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For further information contact:

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

Citigate Dewe Rogerson
Lucia Domville
(212) 419-4166
e-mail: lucia.domville@citigatedr-ny.com

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

(Santiago, Chile, November 14, 2001) Quiñenco S.A. (NYSE:LQ), a leading business conglomerate in the Southern Cone, announced today its consolidated financial results in Chilean GAAP, for the third quarter ended September 30, 2001. Results will be discussed by Quiñenco's senior management in a conference call on Monday, November 19th at 2 p.m. EST (4 p.m. Chilean time).

Consolidated financial results are presented in accordance with Chilean GAAP. All figures are presented in constant Chilean pesos and have been adjusted to reflect the effects of inflation (3.8% year-over-year). Figures in US\$ have been converted from Chilean pesos (Ch\$) at the observed exchange rate on September 30, 2001 (Ch\$695.02 = US\$1.00) and are only provided for the reader's convenience.

3Q 2001 FINANCIAL HIGHLIGHTS

- **Consolidated sales reached Ch\$121,369 million (US\$174.6 million), an increase of 1% over the third quarter of 2000**
- **Operating Income decreased by 51% to Ch\$2,040 million (US\$2.9 million)**
- **Non-operating profit was Ch\$3,436 million (US\$4.9 million) vs. a non-operating profit of Ch\$2,130 million (US\$3.1 million) in 3Q 2000**
- **Quarterly results of Ch\$15,219 million (US\$21.9 million) were boosted by gains on sale related to the disposals of shares of Entel and Quiñenco's interest in Plava Laguna in Croatia during the quarter**
- **Net income for the nine months ended September 30, 2001 reached Ch\$38,238 million (US\$55.0 million)**



GROUP HIGHLIGHTS – THIRD QUARTER AND SUBSEQUENT EVENTS

Banco de Chile and Banco Edwards announced their intention to merge operations

On August 8, 2001, Banco de Chile and Banco Edwards announced that they intend to merge operations, effective in 2002, subject to regulatory and shareholder approval. On October 3, 2001, regulatory approval to merge the banks was granted by the Chilean Superintendency of Banks. Remaining steps in the merger process include the registration of Banco de Chile's shares with the Securities and Exchange Commission of the United States and approval of the merger by two-thirds of the shareholders of each bank.

On October 9, 2001, Pablo Granifo, General Manager of Banco Edwards presented his resignation, effective October 16, 2001. Effective October 16, 2001, Mr. Granifo assumed responsibilities at Banco de Chile as President and Chief Executive Officer.

Quiñenco- Sale of a 4% Interest in Entel Shares

In the third quarter of 2001, Quiñenco disposed of 9,460,948 shares it held in Entel, equivalent to approximately 4% of Entel's outstanding stock. Proceeds from the sale amounted to Ch\$45,334 million (US\$65.2 million) and the gain on sale amounted to Ch\$26,038 million (US\$37.5 million).

During the course of 2001, Quiñenco has sold 18,920,948 shares of Entel, mainly to Chilean pension funds. Proceeds during 2001 have amounted to Ch\$87,401 million (US\$125.8 million) and the corresponding gain on sale has been Ch\$49,569 million (US\$71.3 million). As of this date, Quiñenco maintains a 5.7% interest in Entel. The partial disposition of Quiñenco's stake in Entel made during the course of 2001 corresponds to Quiñenco's intention to sell off non-strategic assets to reduce the Company's indebtedness level that peaked following the Banco de Chile acquisition earlier this year.

Sale of 39% interest in Plava Laguna

On August 20, 2001, Quiñenco announced that it had sold its 39.4% stake in Plava Laguna for Ch\$20,530 million (US\$29.5 million) to Sutivan Investments, a company belonging to the Luksic family. The gain on sale realized during the third quarter was Ch\$1,689 million (US\$2.4 million).

Capital Increase in Hoteles Carrera

On October 12, 2001, a capital increase was carried out in Hoteles Carrera of 5,358,920 shares at Ch\$800 per share. Quiñenco (through its 96.05%-owned subsidiary, Agrícola Peñon S.A.) subscribed to 2,825,264 shares for a total of Ch\$2,260 million.



Net Income Contribution (in millions of Ch\$ as of 9/30/2001)*

Sector/Company	Quiñenco's ownership % at 9/30/2001	3Q 2000	2Q 2001	3Q 2001	YTD 2000	YTD 2001
Financial Services:						
Banco Edwards (1)	51.2%	2,214	3,039	1,146	(426)	7,337
Banco de Chile (1)	52.7%	662	4,102	4,523	2,074	12,774
Food & Beverage:						
CCU (1)	30.8%	160	(70)	(363)	3,386	8,150
Lucchetti (1)	87.0%	(1,515)	(550)	(1,883)	(3,323)	(3,321)
Telecommunications:						
Telsur (1)	73.6%	1,588	1,337	1,515	3,928	4,153
Entel (2)	5.7%	1,006	897	247	2,797	2,473
Manufacturing:						
Madeco (1)	56.1%	(442)	(4,587)	(7,530)	(5,985)	(12,560)
Real estate/hotel admin.:						
Carrera (1)	87.2%	(519)	(433)	(380)	(979)	(803)
Habitaria (1)	50.0%	(172)	(206)	180	(442)	(228)
Plava Laguna (3)	-	351	-	81	351	(389)
Total operating companies		3,333	3,526	(2,465)	1,381	17,586
Quiñenco & holding companies		3,762	14,002	17,683	(1,349)	20,652
Total		7,095	17,528	15,219	32	38,238

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

- (1) Operating company in which Quiñenco has direct or indirect control.
- (2) Operating company in which Quiñenco holds a minority interest.
- (3) Quiñenco's 39.4% interest in Plava Laguna was sold on August 20, 2001.

Net Income – 3Q 2001

Quiñenco reported net profit for the third quarter of 2001 of Ch\$15,219 million (US\$21.9 million), a 147% increase over the net profit of Ch\$7,095 million (US\$10.2 million) reported in the third quarter of 2000. Quiñenco's main operating companies reported a net loss during the third quarter of 2001, which amounted to Ch\$2,465 million (US\$3.5 million), compared to a net profit of Ch\$3,333 million (US\$4.8 million) in the same period of 2000.



Consolidated Income Statement Breakdown (in millions of Ch\$ as of 9/30/2001)

	3Q 2000	2Q 2001	3Q 2001	YTD 2000	YTD 2001
Revenues					
Madeco	80,962	102,312	86,051	224,217	278,357
Lucchetti	25,961	22,962	22,236	76,763	67,274
Telsur	10,627	11,081	10,849	31,341	33,187
Carrera	1,502	1,710	1,495	5,222	5,341
Quiñenco & holdings	1,229	559	737	2,594	1,979
Total	120,281	138,625	121,369	340,137	386,139
Operating income (loss)					
Madeco	2,709	5,218	689	5,344	11,802
Lucchetti	1,343	1,319	731	4,491	3,689
Telsur	3,162	2,872	3,117	8,586	9,136
Carrera	(351)	(335)	(287)	(494)	(437)
Quiñenco & holdings	(2,675)	(1,938)	(2,210)	(7,143)	(6,311)
Total	4,187	7,137	2,040	10,785	17,880
Non-operating income (loss)					
Interest income	1,642	1,558	2,477	6,904	6,899
Share of net income/loss from related co:					
CCU	160	(70)	(363)	3,386	8,150
Banco Edwards	2,214	3,039	1,146	(426)	7,337
Habitaria	(172)	206	180	(442)	(228)
Entel	1,006	897	247	2,797	2,473
Banco de Chile	662	4,102	4,523	2,074	12,774
Other equity inv.	295	20	279	220	79
Other non-op income	10,821	25,075	28,949	12,630	58,106
Amort. of GW expense	(2,824)	(7,380)	(10,443)	(6,929)	(22,836)
Interest expense	(9,076)	(16,601)	(15,595)	(26,598)	(44,632)
Other non-op expenses	(3,255)	(3,587)	(4,377)	(5,705)	(11,519)
Price-level restatement	657	(2,987)	(3,586)	(2,690)	(10,350)
Total	2,130	4,271	3,436	(14,777)	6,253
Income Tax	(687)	(147)	(136)	(1,907)	(2,204)
Extraordinary items	-	(85)	-	-	(85)
Minority Interest	218	2,120	5,823	3,907	7,715
Amort. of neg. GW	1,246	4,233	4,056	2,024	8,679
Net income	7,095	17,528	15,219	32	38,238



Revenues – 3Q 2001

Consolidated revenues for the third quarter of 2001 were Ch\$121,369 million (US\$174.6 million), 1% higher than the Ch\$120,281 million (US\$173.1 million) registered in the third quarter of 2000, mainly due to an increase in Madeco's sales level, partially offset by a decrease in Lucchetti's sales during the period.

Operating Income - 3Q 2001

Operating income for the third quarter of 2001 reached Ch\$2,040 million (US\$2.9 million), a decrease of 51% compared to the third quarter of 2000. The deterioration in operating results was primarily due to a reduction in Madeco's and Lucchetti's operating results during the third quarter.

EBITDA amounted to Ch\$10,640 million (US\$15.3 million) in the third quarter of 2001, a decrease of more than 14% over the Ch\$12,372 million (US\$17.8 million) reported in the third quarter of 2000.

Non-Operating Results – 3Q 2001

Quiñenco reported non-operating income of Ch\$3,436 million (US\$4.9 million) in the third quarter of 2001, compared to non-operating income of Ch\$2,130 million (US\$3.1 million) during the same period in 2000.

- **Proportionate share of net income of equity method investments**

Quiñenco's proportionate share of net income from equity method investments, which includes results from Banco de Chile, Banco Edwards and CCU, three of Quiñenco's most significant investments, reached Ch\$6,012 million (US\$8.7 million), compared to Ch\$4,165 million (US\$6.0 million) in 3Q 2000. The increase corresponds to the acquisition of a majority stake in Banco de Chile in March of 2001, partially offset by lower results attributable to Quiñenco's interest in Banco Edwards during the third quarter of 2001.

- **Amortization of goodwill expense**

Amortization of goodwill expense amounted to Ch\$10,443 million (US\$15.0 million) in the third quarter of 2001, a marked increase over the Ch\$2,824 million (US\$4.1 million) reported in the same period in 2000. The increase in goodwill amortization expense is almost entirely related to the Banco de Chile acquisition earlier this year, which generated goodwill of Ch\$246,771 million (US\$355.1 million) (balance as of September 30, 2001). The goodwill associated with the purchase is being amortized over a twenty-year period, using the straight-line method.

In addition, in the third quarter of 2001, the sale of Entel shares triggered the early recognition of the corresponding net negative goodwill associated with the original share purchases, thus positively impacting Quiñenco's income statement by Ch\$1,911 million (US\$2.8 million).



- **Interest Expense**

Interest expense for the third quarter of 2001 amounted to Ch\$15,595 million (US\$22.4 million), an increase of 72% compared to the same period in 2001. The increase is mainly associated with indebtedness incurred in connection with the acquisition of Banco de Chile earlier this year, and to a lesser extent, an increase in interest expense at Madeco.

- **Other non-operating income**

Other non-operating income amounted to Ch\$28,949 million (US\$41.7 million), a 167% increase over the Ch\$10,821 million (US\$15.6 million) reported in the same period in 2000. Other non-operating income included the sale of 9,460,948 million shares of Entel at Ch\$4,800 per share which generated a gain on sale of Ch\$26,038 million (US\$37.5 million) in the third quarter of 2001. In addition, other non-operating income includes the gain on sale made in connection with the sale of Plava Laguna in the third quarter of Ch\$1,689 million (US\$2.4 million).

Income Taxes – 3Q 2001

Income taxes reported during 3Q 2001 were Ch\$136 million (US\$0.2 million), compared to Ch\$687 million (US\$1.0 million) during the same period in 2000.

Condensed Consolidated Balance Sheet (in millions of Ch\$ as of 9/30/2001)			
Quiñenco	As of 9/30/2000	As of 9/30/2001	As of 6/30/2001
Current assets	264,415	312,250	320,646
Fixed assets	444,126	440,312	428,563
Other assets	574,067	880,585	915,343
Total	1,282,608	1,633,147	1,664,552
Current liabilities	302,631	328,896	322,220
Long-term liabilities	209,308	489,532	550,091
Minority interest	108,126	109,939	109,258
Shareholders' equity	662,543	705,780	682,983
Total	1,282,608	1,633,147	1,664,552



CONSOLIDATED BALANCE SHEET ANALYSIS (vis-à-vis the 2nd quarter of 2001)

Current Assets, Fixed Assets and Other Assets

Current assets, Fixed assets and Other assets did not vary significantly compared to the second quarter of 2001.

Current Liabilities

Current liabilities did not vary significantly compared to the second quarter of 2001.

Long-term Liabilities

Long-term liabilities decreased by 11% compared to the second quarter of 2001, mainly due to the early repayment of long-term debt associated with the Banco de Chile acquisition.

Minority Interest

Minority interest did not vary significantly compared to the second quarter of 2001.

Equity

Shareholders' equity increased by 3% compared to the second quarter of 2001, mainly due to current period net profit and to a lesser extent, an increase in other reserves, related with the application of Bulletin 64 in accounting for investments abroad.

Quiñenco Corporate Level

As of September 30, 2001, financial debt at the corporate level was approximately Ch\$343,267 million (US\$493.9 million). As of the same date, cash and cash equivalents amounted to approximately Ch\$52,716 million (US\$75.8 million). The debt to total capitalization ratio at the corporate level was 32.7%.



RETURN ON CAPITAL EMPLOYED (ROCE)

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

Operating Companies	Notes	ROCE (1) (%)
CCU		9.1
Lucchetti		3.5
Telsur		10.4
Madeco		2.6
Carrera		(1.7)
Habitaria		1.5

(1) Adjusted operating return over capital employed for the last 12 months (9/30/2000 to 9/30/2001).



SECTOR /OPERATING COMPANY ANALYSIS

FINANCIAL SERVICES SECTOR

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

(in millions of Ch\$ as of 9/30/2001)

Sector						
Company	Ownership %	3Q 2000	YTD 2000	2Q 2001	3Q 2001	YTD 2001
Banco Edwards	51.2%	2,214	(426)	3,039	1,146	7,337
Banco de Chile (1)	52.7%	662	2,074	4,102	4,523	12,774

1) Ownership % corresponds to voting rights. Quiñenco's proportionate share of Banco de Chile's income is calculated according to economic ownership percentages in Banco de Chile (4.3%) and SM Chile (51.4%).

BANCO DE CHILE

(in millions of Ch\$ as of 9/30/2001)

	3Q 2000	2Q 2001	3Q 2001	YTD 2000	YTD 2001
Operating revenues	65,132	66,858	70,476	201,170	204,376
Provision for loan losses	(10,612)	(9,535)	(13,576)	(28,367)	(33,225)
Operating expenses	(34,018)	(32,813)	(37,657)	(101,250)	(102,150)
Net income (loss)	20,389	21,667	25,426	63,214	71,236
Loan portfolio	3,757,719	3,910,892	4,031,292		
Total assets	5,474,933	6,108,078	6,207,2423		
Shareholders' equity	371,785	356,087	78,263		
Net interest margin	4.3%	4.2%	4.6%		
Efficiency ratio	52.2%	49.1%	53.4%		
ROAE	22.6%	24.7%	27.7%		
ROAA	1.5%	1.5%	1.7%		

Third Quarter Results

Banco de Chile reported net income for the third quarter of 2001 of Ch\$25,426 million (US\$36.6 million), a 25% increase over the net income of Ch\$20,389 million (US\$29.3 million) reported in the third quarter of 2000. Net income reported during the period was boosted by a higher level of operating revenues and lower voluntary provisions, which more than offset the reported increase in provisions for loan losses and operating expenses.

Operating revenues were up by over 8% from the third quarter of 2000, as a result of higher net interest revenue, and to a lesser extent, a growth in fee income and gain on financial instruments, which more than offset the increase in exchange rate losses reported during the period. The growth



of nearly 20% in net interest revenue was associated with an increase of 73 basis points in the net interest margin coupled with a 12.4% increase in average interest earning assets. Fee income grew by approximately 15%, mostly in connection with the mutual funds and insurance businesses.

Provisions for loan losses increased by 28% to Ch\$13,576 million (US\$19.5 million) in the third quarter of 2001. The increase in provisions for loan losses was concentrated in consumer credits and commercial loans made to the construction, real estate and services sectors. As a consequence, the bank's risk index rose slightly to 2.2% in the third quarter of 2001.

Operating expenses increased by almost 11% to Ch\$37,657 million (US\$54.2 million) during the third quarter of 2001, mainly related to an increase in personnel expense and SG&A expenses related to recently carried out marketing campaigns, which more than offset a reduction in depreciation and amortization expense during the period.

As of September 2001, the Banco de Chile's loan portfolio showed an overall growth of 3% during the third quarter and over 7% in the last twelve months. Loan expansion over the twelve-month period has been strongest in commercial loans, foreign trade loans and mortgage loans. The corporate banking segment portfolio grew by 11.5% during the twelve-month period and the individual banking segment high income also experienced growth during the period, reaching 8.5%.

BANCO EDWARDS

(in millions of Ch\$ as of 9/30/2001)

	3Q 2000	2Q 2001	3Q 2001	YTD 2000	YTD 2001
Operating revenues	33,899	37,964	42,753	97,801	116,557
Provision for loan losses	(5,923)	(8,729)	(16,653)	(29,592)	(34,320)
Operating expenses	(23,063)	(23,298)	(23,348)	(62,686)	(68,055)
Net income (loss)	4,292	6,021	2,324	(833)	14,337
Loan portfolio	2,249,319	2,363,969	2,380,712		
Total assets	2,748,390	2,952,611	3,166,709		
Shareholders' equity	224,823	239,381	241,625		
Net interest margin	4.6%	5.0%	6.1%		
Efficiency ratio	68.0%	61.4%	54.6%		
ROAE	7.8%	10.4%	3.9%		
ROAA	0.6%	0.8%	0.3%		

Third Quarter Results

Banco Edwards reported net income for the third quarter of 2001 of Ch\$2,324 million (US\$3.3 million), compared to net income of Ch\$4,292 million (US\$6.2 million) in the third quarter of 2000, a



decrease of 46%. The reduction in net income reported during the period was a result of higher provisions for loan losses, which more than offset the 26% increase in operating revenues.

Operating revenues growth during 3Q 2001 was related to increases in net interest revenue and fee income earned during the period. Net interest revenue grew by over 41% compared to the third quarter of 2001, as a result of an increase of 147 basis points in the net interest margin coupled with a 7% increase in average interest earning assets. Fee income grew by 29% in the third quarter of 2001, associated with Banco Edwards' repricing strategy on checking accounts and credit lines, implemented in 2000.

Provisions for loan losses increased by 181% to Ch\$16,653 million (US\$24.0 million) in the third quarter of 2001. The increase in provisions for loan losses was concentrated in the downgrading of the risk category of loans made to one client in the telecommunications sector. As a consequence, the bank's risk index rose to 3.2% in the third quarter of 2001.

Operating expenses increased by a little over 1% to Ch\$23,348 million (US\$33.6 million) during the third quarter of 2001, mainly related to an increase in depreciation and amortization expense and higher allowances for severance payments, which more than offset an 8% decrease in administrative expenses.

As of September 2001, the Bank's loan portfolio showed an overall growth of 0.7% during the third quarter and nearly 6% over the last twelve months. Loan expansion over the twelve-month period has been strongest in consumer loans, foreign trade loans and leasing contracts. The corporate banking segment portfolio grew by 7.6% during the twelve-month period, entirely concentrated in loans to large corporations. The individual banking segment also experienced growth during the period, reaching 2.8%.



FOOD & BEVERAGE SECTOR

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

(in millions of Ch\$ as of 9/30/2001)

Sector	FOOD & BEVERAGE					
Company	Ownership %	3Q 2000	YTD 2000	2Q 2001	3Q 2001	YTD 2001
CCU	30.8%	160	3,386	(70)	(363)	8,150
Lucchetti	87.0%	(1,515)	(3,323)	(550)	(1,883)	(3,321)

CCU

(in millions of Ch\$ as of 9/30/2001)

	3Q 2000	2Q 2001	3Q 2001	YTD 2000	YTD 2001
Sales	73,744	69,096	78,761	224,561	240,206
Operating income (loss)	4,460	1,756	4,766	18,892	24,326
Net income (loss)	518	(228)	(1,179)	10,998	26,468
Total assets	624,704	613,954	636,267		
Shareholders' equity	403,565	408,330	414,412		

Third Quarter Results

CCU's sales in the third quarter of 2001 increased by 6.8% compared to the third quarter of 2000, as a result of a 6.7% increase in average prices a 0.7% increase in volume sold. The increase in average prices at the consolidated level was primarily attributable to the CCU Argentine operations and was related to exchange rate conversions into Chilean pesos for reporting purposes under Chilean GAAP. Isolating the effects of the exchange rate conversions, consolidated revenue would have increased by 2.1% when compared to the same period in 2000. The 0.7% growth in volumes sold was led by the wine segment (36.8% in domestic wines and 17.8% in export wines), the nectars segment (16.2%), and soft drinks (0.3%), which more than offset the declines in the Chilean beer segment (-4.3%), Argentine beer segment (-3.2%) and mineral water segment (-8.1%).

CCU reported an increase of 6.9% in operating income in the third quarter of 2001, compared to the third quarter of 2000. This increase was a result of the higher sales level which contributed to a 5.9% increase in gross profit, partially offset by an increase in SG&A expenses of 5.8% associated with the Argentine beer segment and the wine segment. The consolidated operating margin remained flat for the period at 6.1 % of sales.

CCU reported a net loss in the third quarter of 2001, which amounted to Ch\$1,179 million (US\$1.7 million). In spite of the aforementioned improvement at the operating level and lower non-operating



losses, higher consolidated income tax provisions and minority interest deductions related to the wine segment contributed to a net loss for the third quarter of 2001.

LUCCHETTI

(in millions of Ch\$ as of 9/30/2001)

	3Q 2000	2Q 2001	3Q 2001	YTD 2000	YTD 2001
Sales	25,961	22,962	22,236	76,763	67,274
Operating income (loss)	1,343	1,319	731	4,491	3,689
Net income (loss)	(1,741)	(633)	(2,165)	(3,820)	(3,819)
Total assets	153,178	135,251	140,268		
Shareholders' equity	43,663	34,660	33,858		

Third Quarter Results

Lucchetti reported sales of Ch\$22,236 million (US\$32.0 million) in the third quarter of 2001, down 14% compared to the same period of 2000. The decrease in Lucchetti's consolidated sales level is mainly attributable to the sale of the Argentine operations in the second quarter of 2001, and to a lesser extent, lower reported sales in the Peruvian market. Sales in Peru decreased as a result of the discontinuation of sales of third party products and a reduction in sales of premium quality pastas.

The sales decline was partially offset by an increase in sales in the Lucchetti Chile operation due to higher volume sales of edible oils. It is important to mention that in US dollar terms, Lucchetti Peru experienced a significant decrease in its quarterly sales. However, due to the devaluation of the Chilean peso vis-à-vis the US dollar, the reduction is not readily noted when the conversion is made into Chilean pesos for reporting purposes under Chilean GAAP. As of September 2001, Chile accounted for approximately 70% of consolidated sales and Lucchetti Peru, the remaining 30%.

Operating profit fell by 46% during the third quarter of 2001 to Ch\$731 million (US\$1.0 million). As a percentage of sales, operating profit fell to 3.3%. The decrease in operating profit was primarily attributable to the sale of the Argentine operation and operating losses generated in the Peruvian operation, attributable to the aforementioned reduction in sales which impacted company margins, and higher SG&A expenses. Although to a lesser extent, Lucchetti Chile also experienced a reduction in operating profit during the period as a result of a sales mix that favored lower margin products.

Lucchetti increased its net loss for the third quarter of 2001 by over 24% to Ch\$2,165 million (US\$3.1 million) compared to the same period in 2000, primarily due to the weak operating performance during the third quarter.



TELECOMMUNICATIONS SECTOR

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

(in millions of Ch\$ as of 9/30/2001)

Sector	TELECOMMUNICATIONS					
Company	Ownership %	3Q 2000	YTD 2000	2Q 2001	3Q 2001	YTD 2001
Telsur	73.6%	1,588	3,928	1,337	1,515	4,153
Entel	5.7%	1,006	2,797	897	247	2,473

TELSUR

(in millions of Ch\$ as of 9/30/2001)

	3Q 2000	2Q 2001	3Q 2001	YTD 2000	YTD 2001
Sales	10,627	11,081	10,849	31,341	33,187
Operating income (loss)	3,162	2,872	3,117	8,586	9,136
Net income (loss)	2,159	1,817	2,059	5,340	5,646
Total assets	112,372	125,933	126,808		
Shareholders' equity	52,679	54,239	53,783		

Third Quarter Results

Telsur's sales in the third quarter of 2001 were Ch\$10,849 million (US\$15.6 million), having grown by 2% compared to the third quarter of 2000. Revenues were boosted by Telsur's geographic expansion, an increase in national and international long distance minutes, increased public telephone usage, and the development of its Internet (ISP) and security services.

Operating income dipped slightly to Ch\$3,117 million (US\$4.5 million) in the third quarter of 2001, mostly related to higher SG&A expenses incurred in connection with Telsur's geographic expansion. Non-operating losses were reduced by 5% to Ch\$594 million (US\$0.9 million) as a consequence of lower interest expense during the quarter. Telsur reported net income for the third quarter of 2001 of Ch\$2,059 million (US\$3.0 million), down by 5% from the same period in 2000. Net income was influenced by higher income tax provisions made in 3Q 2001.



MANUFACTURING SECTOR

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

(in millions of Ch\$ as of 9/30/2001)

Sector	MANUFACTURING					
Company	Ownership %	3Q 2000	YTD 2000	2Q 2001	3Q 2001	YTD 2001
Madeco	56.1%	(442)	(5,985)	(4,587)	(7,530)	(12,560)

MADECO

(in millions of Ch\$ as of 9/30/2001)

	3Q 2000	2Q 2001	3Q 2001	YTD 2000	YTD 2001
Sales	80,962	102,312	86,051	224,217	278,357
Operating income (loss)	2,709	5,218	689	5,344	11,802
Net income (loss)	(788)	(8,175)	(13,505)	(10,631)	(22,385)
Total assets	444,028	458,300	459,831		
Shareholders' equity	165,105	160,667	160,927		

Third Quarter Results

Madeco's sales level in the third quarter of 2001 increased by 6.3% to Ch\$86,051 million (US\$123.8 million). Sales increases were made in three of Madeco's four business units, the brass mills unit being the exception. Sales of the wire and cable business unit accounted for 60% of the increase in consolidated sales. It is important to mention however, that in US dollar terms, Madeco's foreign subsidiaries experienced a significant decrease in their quarterly sales. However, due to the devaluation of the Chilean peso vis-à-vis the US dollar, the reduction is not readily noted when the conversion is made into Chilean pesos for reporting purposes under Chilean GAAP. Consolidated sales can be broken down by business unit as follows: Wire and Cable (58%), Brass mills (21%), Flexible packaging (14%), and Aluminum Profiles (7%).

Operating income fell by 75% to Ch\$689 million (US\$1.0 million), almost all of which was earned in the Wire and Cable business unit, although it too suffered a pronounced reduction in operating profits. As a percentage of sales, operating income was only 1%, down from 3.3% reported in the same period of 2000. The poor operating performance was a direct result of weakened demand from the telecommunications sector in Brazil and the economic slowdowns in Argentina, Chile and Peru.

Heavy non-operating losses of Ch\$13,361 million (US\$19.2 million) were the result of price-level restatement losses associated with the devaluation of the Chilean peso (10.5%) and the Brazilian real (14.6%) during the period versus the US dollar, an increase in interest expense, and an increase



in other expenses during the period. These non-operating losses contributed to a net loss for the third quarter of 2001 of Ch\$13,505 million (US\$19.4 million).

REAL ESTATE/HOTEL ADMINISTRATION

The following table details Quiñenco's proportional share of income from investments in the real estate/hotel administration sector during 2000 and 2001:

(in millions of Ch\$ as of 9/30/2001)

Sector	REAL ESTATE/HOTEL ADMINISTRATION					
	Ownership %	3Q 2000	YTD 2000	2Q 2001	3Q 2001	YTD 2001
Company						
Hoteles Carrera	87.2%	(519)	(979)	(433)	(380)	(803)
Habitaria Plava Laguna	50.0%	(172)	(442)	(206)	180	(228)
	-	351	351	-	81	(389)

HOTELES CARRERA

(in millions of Ch\$ as of 9/30/2001)

	3Q 2000	2Q 2001	3Q 2001	YTD 2000	YTD 2001
Sales	1,502	1,710	1,495	5,222	5,341
Operating income (loss)	(351)	(335)	(287)	(494)	(437)
Net income (loss)	(571)	(477)	(419)	(1,078)	(884)
Total assets	24,286	23,877	23,557		
Shareholders' equity	13,875	13,356	12,936		

Third Quarter Results

Carrera's sales revenues were flat during the third quarter of 2001, compared to the same period in 2000. Hoteles Carrera in Santiago accounted for 57% of consolidated sales, followed by La Serena (14%), Concepción (13%), Antofagasta (11%) and Iquique (5%). The average occupancy rate during the period was 29%, and the average nightly rate approximated US\$50. The hotel chain's low occupancy rates and nightly rates during the quarter are associated with weak tourist demand and oversupply of hotels, especially in the Santiago metropolitan area.

Hoteles Carrera reduced its operating loss during the quarter to Ch\$287 million (US\$0.4 million), attributable to lower operating costs and SG&A expenses, which included reduced charges for depreciation. In spite of the slight improvement of operating and non-operating results, Carrera reported a net loss for the quarter of Ch\$419 million (US\$0.6 million).



HABITARIA

(in millions of Ch\$ as of 9/30/2001)

	3Q 2000	2Q 2001	3Q 2001	YTD 2000	YTD 2001
Sales	828	787	6,476	2,330	9,538
Operating income (loss)	(368)	(380)	448	(871)	(164)
Net income (loss)	(333)	(413)	360	(879)	(456)
Total assets	40,611	47,229	49,309		
Shareholders' equity	13,527	14,662	15,020		

Third Quarter Results

During the third quarter of 2001, Habitaria reported net income of Ch\$360 million (US\$0.5 million). Since Habitaria recognizes income (and its corresponding cost) related to the sale of its apartments only in the final stage of the sales process, quarterly revenues may not fully reflect apartments sold under agreements during the period. Costs related to projects, and to a certain extent, earnings may reflect a mis-matching of revenues and expenses. Administration and overhead expenses are recognized when incurred.

During the third quarter of 2001, Habitaria registered its highest sales level ever, delivering 131 units (111 apartments and 20 houses), corresponding to five projects. An aggressive sales campaign initiated in July, preferential interest rates and an overall higher level of stock available to the buying public influenced period sales. Habitaria has pre-sold (for delivery and subsequent recognition in revenues) an additional 478 units. Of the total units pre-sold, 129 are scheduled to be delivered (and recognized in income) before the end of 2001. Habitaria currently has three housing projects under construction, to be completed in 2001 and 2002. Additionally, it has eight apartment projects, fully constructed, of which 427 apartments remain for sale.

All of Quiñenco's Earnings Releases 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**