with IFRS. Madeco reports its financial statements in US dollars, and translates them to Chilean pesos for consolidation purposes.

In January 2010, Quiñenco sold its share in Telsur to GTD Grupo Teleductos, through a public offering. Therefore, during 2008 and 2009 Telsur has been classified as a discontinued operation. For better understanding of quarterly

QUIÑENCO S.A.
Enrique Foster Sur Nº 20, 14th Floor
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101

results, these have been prepared based on proforma Income statements as of September 2008 and 2009 with Telsur reclassified as a discontinued operation.

Banking Sector: includes the following Segments and main companies:

i) Financial

- Banco de Chile
- SM Chile

These companies reported their financial statements partially in accordance with IFRS for the year 2009, and restated 2008 financial figures for comparison purposes, including some estimates, to IFRS.

Summarized Consolidated Income Statement

Sector / Segment	Manufacturing		Financial		Others		Total Quarter			Total Year to Date		
	4Q 08	4Q 09	4Q 08	4Q 09	4Q 08	4Q 09	4Q 08	4Q 09	2Q 2009	Dec-08	Dec-09	Dec-09
	MCh$						MCh$	MCh$	MUS$	MCh$	MCh$	MUS$
Consolidated Income Industrial Sector	(54,890)	**3,978**	(11,965)	**(4,149)**	8,070	**3,447**	(58,785)	**3,276**	**6.5**	170,267	**74,066**	146.1
Consolidated Income Banking Sector	-	**-**	39,234	**48,280**	-	**-**	39,234	**48,280**	**95.2**	233,712	**213,060**	420.2
Consolidated Net Income	(54,890)	**3,978**	27,269	**44,131**	8,070	**3,447**	(19,551)	**51,556**	**101.7**	403,979	**287,126**	566.2
Net Income attributable to Minority Interest							(14,789)	**28,446**	**56.1**	151,977	131,726	259.8
Net Income attributable to Controller							(4,762)	23,110	45.6	252,002	155,401	306.4

Net Income – Full Year 2009

Quiñenco reported net income of Ch$155,401 million (US$306.4 million) in 2009, below that reported in 2008, primarily due to the gains related to two important transactions carried out in 2008: the association with Citigroup in LQIF and the sale of Madeco's wire and cable unit to Nexans. On the other hand, results in 2009 were favorably impacted by a non-recurring gain from the sale of Entel and D&S shares at the Corporate level, and a higher contribution from CCU boosted by the sale of 29.9% of Aguas CCU Nestlé to Nestlé Waters and growth in operating income. Additionally, the lower level of indebtedness vis-à-vis 2008 and the negative rate of inflation during the year reduced financial obligations and expenses denominated in UFs, including the accrued interest expense of Banco de Chile's subordinated debt. The latter mitigated the adverse effect of negative inflation and the economic slowdown on Banco de Chile's results during the year.

Earnings per ordinary share amounted to Ch$135.77 (US$0.27) in 2009.

QUIÑENCO S.A.
Enrique Foster Sur Nº 20, 14th Floor
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101

Net Income – 4Q 2009

Quiñenco reported net income of Ch$23,110 million (US$45.6 million) in the fourth quarter of 2009, compared to a loss of Ch$4,762 million (US$9.4 million) in 2008, mainly due to the impairment of the investment in Nexans amounting to Ch$43,772 million (US$86.3 million) registered in 4Q 2008. Net income in 4Q 2009 was favorably impacted by improved operating results and foreign exchange gains at Madeco.

In terms of the main operating companies, CCU and Madeco reported higher results in the fourth quarter of 2009 in comparison to the previous period, whereas Banco de Chile registered lower results.

Earnings per ordinary share amounted to Ch$20.19 (US$0.04) in the fourth quarter of 2009.

QUIÑENCO S.A.
Enrique Foster Sur Nº 20, 14th Floor
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101

Consolidated Income Statement Breakdown

	Quarters			Year to Date		
	4Q 08	4Q 09	4Q 09	Dic-08	Dic-09	Dic-09
	MCh$	MCh$	MUS$	MCh$	MCh$	MUS$
Industrial Sector						
Revenues	**67,901**	**66,837**	**131.8**	**264,380**	**254,128**	**501.1**
Manufacturing - Madeco	50,591	45,656	90.0	199,243	176,318	347.7
Financial - LQIF holding	-	-	-	-	-	-
Other - Quiñenco & others	17,310	21,182	41.8	65,137	77,810	153.4
Operating income (loss)	**(8,908)**	**(1,349)**	**(2.7)**	**(9,934)**	**(3,919)**	**(7.7)**
Manufacturing - Madeco	(6,101)	1,580	3.1	685	5,431	10.7
Financial - LQIF holding	(246)	(178)	(0.4)	(849)	(779)	(1.5)
Other - Quiñenco & others	(2,561)	(2,751)	(5.4)	(9,770)	(8,571)	(16.9)
Non-operating income (loss)	**(58,731)**	**7,125**	**14.1**	**58,110**	**74,742**	**147.4**
Interest expense	(6,043)	(3,201)	(6.3)	(22,595)	(13,839)	(27.3)
Share of net income/loss from related co.	8,462	11,014	21.7	27,000	42,234	83.3
Foreign exchange gain (loss)	(17,208)	378	0.7	(17,087)	8,807	17.4
Indexed units of account restatement	2,875	(1,732)	(3.4)	(11,756)	374	0.7
Other	(46,817)	667	1.3	82,549	37,167	73.3
Income tax	4,778	(1,969)	(3.9)	2,536	(918)	(1.8)
Net income (loss) from discontinued operations	4,077	(532)	(1.0)	119,555	4,161	8.2
Net Income (Loss) Industrial Sector	**(58,785)**	**3,276**	**6.5**	**170,267**	**74,066**	**146.1**
Banking Sector						
Operating revenues	281,699	264,692	522.0	1,105,192	1,016,767	2,005.1
Provision for loan losses	(50,777)	(46,227)	(91.2)	(156,014)	(223,442)	(440.6)
Operating expenses	(156,202)	(139,292)	(274.7)	(573,195)	(496,742)	(979.6)
Operating income (loss)	74,720	79,174	156.1	375,983	296,583	584.9
Non-operating income (loss)	(29,664)	(18,541)	(36.6)	(110,531)	(43,909)	(86.6)
Income (loss) tax	(5,822)	(12,352)	(24.4)	(31,740)	(39,614)	(78.1)
Net Income (Loss) Banking Sector	**39,234**	**48,280**	**95.2**	**233,712**	**213,060**	**420.2**
Consolidated Net Income (Loss)	(19,551)	51,556	101.7	403,979	287,126	566.2
Net income attributable to Minority interest	(14,789)	28,446	56.1	151,977	131,726	259.8
Net income attributable to Controller	**(4,762)**	**23,110**	**45.6**	**252,002**	**155,401**	**306.4**

QUIÑENCO S.A.
Enrique Foster Sur Nº 20, 14th Floor
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101

I. Industrial Sector

Revenues – Full Year 2009

Consolidated revenues totaled Ch$254,128 million (US$501.1 million) in 2009, 3.9% below 2008, mainly owing to lower revenues from Madeco. Sales at Madeco declined by 11.5% reflecting lower sales of brass mills, due to reduced sales volumes, as well as lower sales of profiles, explained by significantly lower sales volumes following the trend of the construction sector. Sales of flexible packaging, however, increased based on higher volumes and higher average prices[2]. Quiñenco and others increased by 19.5% mainly explained by Banchile Seguros de Vida.

Consolidated sales in 2009 can be broken down as follows: Madeco (69.4%), and others (30.6%).

Revenues – 4Q 2009

Consolidated revenues totaled Ch$66,837 million (US$131.8 million) in 4Q 2009, 1.6% below 4Q 2008, mainly owing to lower revenues from Madeco that were compensated by higher revenues at Quiñenco and others, mainly explained by Banchile Seguros de Vida. Sales at Madeco declined by 9.8% reflecting lower sales of profiles resulting from reduced sales volumes due to the lower activity of the construction sector.

Consolidated sales in the fourth quarter of 2009 can be broken down as follows: Madeco (68.3%), and others (31.7%).

Operating Income - Full Year 2009 [3]

Operating income in 2009 improved from a loss of $9,934 million (US$19.6 million) in 2008 to a loss of Ch$3,918 million (US$7.7 million) in 2009. The variation is mostly attributable to Madeco's operational result that increased based on improved performance of brass mills and growth in flexible packaging, partially offset by lower income from profiles. Operating income also reflects an increase of 29.0% at Banchile Seguros de Vida, related to the higher level of revenues.

Operating Income - 4Q 2009

Operating income improved from a loss of Ch$8,908 million (US$17.6 million) in 4Q 2008, to a loss of Ch$1,349 million (US$2.7 million) in 4Q 2009. This improvement is almost entirely attributable to Madeco's operations, based on the brass mills and flexible packaging units, which offset lower results in profiles.

EBITDA – Full Year 2009

EBITDA amounted to Ch$13,602 million (US$26.8 million) in 2009, generated mainly by Madeco's operations, and to a lesser extent by Banchile Seguros de Vida.

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[2] It is worth noting that since Madeco reports in US dollars and translates its financial statements to Chilean pesos for consolidation purposes, variations analyzed in Chilean pesos vary from those in US dollars. For analysis of Madeco's results in US dollars as reported to the SVS, refer to Segment/Operating company analysis.

[3] Operating income corresponds to Revenues minus Cost of sales, minus operating expenses which include Marketing costs, Distribution costs, R&D, Administrative expenses and Restructuring costs.

QUIÑENCO S.A.
Enrique Foster Sur Nº 20, 14th Floor
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101

EBITDA – 4Q 2009

EBITDA amounted to Ch$2,139 million (US$4.2 million) in 4Q 2009, generated mainly by Madeco's operations, and to a lesser extent, by Banchile Seguros de Vida.

Non-Operating Results[4] – Full Year 2009

Non-operating income amounted to Ch$74,742 million (US$147.4 million) in 2009, compared to a non-operating gain of Ch$58,110 million (US$114.6 million) in 2008. The main items included in non-operating results are discussed below:

Proportionate share of net income of equity method investments (net) – Full Year 2009

Quiñenco's proportionate share of net income from equity method investments (net), which primarily includes the results from CCU, reached Ch$42,234 million (US$83.3 million), compared to Ch$27,000 million (US$53.2 million) in 2008.

Quiñenco's proportionate share of net income from CCU increased by 41.6% to Ch$42,324 million (US$83.5 million) from Ch$29,887 million (US$58.9 million), reflecting the growth in CCU's net income during the quarter.

Interest Expense – Full Year 2009

Interest expense in 2009 amounted to Ch$13,839 million (US$27.3 million), a decrease of 38.8% with respect to 2008. The reduction corresponds mainly to lower interest expense at Quiñenco and others, reflecting the lower level of financial obligations and the decline in the *Unidad de Fomento* or UF (inflation indexed), reducing expenses in that denomination, and at Madeco, reflecting lower indebtedness.

Foreign currency exchange differences – Full Year 2009

In 2009, the gains specific to foreign currency translation differences amounted to Ch$8,807 million (US$17.4 million), compared to a loss of Ch$17,087 million (US$33.7 million) reported in 2008, primarily attributable to gains at Madeco, due to the company's net asset position in Chilean pesos at the beginning of 2009, and the appreciation of that currency with respect to the US dollar (Madeco reports in US dollars).

Indexed units of account restatement – Full Year 2009

The gain or loss derived from the restatement of assets and liabilities indexed to units such as the *Unidad de Fomento* or UF (inflation indexed) amounted to a gain of Ch$374 million (US$0.7 million) in 2009, compared to a loss of Ch$11,756 million (US$23.2 million) reported in 2008, due to the positive effect of the negative rate of inflation during 2009 on liabilities in UFs in all segments, with the exception of Madeco.

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[4] Non-operating results include the following items: Other operating income, Other various operating expenses, Financial costs, Proportionate share of equity method investments, Foreign currency exchange differences, Indexed units of account restatement and Other gains (losses).

QUIÑENCO S.A.
Enrique Foster Sur Nº 20, 14th Floor
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101

Other – Full Year 2009

Other gains/losses amounted to a gain of Ch$37,167 million (US$73.3 million) in 2009, compared to a gain of Ch$82,549 million (US$162.8 million) in 2008. The variation is mainly explained by the non-recurring gain from the association with Citigroup in LQIF, amounting to Ch$130,520 million (US$257.4 million) in 2008, which was partially offset by the non-recurring gain on the sale of Entel and D&S shares of Ch$34,291 million (US$67.6 million) in 2009 and lower amortization of intangibles (core deposits of Banco de Chile); which completed their amortization period in December 2008. Also, an impairment of the investment in Nexans of Ch$43,772 million (US$86.3 million) was registered in 2008.

Non-Operating Results – 4Q 2009

Non-operating income amounted to Ch$7,125 million (US$14.1 million) in the fourth quarter of 2009, compared to a non-operating loss of Ch$58,731 million (US$115.8 million) in the same quarter of 2008. The main items included in non-operating results are discussed below:

Proportionate share of net income of equity method investments (net) – 4Q 2009

Quiñenco's proportionate share of net income from equity method investments (net), which primarily includes the results from CCU, reached Ch$11,014 million (US$21.7 million), compared to Ch$8,462 million (US$16.7 million) in 4Q 2008.

Quiñenco's proportionate share of net income from CCU increased by 18.8% to Ch$10,824 million (US$21.3 million) from Ch$9,108 million (US$18.0 million), reflecting the growth in CCU's net income during the quarter.

Interest Expense - 4Q 2009

Interest expense for the fourth quarter of 2009 amounted to Ch$3,201 million (US$6.3 million), a decrease of 47.0% with respect to 4Q 2008. The reduction corresponds mainly to lower interest expense at Madeco reflecting lower indebtedness, and at Quiñenco and others, reflecting the lower level of financial obligations and the decline in the *Unidad de Fomento* or UF (inflation indexed) vis-à-vis 4Q 2008, reducing expenses in that denomination.

Foreign currency exchange differences – 4Q 2009

In 4Q 2009, the gains specific to foreign currency translation differences amounted to Ch$378 million (US$0.7 million), compared to a loss of Ch$17,208 million (US$33.9 million) reported in 4Q 2008, primarily attributable to gains at Madeco.

Indexed units of account restatement – 4Q 2009

The gain or loss derived from the restatement of assets and liabilities indexed to units such as the *Unidad de Fomento* or UF (inflation indexed) amounted to a loss of Ch$1,732 million (US$3.4 million) in the fourth quarter of 2009, compared to a gain of Ch$2,875 million (US$5.7 million) reported in the same period of 2008, due to the slightly positive rate of inflation during the fourth quarter of 2009.

QUIÑENCO S.A.
Enrique Foster Sur Nº 20, 14th Floor
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101

Other – 4Q 2009

Other gains/losses amounted to a gain of Ch$667 million (US$1.3 million) in 4Q 2009, compared to a loss of Ch$46,817 million (US$92.3 million) in 4Q 2008. The variation is mostly explained by the impairment of the investment in Nexans amounting to Ch$ 43,772 million (US$86.3 million) registered in 4Q 2008 and lower amortization of intangibles (core deposits of Banco de Chile) in 4Q 2009, which completed their amortization period in December 2008.

Income Taxes – Full Year 2009

The industrial sector reported income tax of Ch$918 million (US$1.8 million), compared to income tax credit of Ch$2,536 million (US$5.0 million) reported in 2008, mainly due to lower income tax credit at LQIF and higher income tax at Quiñenco and others.

Income Taxes – 4Q 2009

The industrial sector reported income tax of Ch$1,969 million (US$3.9 million), compared to income tax credit of Ch$4,778 million (US$9.4 million) reported in the fourth quarter of 2008, mainly due to higher income tax at Madeco in comparison to 4Q 2008.

Minority Interest – Full Year 2009

In 2009, at a consolidated level (including both industrial and banking net income), net income attributable to minority interest amounted to Ch$131,726 million (US$259.8 million). Of the total amount reported in 2009, Ch$77,542 million (US$152.9 million) corresponds to minority shareholders' share of Banco de Chile and SM Chile's net income.

Minority Interest – 4Q 2009

In the fourth quarter of 2009, at a consolidated level (including both industrial and banking net income), net income attributable to minority interest amounted to Ch$28,446 million (US$56.1 million). Of the total amount reported in 4Q 2009, Ch$17,415 million (US$34.3 million) corresponds to minority shareholders' share of Banco de Chile and SM Chile's net income.

II. Banking Sector

Operating Revenues – Full Year 2009

Operating revenues in 2009 amounted to Ch$1,016,767 million (US$2,005.1 million), 8.0% less than in 2008. Operating revenues correspond almost entirely to Banco de Chile, which registered a decline of 8.0% during the period, mainly due to the adverse effect of the negative rate of inflation and low nominal interest rates on revenues, as well as non-recurring income registered in 2008 due to the sale of foreign branches and shares of Visa Inc., partly mitigated by growth in fee income.

QUIÑENCO S.A.
Enrique Foster Sur Nº 20, 14th Floor
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101

Operating Revenues - 4Q 2009

Operating revenues for the fourth quarter of 2009 amounted to Ch$264,692 million (US$522.0 million), 6.0% less than the fourth quarter of 2008. Operating revenues correspond almost entirely to Banco de Chile, which registered a decline of 6.0% during the quarter, mainly due to lower net financial income, which was partly offset by growth in fees and commissions.

Provision for Credit Risk - Full Year 2009

Provision for loan losses at Banco de Chile amounted to Ch$223,441 million (US$440.6 million) in 2009 as compared to Ch$156,014 million (US$307.7 million) in 2008, mainly attributable to the global economic downturn that increased the risk levels of individuals and companies, together with weaker aggregate demand and higher unemployment than the previous period. Higher provisions of the salmon industry alone, owing to productive crisis, account for approximately Ch$32,000 million (US$63.1 million) in additional provisions. Finally, during the last quarter of 2009 the bank implemented a new rating model for small and medium sized companies.

Provision for Credit Risk - 4Q 2009

Provision for loan losses at Banco de Chile amounted to Ch$46,332 million (US$91.4 million) in the fourth quarter of 2009 as compared to Ch$50,789 million (US$100.2 million) in the fourth quarter of 2008, in line with the improvement in the economic conditions during the last quarter of 2009.

Operating expenses - Full Year 2009

Operating expenses diminished 13.3% to Ch$496,742 million (US$979.6 million), explained by a reduction of 13.3% in Banco de Chile's operating expenses to Ch$496,393 million (US$978.9 million), mainly owing to a continuous focus on cost control and increased productivity, non-recurring expenses related to the merger with Citibank Chile in 2008, amounting to approximately Ch$45,000 million (US$88.7 million), and non-recurring expenses of around Ch$13,000 million (US$25.6 million) related to anticipated collective bargaining agreements, also incurred in 2008.

Operating expenses - 4Q 2009

Operating expenses diminished 10.8% reaching Ch$139,292 million (US$274.7 million), explained by a reduction of 10.8% in Banco de Chile's operating expenses to Ch$139,199 million (US$274.5 million), mainly explained by reductions in administrative and other operating expenses, in line with the Bank's focus on cost control during the year.

Non-operating Results - Full Year 2009

During 2009 non-operating results amounted to a loss of Ch$43,909 million (US$86.6 million) as compared to a loss of Ch$110,531 million (US$218.0 million) in 2008, primarily explained by lower accrued interest expense of the Subordinated Debt with the Chilean Central Bank resulting from the favorable effect of the negative rate of inflation during the period.

QUIÑENCO S.A.
Enrique Foster Sur Nº 20, 14th Floor
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101

Non-operating Results – 4Q 2009

During the fourth quarter of 2009 non-operating results amounted to a loss of Ch$18,541 million (US$36.6 million) as compared to a loss of Ch$29,664 million (US$58.5 million) in the fourth quarter of 2008, primarily explained by lower accrued interest expense of the Subordinated Debt with the Chilean Central Bank resulting from the negative rate of inflation during the past twelve months.

Net Income - Full Year 2009

Net income for the banking sector amounted to Ch$213,060 million (US$420.2 million) down by 8.8% from 2008, resulting from the fall in operating revenues together with higher levels of provisions for loan losses, that were only partially offset by the reduction in accrued interest expense of the Subordinated Debt and the diminished operating expenses.

Net Income – 4Q 2009

Net income for the banking sector amounted to Ch$48,280 million (US$95.2 million) up 23.1% from the same period in 2008, resulting from the lower level of provisions for loan losses and operating expenses, which compensated lower operating revenues, together with the reduction in accrued interest expense of the Subordinated Debt.

CONSOLIDATED BALANCE SHEET ANALYSIS (vis-à-vis December 2008)

Condensed Consolidated Balance Sheet

	12-31-2008	12-31-2009	12-31-2009
	MCh$	MCh$	MUS$
Current assets industrial sector	502,362	**405,840**	800.3
Non-current assets industrial sector	1,522,412	**1,456,900**	2,873.0
Assets banking sector	18,585,569	**17,459,202**	34,429.5
Total assets	**20,610,343**	**19,321,942**	**38,102.8**
Current liabilities industrial sector	311,158	**213,703**	421.4
Long-term liabilities industrial sector	337,650	**333,239**	657.1
Liabilities banking sector	17,751,185	**16,501,380**	32,540.7
Minority interest	997,985	**1,004,655**	1,981.2
Shareholders' equity	1,212,365	**1,268,964**	2,502.4
Total liabilities & shareholders' equity	**20,610,343**	**19,321,942**	**38,102.8**

Current Assets Industrial Sector

Current assets decreased by 19.2% as compared to December 2008, mainly due to the use of cash, cash equivalents and deposits for the payment of dividends, financial obligations and bonds. The decrease was also due to lower inventory levels and accounts receivables at Madeco. These reductions were partially offset by higher dividend income from LQIF (Banco de Chile), IRSA (CCU), and Madeco (Nexans), as well as from the sale of Entel and D&S

QUIÑENCO S.A.
Enrique Foster Sur Nº 20, 14th Floor
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101

shares carried out at the Corporate level. It is worth noting that in both periods Telsur's current and non-current assets have been classified as assets maintained for sale, due to the fact that the investment in Telsur was sold in January 2010.

Non-current Assets Industrial Sector

Non-current assets diminished by 4.3% as compared to December 2008, due to the reduction in financial assets available for sale, arising from the sale of Entel and D&S shares, and due to lower property, plant and equipment attributable to the effect of the variation of the US$/Ch$ exchange rate on Madeco's fixed assets. Also, as mentioned above, in both periods Telsur's non-current assets have been classified as assets maintained for sale, due to the fact that the investment in Telsur was sold in January 2010.

Assets Banking Sector

Total assets of the banking sector diminished by 6.1% as compared to December 2008, mainly due to the drop of 3.6% in loans to customers, owing primarily to lower commercial loans that decreased in response to lower economic growth and a higher credit risk environment.

Current Liabilities Industrial Sector

Current liabilities decreased by 31.3% over December 2008, explained primarily by Madeco, LQIF Holding, and at the Corporate level, due to lower financial obligations resulting from amortizations during the period and the effect of the reduction in the value of the UF (indexed to inflation) on obligations denominated in that currency. As of December 2009, current liabilities were also affected by lower dividend provisions corresponding to the twelve month period.

Long-term Liabilities Industrial Sector

Long-term liabilities decreased by a slight 1.3% in comparison to December 2008.

Liabilities Banking Sector

Liabilities corresponding to the banking sector decreased by 7.0% compared to December 2008.

Minority Interest

Minority interest did not vary significantly from December 2008.

Equity

Shareholders' equity increased by 4.7% compared to December 2008 due to period profits, net of dividends provisioned, and the variation of other reserves.

QUIÑENCO S.A.
Enrique Foster Sur Nº 20, 14th Floor
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101

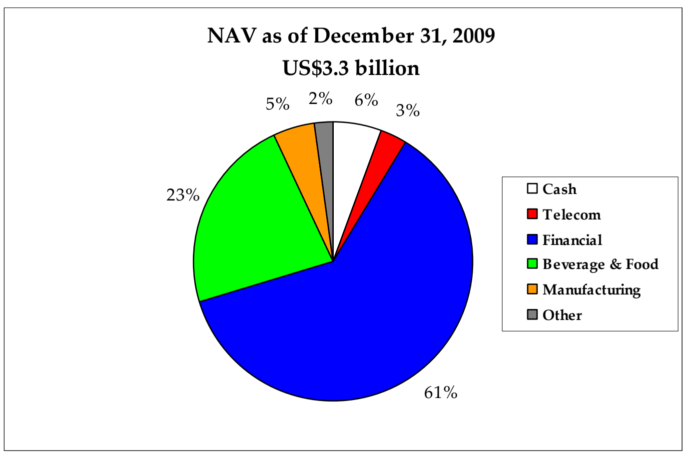
Quiñenco Corporate Level Debt and Cash

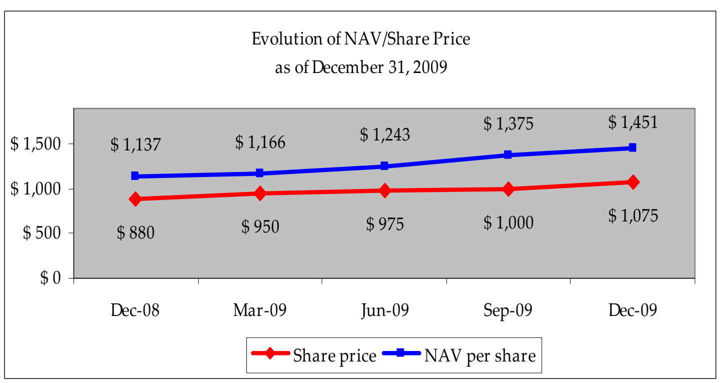
As of December 31, 2009	Debt		Cash & equivalents		Total	
	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$
Corporate level	68,605	135.3	90,759	179.0	(22,154)	(43.7)
Adjusted for:						
67.04% interest in LQIF	84,700	167.0	12,554	24.8	72,146	142.3
50.00% interest in IRSA	13,487	26.6	231	0.5	13,256	26.1
Total	166,792	328.9	103,544	204.2	63,248	124.7

The debt to total capitalization ratio at the corporate level (unadjusted) was 4.9% as of December 31, 2009.

NAV

As of December 31, 2009, the estimated net asset value (NAV) of Quiñenco was US$3.3 billion (Ch$1,451 per share) and market capitalization was US$2.4 billion (Ch$1,075 per share). The discount to NAV is estimated at 25.9% as of the same date.





QUIÑENCO S.A.
Enrique Foster Sur Nº 20, 14th Floor
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101

SEGMENT /OPERATING COMPANY ANALYSIS

Sector /Segment	Manufacturing		Financial		Other		Total Quarter			Total Year to Date		
	4Q 08	4Q 09	4Q 08	4Q 09	4Q 08	4Q 09	4Q 08	4Q 09	4Q 09	Dec-08	Dec-09	Dec-09
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MUS$	MCh$	MCh$	MUS$
Industrial Sector												
Net income from continued operations before taxes	(60,953)	**5,888**	(14,169)	**(5,130)**	7,483	**5,019**	(67,639)	**5,777**	**11.4**	48,176	**70,823**	**139.7**
Income tax	3,081	**(1,846)**	2,204	**981**	(507)	**(1,104)**	4,778	**(1,969)**	**(3.9)**	2,537	**(918)**	**(1.8)**
Net income (loss) from discontinued operations	2,982	**(64)**	-	-	1,094	**(468)**	4,076	**(532)**	**(1.0)**	119,554	**4,161**	**8.2**
Net income (loss) industrial sector	(54,890)	**3,978**	(11,965)	**(4,149)**	8,070	**3,447**	**(58,785)**	**3,276**	**6.5**	**170,267**	**74,066**	**146.1**
Banking Sector												
Net income before taxes	-	-	45,056	**60,633**	-	-	45,056	**60,633**	**119.6**	265,452	**252,674**	**498.3**
Income tax	-	-	(5,822)	**(12,353)**	-	-	(5,822)	**(12,353)**	**(24.4)**	(31,740)	**(39,614)**	**(78.1)**
Net income (loss) banking sector	-	-	39,234	**48,280**	-	-	**39,234**	**48,280**	**95.2**	**233,712**	**213,060**	**420.2**
Consolidated net income (loss)	(54,890)	**3,978**	27,269	**44,131**	8,070	**3,447**	**(19,551)**	**51,556**	**101.7**	**403,979**	**287,126**	**566.2**
Net income attributable to Minority interest							(14,789)	28,446	56.1	151,977	131,726	259.8
Net income attributable to Controller							(4,762)	23,110	45.6	252,002	155,401	306.4

During the fourth quarter of 2009 consolidated net income can be broken down as follows: Financial Segment (85.6%), Manufacturing (7.7%), and Others (6.7%).

MANUFACTURING SEGMENT

The following table details consolidated income (loss) from investments in the Manufacturing segment during 2008 and 2009:

Manufacturing Segment	Quarter			Year to Date		
	4Q 08	4Q 09	4Q 09	Dec 08	Dec 09	Dec 09
	MCh$	MCh$	MUS$	MCh$	MCh$	MUS$
Madeco	(54,890)	3,978	7.8	54,951	18,171	35.8
Total Manufacturing Segment	(54,890)	3,978	7.8	54,951	18,171	35.8

As of December 31, 2009 and 2008, Quiñenco's ownership of Madeco was 47.7% and 45.2% respectively.

QUIÑENCO S.A.
Enrique Foster Sur Nº 20, 14th Floor
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101

MADECO

	4Q 08 MCh$	4Q 09 MCh$	4Q 09 MUS$[5]	Quarter 4Q 08 ThUS$[6]	Quarter 4Q 09 ThUS$	Year to Date Dec 08 ThUS$	Year to Date Dec 09 ThUS$
Sales	50,591	45,656	90.0	**78,927**	**88,186**	**384,287**	**316,472**
Operating income (loss)	(6,101)	1,580	3.1	**(9,517)**	**3,036**	**4,153**	**9,532**
Net income discontinued operations	2,983	(64)	(0.1)	**4,653**	**(122)**	**213,077**	**53**
Net income (loss) Controller	(55,099)	3,958	7.8	**(88,804)**	**7,670**	**113,119**	**29,457**
Total assets	524,741	369,080	727.8			**824,448**	**727,824**
Shareholders' equity	382,355	274,607	541.5			**600,763**	**541,526**

Madeco reports its financial statements in US dollars, and translates them to Chilean pesos for consolidation purposes based on the Ch$/US$ exchange rate at the end of the period in the case of the Balance Sheet, and the monthly average exchange rate in the case of the Income Statement. Madeco's figures in Chilean pesos are included for reference. However, the following analysis is based on the company's financial statements in US dollars, as filed with the SVS, as shown in the last four columns of the table.

As of December 2009, Madeco has classified its investment in Peru (Peruplast) through its subsidiary Alusa, as a joint business. Therefore, in accordance with IFRS, Madeco and its subsidiaries consolidate this investment proportionally to the ownership percentage (Alusa has a 50% share in Peruplast). Financial statements for 2008 and 2009 have been adjusted to reflect this change. It should also be noted that this change does not affect Madeco's net income.

Full Year 2009 Results

Madeco's wire and cable unit has been classified as a discontinued business in both periods, due to the fact that it was sold to Nexans in September 2008. Operating results for 2008 and 2009 are therefore comparable.

Madeco's sales in 2009 decreased by 17.6% to US$316,472 thousand in 2009, due to a reduction of 8.8% in sales volumes together with lower average prices. Sales of brass mills dropped 27.2% to US$106,902 thousand due to lower volumes and also lower copper prices. Sales of the profiles unit, which were down by 38.8% to US$49,013 thousand, were affected by a substantial drop in sales volumes, reflecting the decrease in activity of the construction sector. Flexible packaging sales, on the other hand, increased 2.1% to US$160,557 thousand as a result of higher sales volumes and higher average prices.

During 2009, sales of the flexible packaging unit accounted for 50.7% of sales, followed by brass mills (33.8%), and profiles (15.5%).

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[5] Converted to US$ at the observed exchange rate on December 31, 2009 (Ch$507.10 = US$1.00)

[6] Correspond to Financial Statements in US dollars as reported by Madeco to the Superintendency of Securities and Insurance (SVS).

QUIÑENCO S.A.
Enrique Foster Sur Nº 20, 14th Floor
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101

Operating income increased substantially to US$9,532 thousand in 2009 from US$4,153 thousand in 2008. This growth is mainly explained by brass mills that despite lower revenues improved its gross margin, based on lower copper prices and an impairment of inventories in 2008, as well as a reduction in SG&A expenses. The flexible packaging unit improved its performance, mainly as a result of higher operating income in the Peruvian operations, and to a lesser extent, in Chile and Argentina. The profiles unit, however, registered lower operating results, due to the drop in sales. The gross margin was also affected by an impairment of aluminum inventory to replacement value, increasing COGS from 83.6% in 2008 to 87.7% in 2009. Overall, SG&A expenses decreased by 2.0% in comparison to 2008, mainly reflecting lower administrative expenses, which were partially offset by restructuring costs in 2009.

Non-operating income/loss amounted to a gain of US$21,433 thousand, compared to a loss of US$101,289 thousand in 2008. The variation in non-operating income is largely explained by the impairment of the investments in Nexans amounting to US$68,778 thousand in 2008 and currency exchange gains in 2009, due the company's net asset position in Chilean pesos and the appreciation of that currency with respect to the US dollar. In addition, during 2009 Madeco received US$7,360 thousand in dividends from Nexans.

Madeco's discontinued operations, which correspond almost entirely to the wire and cable unit, registered a net income of US$213,077 thousand in 2008, including primarily the gain on the sale of this unit in September 2008 to Nexans, and only US$53 thousand in 2009.

Madeco reported a net profit of US$29,457 thousand in 2009, well below the US$113,119 thousand reported in 2008, primarily due to the gain on the sale of the wire and cable unit in 2008 explained above. However, net income from continued operations improved from a loss of US$98,172 thousand in 2008 to a gain of US$32,267 thousand in 2009, based on both improved operating results and higher non-operating income in 2009.

4Q 2009 Results

Madeco's sales in the fourth quarter of 2009 increased by 11.7% to US$88,186 thousand compared to the fourth quarter of 2008, due to higher average prices and a 3.0% growth in sales volumes, mainly from the brass mills and packaging units. Sales of brass mills grew 53.1% to US$31,952 thousand mainly due to higher copper prices. Flexible packaging sales increased 25.5% to US$43,775 thousand as a result of higher sales volumes together with higher average prices. Sales of the profiles unit, however, decreased by 46.3% to US$12,459 thousand, due to a fall in sales volumes reflecting the decrease in activity of the construction sector.

During the fourth quarter of 2009, sales of the flexible packaging unit accounted for 49.7% of sales, followed by brass mills (36.2%), and profiles (14.1%).

Operating income improved from a loss of US$9,517 thousand in 4Q 2008 to a gain of US$3,036 thousand in 4Q 2009. This variation is mainly explained by the brass mills and flexible packaging units, and also by lower expenses at the corporate level. The gross margin of brass mills was positive, reflecting lower costs, following an impairment applied to copper inventories in 2008. However, gross income was not sufficient to cover SG&A expenses during the quarter.

QUIÑENCO S.A.
Enrique Foster Sur Nº 20, 14th Floor
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101

The flexible packaging unit showed improved performance over 4Q 2008, mainly as a result of higher operating income from Chile, and to a lesser extent Argentina. Operating income from the profiles unit remained stable in comparison to 4Q 2008, with gross income almost equal to SG&A expenses.

Non-operating income/loss for the quarter amounted to a gain of US$8,583 thousand, up from a loss of US$89,690 thousand in 4Q 2008. The variation in non-operating income is largely explained by the impairment registered in 4Q 2008 to the investment in Nexans, and to a lesser extent by currency exchange gains in 4Q 2009.

Madeco reported a net profit of US$7,670 thousand for the fourth quarter of 2009, compared to a loss of US$88,804 thousand in the previous quarter, primarily due to the impairment of Madeco's investment in Nexans, explained above, and improved operating results obtained in 4Q 2009 over 4Q 2008.

FINANCIAL SEGMENT

The following table details consolidated income (loss) from investments in the Financial Segment during 2008 and 2009:

Financial Segment	Quarter			Year to Date		
	4Q 08	4Q 09	4Q 09	Dec 08	Dec 09	Dec 09
	MCh$	MCh$	MUS$	MCh$	MCh$	MUS$
LQIF holding	(11,965)	(4,149)	(8.2)	(29,378)	(10,182)	(20.1)
Banco de Chile	68,824	66,659	131.5	347,439	257,887	508.6
Interest subordinated debt	(29,531)	(18,297)	(36.1)	(114,095)	(44,749)	(88.2)
Other	(59)	(82)	(0.2)	368	(78)	(0.2)
Total Financial Segment	**27,269**	**44,131**	**87.0**	**204,334**	**202,878**	**400.1**

As of December 31, 2009 and 2008, Quiñenco's ownership of LQIF was 67.04%. LQIF's economic rights in Banco de Chile were 40.8% as of December 31, 2009 and 40.4% as of December 31, 2008.

LQIF Holding – Full Year 2009

LQIF holding registered a loss of Ch$10,182 million (US$20.1 million), lower than the loss registered in 2008, mainly due to a gain in 2009 arising from the positive effect of the negative inflation during the year on liabilities denominated in UFs (indexed to inflation), corresponding mainly to LQIF's bonds, and to lower amortization of intangibles (Banco de Chile core deposits), which completed their amortization period in December 2008, partially offset by higher interest income and dividends registered in 2008.

LQIF Holding – 4Q 2009 Results

LQIF holding registered a loss of Ch$4,149 million (US$8.2 million) lower than the loss registered in 4Q 2008, mainly due to lower amortization of intangibles (Banco de Chile core deposits), which completed their amortization period in December 2008, and a lower loss from indexed units of account due to the effect of the lower rate of inflation in 4Q

QUIÑENCO S.A.
Enrique Foster Sur Nº 20, 14th Floor
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101

2009 compared to 4Q 2008 on liabilities denominated in UFs (indexed to inflation), corresponding mainly to LQIF's bonds.

BANCO DE CHILE[7]

	Quarters			Year to Date		
	4Q 08	4Q 09	4Q 09	Dec-08	Dec-09	Dec-09
	MCh$	MCh$	MUS$	MCh$	MCh$	MUS$
Operating revenues	281,669	**264,785**	522.2	1,104,444	**1,016,478**	2,004.5
Provision for loan losses	(50,789)	**(46,332)**	(91.4)	(156,014)	**(223,441)**	(440.6)
Operating expenses	(156,112)	**(139,199)**	(274.5)	(572,849)	**(496,393)**	(978.9)
Net income (loss)	68,824	**66,659**	131.5	347,437	**257,885**	508.5
Loan portfolio				13,057,299	**13,184,553**	25,999.9
Total assets				17,193,523	**17,461,820**	34,434.7
Shareholders' equity				1,300,882	**1,392,748**	2,746.5
Net financial margin	5.4%	**5.4%**		5.6%	**5.1%**	
Efficiency ratio	55.4%	**52.6%**		51.9%	**48.8%**	
ROAE	18.6%	**17.4%**		25.1%	**17.6%**	
ROAA	1.5%	**1.6%**		2.1%	**1.5%**	

Full Year 2009 Results

Banco de Chile reported net income of Ch$257,885 million (US$508.5 million) in 2009, 25.8% below 2008, reflecting the global financial turmoil experienced during the year. A negative rate of inflation and exceptionally low nominal interest rates had an adverse impact on net financial income, while the riskier economic scenario led to an important increase in provisions for loan losses and a smaller loan portfolio in 2009 compared to the previous year.

Operating revenues, which include net financial income, fee income and other operating income, fell 8.0% to Ch$1,016,478 million (US$2,004.5 million) in 2009. This reduction in operating revenues is explained by a 6.9% reduction in net financial income and non-recurring income of approximately Ch$51,000 million (US$100.6 million) registered in 2008 as other operating income, due to the sale of foreign branches and the liquidation of Visa Inc. stock owned by the Bank. This was partly mitigated by a 6.5% growth in fees and commissions.

Net financial income reached Ch$751,668 million (US$ 1,482.3 million) as a result of a drop in the net financial margin from 5.59% in 2008 to 5.06% in 2009, which more than offset the 2.8% increase experienced by average interest earning assets. The net financial margin fell mainly due to the negative rate of inflation which reduced revenues associated to the management of UF/CLP Gap positions during the period, compared to a positive rate of inflation during the previous year, and a lower contribution from non-interest bearing liabilities (demand deposits) reflecting lower nominal interest rates. These factors were partially compensated by higher lending spreads as a consequence of the

[7] As of the year 2009 new accounting standards in line with IFRS have been introduced, as determined by the Superintendency of Banks and Financial Institutions. Financial statements for 2008 have been restated to IFRS.

QUIÑENCO S.A.
Enrique Foster Sur Nº 20, 14th Floor
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101

current credit risk environment, and an improved funding structure. Net financial income comprised 73.9% of operating revenues in 2009.

Fee income increased by 6.5% to Ch$242,071 million (US$477.4 million), mainly derived from securities brokerage, mutual funds and collection subsidiaries, and higher fees and commissions from traditional banking activities.

Provisions for loan losses amounted to Ch$223,441 million (US$440.6 million) as compared to Ch$156,014 million (US$307.7 million) reported in 2008. This important increase is mainly attributable to the global economic downturn that raised the risk profile of individuals and companies. In particular, approximately Ch$32,000 million (US$63.1 million) of higher provisions are related to higher risk profiles of clients in the Chilean Salmon industry, which faced productive difficulties.

Operating expenses decreased by 13.3% to Ch$496,393 million (US$978.9 million) compared to 2008, mainly explained by a 5.9% reduction in personnel responding to increased productivity, focus on cost control together with lower business activity, and non-recurring expenses related to the merger with Citibank Chile in 2008, amounting to approximately Ch$45,000 million (US$88.7 million), and around $13,000 million (US$25.6 million) non-recurring expenses related to anticipated collective bargaining agreements, also registered in 2008.

As of December 2009, the Bank's loan portfolio posted an annual contraction of 3.6% reflecting the local and international economic downturn which negatively impacted commercial loans. Residential and consumer loans, however, increased slightly boosted by low interest rates as well as purchases of residential loan portfolios from an insurance company. However, during the last two quarters of 2009 the negative trend was reversed, and the last two quarters registered positive growth rates of the loan portfolio, driven by the improvement in the local economy in recent months, as well as better credit quality.

Banco de Chile is the second ranked bank in the country with a market share of 19.1% of total loans, according to information published by the Chilean Superintendency of Banks for the period ended December 31, 2009. Its return on capital and reserves after taxes (annualized) reached 22.7%, compared to 18.0% for the local financial system, according to the same source.

4Q 2009 Results

Banco de Chile's operating revenues, which include net financial income, fee income and other operating income, fell 6.0% to Ch$264,785 million (US$522.2 million) in the fourth quarter of 2009. This reduction is explained by a 7.2% decrease in net financial income and lower other operating income, which was partly offset by a 10.8% growth in fees and commissions.

Net financial income reached Ch$201,851 million (US$398.0 million) as a result of a 7.5% decrease in average interest earning assets partially offset by an increase in the net financial margin from 5.40% in 4Q 2008 to 5.42% in 4Q 2009. Fee income increased by 10.8% to Ch$65,528 million (US$129.2 million), mainly derived from mutual funds, securities brokerage, mutual funds and financial advisory, whereas core banking products diminished slightly.

QUIÑENCO S.A.
Enrique Foster Sur Nº 20, 14th Floor
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101

Provisions for loan losses amounted to Ch$46,332 million (US$91.4 million) as compared to Ch$50,789 million (US$100.2 million) reported in 4Q 2008. This reduction is in line with the improvement in the economic conditions during the last quarter of 2009.

Operating expenses decreased by 10.8% to Ch$139,199 million (US$274.5 million) compared to the fourth quarter of 2008, mainly explained by important reductions in administrative and other operating expenses, in accordance with the Bank's focus on cost control during the year.

Net income amounted to Ch$66,659 million (US$131.5 million) in the fourth quarter of 2009, 3.1% below the fourth quarter of 2008, mainly due to the decline in net financial income, which was partially compensated by higher fee income and lower provisions for loan losses.

Interest Subordinated Debt – Full year 2009

In 2009 accrued interest expense of the Subordinated Debt with the Chilean Central Bank was substantially lower than in 2008 due to the favorable effect of the negative rate of inflation during 2009 on said expense.

Interest Subordinated Debt – 4Q 2009

In the fourth quarter of 2009, accrued interest expense of the Subordinated Debt with the Chilean Central Bank was significantly lower than the fourth quarter of 2008 due to the favorable effect of the negative rate of inflation during the past twelve months on said expense.

OTHERS SEGMENT

The following table details consolidated income (loss) from investments in the Segment Others during 2008 and 2009:

Segment Others	Quarter			Year to Date		
	4Q 08	4Q 09	4Q 09	Dec 08	Dec 09	Dec 09
	MCh$	MCh$	MUS$	MCh$	MCh$	MUS$
Beverage & Food (CCU)[8]	9,108	10,824	21.3	29,887	42,324	83.5
Quiñenco & others	(1,881)	(6,996)	(13.8)	111,512	20,429	40.3
Telecommunications (Telsur)	843	(381)	(0.8)	3,295	3,324	6.6
Total Segment Others	8,070	3,447	6.8	144,694	66,077	130.3

As of December, 2009 and 2008, Quiñenco's ownership of CCU was 33.1% and of Telsur 74.4%.

[8] Corresponds to Quiñenco's proportionate share of CCU's net income, prepared in accordance with IFRS.

QUIÑENCO S.A.
Enrique Foster Sur Nº 20, 14th Floor
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101

BEVERAGE & FOOD SECTOR

CCU[9]

	Quarter			Year to Date		
	4Q 08	4Q 09	4Q 09	Dec 08	Dec 09	Dec 09
	MCh$	MCh$	MUS$	MCh$	MCh$	MUS$
Sales	233,189	231,562	456.6	710,189	**776,544**	1,531.3
Operating income (loss)	43,282	44,204	87.2	123,990	**137,382**	270.9
Net income (loss) controller	27,553	32,743	64.6	90,414	**128,037**	252.5
Total assets				1,081,703	**1,103,773**	2,176.6
Shareholders' equity				443,865	**462,230**	911.5

Full Year 2009 Results

CCU's sales in 2009 increased by 9.3% compared to 2008, due to higher consolidated sales volumes together with higher average prices. The 3.7% growth in sales volumes was led by wines (20.1%), the Argentine beer segment (7.7%) and non-alcoholic beverages (3.8%), partially offset by lower volumes in the Chilean beer segment (-1.9%) and spirits (-5.4%). Higher average prices were across the board, with consolidated average prices increasing by 7.5%. Revenues by core businesses can be broken down as follows: beer Chile (35.8%), beer Argentina (17.7%), non-alcoholic beverages (25.9%), wine (16.1%), spirits (5.0%) and others (-0.5%).

Operating income grew by 10.8% to Ch$137,382 million (US$270.9 million) in 2009, reflecting the growth in sales boosted by an increase of only 8.8% in COGS and of 9.0% in SG&A expenses. The consolidated operating margin was 17.7% of sales, compared to 17.5% in 2008. EBITDA amounted to Ch$181,513 million (US$357.9 million), increasing 10.7% over 2008.

CCU reported non-operating gains of Ch$15,707 million (US$31.0 million) compared to losses of Ch$18,163 million (US$35.8 million) in 2008. This improvement is mainly explained by a non-recurring gain of Ch$24,416 million (US$48.1 million) generated by the sale of 29.9% of Aguas CCU Nestlé S.A. to Nestlé Waters Chile S.A., in accordance with Nestlé Chile's option to increase its share in Aguas CCU Nestlé to 49.9%, exercised in June 2009, and by the positive effect of the negative inflation rate during the year on liabilities indexed to inflation (denominated in UFs). The latter was partially offset by increased financial costs, mainly due to higher debt related to the merger of VSP with Viña Tarapacá and refinancing of bank obligations due towards year end.

Net income in 2009 amounted to Ch$128,037million (US$252.5 million), up 41.6% from 2008, primarily due to the aforementioned higher non-operating results, as well as improved operating results during the quarter, partly offset

[9] As of September 2009 CCU reports its consolidated financial results in accordance with IFRS. Figures for 2008 have been adjusted to the same standard.

QUIÑENCO S.A.
Enrique Foster Sur Nº 20, 14th Floor
Santiago / CHILE
Phone (56-2) 750-7100
Fax # (56-2) 750-7101

by higher minority interest reflecting Nestlé Waters Chile higher share in Aguas CCU Nestlé, and CCU's lower share in the wine business after the merger of VSP with Viña Tarapacá.

4Q 2009 Results

CCU's sales in the fourth quarter of 2009 decreased by 0.7% compared to the fourth quarter of 2008, due to higher consolidated sales volumes that were offset by lower average prices. The 3.7% growth in sales volumes was led by wines (20.6%), non-alcoholic beverages (7.8%), spirits (0.6%) and the Argentine beer segment (1.4%), partially offset by lower volumes in the Chilean beer segment (-1.1%). Lower average prices are explained by the wine, non-alcoholic beverages and Argentine beer segments, partially compensated by higher average prices in the Chilean beer segment and in spirits. Overall, consolidated average prices decreased by 2.7%.

Gross profit grew by 2.3% to Ch$128,493 million (US$253.4 million) as a result of a reduction of 4.2% in COGS. Thus, the gross margin as a percentage of sales increased from 53.9% in 4Q 2008 to 55.5% in 4Q 2009. Operating income reached Ch$44,204 million (US$87.2 million) up 2.1% from 4Q 2008, reflecting the growth in gross profit partially offset by higher SG&A expenses. As a percentage of sales, SG&A expenses were 35.2% in 4Q 2008 and 36.6% in 4Q 2009. Thus, the consolidated operating margin increased from 18.6% of sales in 4Q 2008 to 19.1% in 4Q 2009. EBITDA amounted to Ch$55,940 million (US$110.3 million), 4.7% above 4Q 2008.

CCU reported non-operating losses of Ch$5,031 million (US$9.9 million) compared to losses of Ch$6,209 million (US$12.2 million) in 4Q 2008. This improvement is primarily explained by the positive effect of lower rate of inflation in 4Q 2009 compared to 4Q 2008, on liabilities indexed to inflation (denominated in UFs).

Net income for the fourth quarter of 2009 amounted to Ch$32,743 million (US$64.6 million), up 18.8% from the same quarter in 2008, mainly due to the aforementioned higher non-operating results, as well as improved operating results during the quarter, partly offset by higher minority interest reflecting Nestlé Waters Chile higher share in Aguas CCU Nestlé, which increased from 20% to 49.9% in 2Q 2009.

TELECOMMUNICATIONS SECTOR

TELSUR

	Quarter			Year to Date		
	4Q 08	4Q 09	4Q 09	Dec 08	Dec 09	Dec 09
	MCh$	MCh$	MUS$	MCh$	MCh$	MUS$
Sales	16,544	15,643	30.8	62,789	**62,650**	123.5
Operating income (loss)	3,060	318	0.6	10,926	**5,229**	10.3
Net income (loss) controller	796	(400)	(0.8)	3,132	**3,212**	6.3
Total assets				159,834	**155,352**	306.4
Shareholders' equity				64,245	**64,438**	127.1

QUIÑENCO S.A.
Enrique Foster Sur Nº 20, 14th Floor
Santiago / CHILE
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Full Year 2009 Results

Telefónica del Sur's revenues amounted to Ch$62,650 million (US$123.5 million), remaining flat in comparison to 2008. Growth in broadband internet and digital television, responding to the company's triple play offer, has been offset by the drop in traditional telephony services.

Basic telephony services accounted for 41.8% of all revenues, followed by Internet (27.6%), access charges (11.4%), digital television (6.0%), long distance services (5.0%), security services (4.2%), public telephones (2.7%), and other services (1.3%).

Operating income declined by 52.1% to Ch$5,229 million (US$10.3 million) mainly explained by higher costs related to new clients, speed upgrades of broadband internet, higher costs related to digital IP television programming and an increment in depreciation related to investments in the wireless network, end-user equipment and infrastructure for internet and digital TV services. SG&A expense also increased due to restructuring costs incurred during the period and higher marketing costs required to increase the client base.

Telefónica del Sur reported a non-operating gain of Ch$1,102 million (US$2.2 million) in comparison to a loss of Ch$6,665 million (US$13.1 million) reported in 2008. The variation is explained by the favorable effect of the negative inflation registered during the period on liabilities indexed to inflation (denominated in UFs).

Telefónica del Sur reported net income of Ch$3,212 million (US$6.3 million), 2.6% higher than 2008, owing to improved non-operating results that more than offset lower operating results during the period.

4Q 2009 Results

Telefónica del Sur's revenues amounted to Ch$15,643 million (US$30.8 million), down 5.4% from the fourth quarter of 2008. This decrease is mainly due to lower revenues from traditional telephony services and also from lower access charges, due to the negative rate of inflation over the past twelve months, to which these charges are indexed. During the quarter, revenues from broadband internet and IP digital television continued their growth trend, based on a rising client base and the company's triple play offer.

Basic telephony services accounted for 41.0% of all revenues, followed by Internet (28.2%), access charges (10.9%), digital television (7.6%), long distance services (4.7%), security services (4.3%), public telephones (2.5%), and other services (0.8%).

Operating income dropped to Ch$318 million (US$0.6 million) mainly explained by restructuring costs incurred during the quarter, as well as higher costs related to new clients, speed upgrades of broadband internet, higher costs related to digital IP television programming and an increment in depreciation related to investments in the wireless network, end-user equipment and infrastructure for internet and digital TV services.

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Telefónica del Sur reported a non-operating loss of Ch$786 million (US$1.5 million) in comparison to a loss of Ch$1,966 million (US$3.9 million) reported in 4Q 2008. The variation is explained by the positive effect of the lower rate of inflation in 4Q 2009 compared to 4Q 2008, on liabilities indexed to inflation (denominated in UFs).

Telefónica del Sur reported a net loss of Ch$400 million (US$0.8 million), compared to a gain of Ch$796 million (US$1.6 million) in 4Q 2008, owing to lower operating results during the quarter that were only partially compensated by lower non-operational losses.

QUIÑENCO AND OTHERS

Full Year 2009 Results

The decrease of Ch$91,083 million (US$179.6 million) in Quiñenco and others, is mainly explained by the non-recurring gain of Ch$130,520 million (US$257.4 million) registered in 2008 due to the association with Citigroup in LQIF Holding. Results for 2009, on the other hand, include a non-recurring gain of Ch$34,291 million (US$67.6 million) from the sale of shares of Entel and D&S.

4Q 2009 Results

During the fourth quarter of 2009 Quiñenco and others obtained a loss of Ch$6,996 million (US$13.8 million) compared to a loss of Ch$1,881 million (US$3.7 million) in 4Q 2008.

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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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Enrique Foster Sur Nº 20, 14th Floor
Santiago / CHILE
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