



FOR IMMEDIATE RELEASE

For further information contact:

Cindi Freeman

Quiñenco S.A.

(56-2) 750-7100

e-mail: cfreeman@lq.cl

Julissa Fernandez

Citigate Dewe Rogerson

(212) 419-4267

e-mail: jfernandez@dewerogerson.com

**QUIÑENCO S.A. ANNOUNCES CONSOLIDATED
RESULTS FOR THE FIRST QUARTER OF 2000**

(Santiago, Chile, May 10, 2000) Quiñenco S.A. (LQ:NYSE) announced today its consolidated financial results in Chilean GAAP, for the first quarter ended March 31, 2000. Results will be discussed by Quiñenco's senior management in a conference call on Tuesday, May 16 at 1:00 p.m. (EST and Santiago time).

Quiñenco is the controlling entity of a portfolio of companies active in financial services, food and beverages, telecommunications, copper and aluminum products, hotels and real estate throughout the Southern Cone of South America.

FIRST QUARTER 2000 HIGHLIGHTS AND SUBSEQUENT EVENTS

Quiñenco Holding

Inversiones Vita S.A., a company which will invest in insurance and/or reinsurance companies, was formed on March 9. Quiñenco will have a 66.3% stake (through a wholly owned subsidiary) and the remaining 33.7% interest will be owned by Inversiones Ever S.A. The newly formed subsidiary's initial capital is Ch\$50 million.

Quiñenco's stake in **Banco de Chile** was increased from 8.3% as of December 31, 1999 to 11.02% during the first quarter of 2000. Since it began acquiring Banco de Chile's shares in the second half of 1999, Quiñenco's investment reached approximately US\$121 million as of March 31.

On April 16, Quiñenco completed its tender offer of **Plava Laguna**, Croatia's largest chain of hotels and resorts located on the Adriatic Sea. Quiñenco acquired an additional 23.74% interest for US\$16.5 million. This brings Quiñenco's stake to 39.42%, representing a total investment of US\$27.5 million during 2000. An additional 24.4% of Plava Laguna is currently owned by other Luksic family companies. Under a shareholders' agreement, Quiñenco will be in charge of the company's management. Plava Laguna will be accounted for as an equity investment in future reporting periods.



On April 27, 2000, Quiñenco held its annual shareholders' meeting. At this meeting, a final dividend of Ch\$44.5 per share representing 30% of 1999's net income was approved, payable on or after May 10, 2000. In the same meeting, the Board of Directors was reelected in its entirety for a three year term, presided by Guillermo Luksic.

CCU

In January 2000, Viña San Pedro bought 200 irrigated hectares near Mendoza, Argentina, 140 of which are already in full production. Viña San Pedro will begin exporting Argentine wine during this year and plans to take advantage of its extensive distribution network in 48 countries. Argentine exports are expected to represent approximately 2% of Viña San Pedro's total wine exports this year.

Banco Edwards

On May 9, 2000, the Board of Directors of Banco Edwards, after reviewing the deteriorated financial condition of certain clients and the decline in the value of loan collateral, decided to make additional provisions and charge-offs amounting to Ch\$15,897 million. The accumulated results as of April 30, 2000 will reflect these charges, implying a net loss for the four month period of Ch\$9,692 million (US\$19.3 million).

Banco Edward's factoring subsidiary initiated its activities in April. This subsidiary is targeting small and medium businesses that act as suppliers to large corporations. Banco Edwards estimates that by year end 2000, the factoring subsidiary will have approximately 140 clients and contracts valued at US\$20 million.

Banco Edwards will shortly incorporate its leasing operations directly into the bank's operations. Sogeleasing will be absorbed by the bank following the purchase of the 40% now owned by Société Générale (the purchase price has been negotiated at US\$7.4 million). The incorporation of the leasing activities into the bank's existing product portfolio will signify a lower cost of funds and direct access to the bank's extensive distribution network.

Madeco

On March 31, 2000, Madeco issued bonds equivalent to US\$75 million bond in the Chilean market. Proceeds were used to refinance liabilities.

On April 25, 2000, Madeco carried out a capital increase amounting to Ch\$6,485 million (15,082,339 shares at Ch\$ 430/share) on the Santiago Stock Exchange. Quiñenco subscribed to 7,021,522 shares. Proceeds are being used to pay down liabilities.



FINANCIAL SUMMARY

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 (3.3% year-over-year). Figures in US\$ have been converted from Chilean pesos (Ch\$) at the observed exchange rate at March 31, 2000 (Ch\$502.22 = US\$1.00) and are provided for the convenience of the reader only.

Net Income Breakdown (in millions of Ch\$)

Company	Quiñenco's ownership % at 3/31/2000	4Q 1999	1Q 2000	1Q 1999
Madeco	56.50%	(16,314)	(2,808)	(5,819)
Lucchetti (1)	86.97%	(3,570)	(828)	(2,644)
VTR/Telsur (2)	73.56%	154	1,070	36
Carrera (3)	90.78%	(103)	38	(182)
CCU	30.79%	6,722	3,654	4,715
Habitaria	50.00%	180	(128)	(95)
Edwards (4)	51.18%	(2,344)	2,035	-
Quiñenco		6,483	(4,319)	(2,780)
Total		(8,792)	(1,286)	(6,768)

- (1) Corresponds to a controlling interest. The economic interest at 3/31/2000 is 86.18%.
 (2) (2) Corresponds to VTR in 1999; in 2000, corresponds to Telsur, the main operating company of VTR.
 (3) Corresponds to a controlling interest. The economic interest at 3/31/2000 is of Carrera is 87.19%.
 (4) A 43.5% controlling interest was acquired in August 1999, and this stake was increased to the current 51.18% in October 1999.

Net Income - First Quarter

Quiñenco's net loss for the first quarter of 2000 was Ch\$1,286 million (US\$2.6 million), compared to a net loss of Ch\$6,768 million (US\$13.5 million) in the first quarter of 1999, representing a reduction of 81% when compared quarter-over-quarter. This reduction in the net loss is explained by higher results from the operating companies, particularly Madeco and Lucchetti, as well as by the profit contributed by Banco Edwards. The higher results from Quiñenco's operating companies coupled with dividends corresponding to the shares held in Banco de Chile, partially compensated for the charge made to reflect the Banco de Chile investment at its market value at the closing date (investment is recorded on a lower of cost or market basis).



Consolidated Income Statement Breakdown (in millions of Ch\$)

Quiñenco	4Q 1999	1Q 2000	1Q 1999
Sales			
Madeco	66,819	65,344	56,978
Lucchetti	24,882	21,863	18,709
VTR	10,078	9,685	24,797
Carrera	2,132	2,090	1,464
Quiñenco	731	619	622
Total	104,641	99,601	102,570
Operating income			
Madeco	(13,677)	657	2,643
Lucchetti	(1,213)	987	(1,087)
VTR	6,221	2,503	3,256
Carrera	69	208	(1)
Quiñenco	(4,313)	(2,013)	(1,672)
Total	(12,912)	2,342	3,139
Non-operating income			
Total*	(16,015)	(5,568)	(15,888)
Income Tax	7,294	238	(681)
Minority Interest	12,842	1,703	6,662
Net income	(8,792)	(1,286)	(6,768)

* includes negative goodwill amortization

Sales – First Quarter

Consolidated sales for the first quarter of 2000 were Ch\$99,601 million (US\$198.3 million), 2.9% lower than those registered in the first quarter of 1999. This decrease was mainly due to a reduction of 60.9% in VTR's sales which no longer include sales from the TV cable business unit, divested in 1999. The lower sales from VTR were partially compensated by higher sales at Madeco and Lucchetti.

Operating Income - First Quarter

Operating income for the first quarter of 2000 amounted to Ch\$2,342 million (US\$4.7 million), 25.4% lower than the Ch\$3,139 million (US\$6.3 million) reported in the first quarter of 1999. This decrease is attributed to the lower operating results at Madeco and VTR, partially compensated by higher operating income at Lucchetti.



Condensed Consolidated Income Statement (in millions of Ch\$)

Quiñenco	4Q 1999	1Q 2000	1Q 1999
Net sales	104,641	99,601	102,570
Cost of sales	(94,179)	(80,075)	(72,449)
SG&A expenses	(23,375)	(17,184)	(26,981)
Operating income	(12,912)	2,342	3,139
Interest Income	3,475	3,019	4,967
Non-operating income	8,996	10,651	7,149
Interest Expense	(8,950)	(7,930)	(12,052)
Non-operating expenses	(21,598)	(9,071)	(3,591)
Price-level restatement	2,062	(2,237)	(12,361)
Non-operating results*	(16,015)	(5,568)	(15,888)
Minority interest	12,842	1,703	6,662
Income taxes	7,294	238	(681)
Net income	(8,792)	(1,286)	(6,768)

*includes amortization of negative goodwill

Non-Operating Results - First Quarter

The Company reported non-operating losses of Ch\$5,568 million (US\$11.1 million), compared to non-operating losses of Ch\$15,888 million (US\$31.6 million) during the first quarter of 1999, a reduction of 65.0%. This reduction in the non-operating losses is explained by lower price level restatement losses and an increase in income from related companies, partially offset by higher non-operating expenses.

The reduction in price level restatement losses was attributable to Madeco, mainly because the first quarter of 1999 included the negative impact of the Brazilian devaluation on its operations. The increase in income from related companies is due to the contribution from Banco Edwards and the improved results at Entel. The increase in non-operating expenses is explained by the adjustment made to reflect the Banco de Chile investment at its market value at the closing date, even though this was partially offset by dividends received from Banco de Chile.



Income Tax

Income taxes during the first quarter of 2000 decreased by Ch\$919 million (US\$1.8 million) compared to the same period in 1999, a consequence of lower taxes at Madeco, VTR/Telsur and at the corporate level.

Minority Interest

Minority interest income in the first quarter of 2000 declined by 74.4% due to the reduction in losses from Madeco and Lucchetti and the divestiture of the cable television business in 1999.

SUMMARY OF QUIÑENCO COMPANIES

MADECO

Madeco (in millions of Ch\$)	4Q 1999	1Q 2000	1Q 1999
Sales	66,819	65,344	56,978
Operating income	(13,677)	657	2,643
Net Income	(28,874)	(4,970)	(10,299)
Total assets	408,413	395,859	446,282
Shareholders' equity	152,261	143,179	193,589

First Quarter Results

Madeco's sales level in the first quarter of 2000 were Ch\$ 65,344 million (US\$130.1 million), a 14.7% increase over the same period in 1999, due to the higher sales levels obtained in the cables and brassmill segments. Operating results did not recover in line with the increase in sales, showing a 75.1% decrease compared to the first quarter of 1999, particularly in the cables segment. Net losses were reduced by 51.7% compared to the first quarter of 1999, attributable to an improvement in non-operating results. During 1999, Madeco's non-operating results included the negative impact on price level restatements as a consequence of the Brazilian devaluation.

LUCCHETTI

Lucchetti (in millions of Ch\$)	4Q 1999	1Q 2000	1Q 1999
Sales	24,882	21,863	18,709
Operating income	(1,213)	987	(1,087)
Net Income	(4,099)	(952)	(3,704)
Total assets	143,937	142,349	148,999
Shareholders' equity	43,902	41,349	34,434



First Quarter Results

Lucchetti's sales for the first quarter of 2000 increased by 16.9% versus the same period in 1999, mainly due to higher sales at Lucchetti's Peruvian operations. The Peruvian operations improved during the period as a result of higher average pasta prices and income obtained from the distribution of third party products. Sales in Lucchetti's Chilean operations also experienced growth due to increased sales volumes of pasta products.

The operating losses obtained in the first quarter of 1999 were reversed in the first quarter of 2000. Lucchetti reported operating profits of Ch\$987 million (US\$2.0 million), attributable to an improvement in margins generated in the Peruvian operations as a consequence of the higher prices obtained for its pasta products. Additionally, Lucchetti's operating results benefited from a company-wide cost reduction plan implemented by management.

Lucchetti's net loss for the first quarter was reduced by 74.3% compared to the first quarter of 1999, mainly due to the improvements at the operational level, and to a lesser extent, to lower non-operating losses which benefited from a lower level of interest expense and lower price-level restatement losses.

VTR/TELSUR

Telsur (in millions of Ch\$)	4Q 1999	1Q 2000	1Q 1999
Sales revenues	10,179	9,685	10,920
Operating income	3,403	2,503	3,678
Net Income	3,231	1,455	1,827
Total assets	107,652	106,805	114,791
Shareholders' equity	49,445	50,808	47,858

First Quarter Results

Telsur's sales in the first quarter of 2000 were Ch\$9,685 million (US\$19.3 million), down by 11.3% from the same period in 1999, as a result of the new tariff structure implemented in the fourth quarter of 1999. Operating profits decreased by 32.0% due to the reduction in tariffs, and to a lesser extent, due to higher depreciation charges resulting from an asset (useful life) reappraisal carried out in the second quarter of 1999. Net profit decreased by 20.4% to Ch\$1,455 million (US\$2.9 million), attributable to the lower profit generated from operations, partially offset by lower net interest expense.



CARRERA

Carrera (in millions of Ch\$)	4Q 1999	1Q 2000	1Q 1999
Sales revenues	2,132	2,090	1,464
Operating income	69	208	(1)
Net Income	(114)	42	(200)
Total assets	23,442	23,882	23,257
Shareholders' equity	14,112	14,154	14,840

Results First Quarter

Carrera's sales revenues increased by 42.8% during the first quarter of 2000 as a result of higher overall occupancy rates as well as revenues derived from the new hotels in Iquique and Antofagasta, which were put into service during 1999. Operating profit reached Ch\$208 million (US\$0.4 million) in the first quarter, reversing the loss trend shown in the first quarter of 1999, due to the aforementioned increase in the overall revenue level. Net profit amounted to Ch\$42 million (US\$0.1 million), compared to a net loss of Ch\$200 million (US\$0.4 million) obtained in the first quarter of 1999. The increase in net profit was attributable to the higher overall sales level, and to a lesser extent, to lower non-operating losses as a result of reduced interest expense.

CCU

CCU (in millions of Ch\$)	4Q 1999	1Q 2000	1Q 1999
Sales revenues	92,124	81,955	79,577
Operating income	19,139	15,163	17,697
Net Income	21,834	11,886	15,094
Total assets	600,130	576,230	577,587
Shareholders' equity	382,982	390,801	360,618

Results First Quarter

CCU's sales in the first quarter of 2000 increased by 3.0% compared to the first quarter of 1999, mainly due to a 2.9% increase in volume sold in the soft drink and export wine segments, partially offset by a reduction in the volume sold in the Chilean beer segment. Operating income decreased 14.3% during the first quarter as a consequence of higher SG&A expenses related to marketing and distribution in Argentina and increases in remuneration of employees associated with the Chilean beer and wine segments.



Net profit fell by 21.3% owing to the aforementioned reduction in operating profits as well as higher non-operating losses. Non-operating losses increased due to a lower level of interest income and lower price level restatement gains compared to the first quarter of 1999, partially offset by a decrease in taxes and minority interest.

HABITARIA

Habitaria (in millions of Ch\$)	4Q 1999	1Q 2000	1Q 1999
Sales revenues	2,983	259	-
Operating income	328	(262)	(211)
Net Income	360	(255)	(191)
Total assets	24,930	33,334	11,987
Shareholders' equity	9,127	8,872	9,023

First Quarter Results

During the first quarter of 2000, Habitaria recorded a net loss of Ch\$255 million (US\$0.5 million). This loss is down by 33.7% from the net loss reported in the first quarter of 1999, although its comparability is somewhat lost because in 1999 Habitaria was still in the development stage. The net loss reported by Habitaria in the first quarter of 2000 is explained by a delay in the delivery of apartments related to the Barrio Verde project which impeded the recognition of the associated revenue during the period.

BANCO EDWARDS

Banco Edwards (in millions of Ch\$)	4Q 1999	1Q 2000	1Q 1999
Revenues	30,137	31,614	31,420
Provision for loan losses	(36,653)	(5,851)	(10,433)
Operating expenses	(16,774)	(18,108)	(16,145)
Net Income	(19,770)	3,976	3,795
Total assets	2,449,942	2,503,199	2,412,544
Shareholders' equity	213,051	217,026	161,593

Results First Quarter

Banco Edwards's net income for the first quarter of 2000 amounted to Ch\$3,976 million, a 4.8% increase over the Ch\$3,795 million reported in the first quarter of 1999. The improvement in net income during the period was mainly attributable to lower provisions made for loan losses during



the quarter, which more than compensated for the increase in operating expenses experienced in the same period.

Banco Edwards does not consolidate with Quiñenco in spite of its controlling interest, as approved by the Chilean Superintendencia de Valores y Seguros. Banco Edwards is recorded on Quiñenco's books as an equity investment.



Quiñenco	As of 12/31/99	As of 3/31/2000	As of 3/31/99
Current assets	387,873	326,074	354,973
Fixed assets	425,350	414,893	529,875
Other assets	497,948	515,878	434,801
Total	1,311,172	1,256,845	1,319,649
Current liabilities	297,288	266,624	273,094
Long-term liabilities	245,459	230,776	346,291
Minority interest	100,450	96,258	201,838
Shareholders' equity	667,975	663,187	498,425
Total	1,311,172	1,256,845	1,319,649

BALANCE SHEET ANALYSIS (vis-a-vis the 4th quarter of 1999)

As of March 31, 2000, financial debt at the corporate level was approximately US\$139 million . As of the same date, cash and cash equivalents amounted to approximately US\$217 million. The debt to total capitalization ratio at the corporate level was 9.5%.

Current Assets

Current assets decreased 15.9% compared to the fourth quarter of 1999, mainly due to a lower level of current assets at the holding level as a result of the investment in Banco de Chile and Plava Laguna as well as the paydown of liabilities associated with financial investments.

Fixed Assets

Fixed assets decreased 2.5% compared to the fourth quarter of 1999, mainly due to lower fixed assets in Madeco.

Other Assets

Other Assets increased 3.6% compared to the fourth quarter of 1999, mainly due to the already mentioned investments made at the holding level.

Current Liabilities

Current liabilities decreased 10.3 % compared to the fourth quarter of 1999, principally due to the paydown of liabilities associated with the aforementioned financial investments.

Long-term Liabilities

Long-term liabilities were reduced by 6.0% compared to the fourth quarter of 1999, mainly due to debt maturities at Madeco and Lucchetti.



Minority Interest

Minority interest decreased 4.2% compared to the fourth quarter of 1999, as a result of lower minority interest associated with Madeco owing to its losses during the quarter.

Equity

Equity decreased slightly by 0.7% compared to the fourth quarter of 1999, mainly due to the Ch\$ 1,286 million (US\$2.6 million) loss generated during the period.

RETURN ON CAPITAL EMPLOYED (ROCE)

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

Operating Companies	Notes	ROCE (1) (%)
Madeco		n.a.
Telsur	(2)	10.8%
Lucchetti		0.8%
Carrera		(3.0%)
CCU		9.3%
Habitaria	(3)	n.a.

(1) Adjusted operating return over capital employed for the last 12 months (3/31/99 to 3/31/2000).

(2) Telsur is the main operating company of VTR.

(3) For purposes of this analysis, Habitaria is still in the development stage.