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

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

Consolidated financial results are presented in accordance with Chilean GAAP. All figures are presented in constant Chilean pesos and have been adjusted to reflect the effects of inflation (4.7% year-over-year). Figures in US\$ have been converted from Chilean pesos (Ch\$) at the observed exchange rate on September 30, 2007 (Ch\$511.23 = US\$1.00) and are only provided for the reader's convenience.

3Q 2007 HIGHLIGHTS

- **Consolidated sales rose by 3.0% in 3Q 2007 to Ch\$175,607 million (US\$343.5 million), mainly attributable to growth of Madeco's revenues.**
- **Operating income fell by 29.8% to Ch\$11,183 million (US\$21.9 million), as a consequence of lower operating income at Madeco, which was affected by rising operating costs, low margins associated with the brass mills business unit and a change in the cable product mix.**
- **Results from equity method investments reflected the continued solid earnings of Banco de Chile. Income from equity investments amounted to Ch\$22,125 million (US\$43.3 million), up by 15.4% from 3Q 2006.**
- **Non-operating income reached Ch\$7,335 million (US\$14.3 million) compared to Ch\$3,188 million (US\$6.2 million) in 3Q 2006.**
- **3Q 2007 net income amounted to Ch\$12,542 million (US\$24.5 million) in 3Q 2007, an increase of 6.4% from the Ch\$11,787 million (US\$23.1 million) reported in 3Q 2006. YTD net earnings amounted to Ch\$78,644 million (US\$153.8 million), up by 74.0% from the Ch\$45,206 million (US\$88.4 million) reported for the nine months ended September 30, 2006.**
- **Earnings per share amounted to Ch\$10.96 (US\$0.02) for the third quarter of 2007.**



GROUP HIGHLIGHTS – THIRD QUARTER 2007 AND SUBSEQUENT EVENTS

Quiñenco-Citigroup Strategic Alliance

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

Quiñenco-Capital Increase

At an Extraordinary Shareholders' Meeting held on April 27, 2007, shareholders approved a capital increase of Ch\$55,000 million through the issuance of 67,259,921 new shares with no par value. 64,633,126 new shares were subscribed and paid-in during the preferential rights period (it allowed for 0.0622926965 new shares for each share held at Ch\$1,000 per share) which concluded on August 11, 2007. Between August 18, 2007 and September 1, 2007, an additional 204,570 shares were subscribed and paid. Total shares outstanding as of September 30, 2007 are 1,144,577,775. Proceeds from the capital increase were primarily used to finance Quiñenco's participation in Banco de Chile's capital increase.

Banco de Chile-Capital Increase

At an Extraordinary Shareholders' Meeting held on May 17, 2007, shareholders approved a capital increase of Ch\$110,000 million through the issuance of 2,516,010,979 new shares with no par value. As of September 30, 2007, the bank had a total of 71,995,842,907 subscribed and paid shares outstanding. Proceeds from the capital increase are being used to strengthen the bank's capital base in order to grow its business volumes and carry out new projects.

CCU

On October 2007, CCU announced that it had reached an agreement to acquire Inversora Cervecera S.A. (ICSA), an Argentine brewery for US\$88 million less liabilities and other adjustments. ICSA, which enjoys a 5.8% market share in Argentina, commercializes the Bieckert, Palermo and Imperial beer brands.

Madeco

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



Net Income Contribution

Sector/Company	Quiñenco's ownership % at 9/30/2007	3Q 2006 MCh\$	2Q 2007 MCh\$	3Q 2007 MCh\$	3Q 2007 MUS\$	YTD 2006 MCh\$	YTD 2007 MCh\$
Financial Services:							
Banco de Chile (1)(2)	52.5%	15,726	16,113	18,390	36.0	47,306	49,151
Food & Beverage:							
CCU (3)	33.1%	3,127	2,145	3,313	6.5	11,542	14,284
Telecommunications:							
Telefónica del Sur (1)	73.7%	1,649	1,425	919	1.8	4,854	3,659
Manufacturing:							
Madeco (1)	46.2%	3,593	3,003	1,721	3.4	13,442	7,901
Other operating companies (4)		(1,326)	(511)	(1,012)	(2.0)	(5,217)	(6,790)
Total operating companies		22,769	22,175	23,331	45.6	71,927	68,205
Quiñenco & holding companies (5)		(10,982)	(526)	(10,789)	(21.1)	(26,721)	10,439
Total		11,787	21,649	12,542	24.5	45,206	78,644

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

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

Net Income – 3Q 2007

Quiñenco reported net income for the third quarter of 2007, which amounted to Ch\$12,542 million (US\$24.5 million), up by 6.4% compared to the net income of Ch\$11,787 million (US\$23.1 million) reported in the third quarter of 2006. The increase in quarterly net income was attributable to improved results from the main operating companies, whose combined contribution increased by 2.5% to Ch\$23,331 million (US\$45.6 million). Noteworthy is the increase of 16.9% in Banco de Chile's contribution to Quiñenco's quarterly results, which reached Ch\$18,390 million (US\$36.0 million) for the quarter.

Earnings per ordinary share amounted to Ch\$10.96 (US\$0.02) for the third quarter of 2007.



Consolidated Income Statement Breakdown

	3Q 2006 MCh\$	2Q 2007 MCh\$	3Q 2007 MCh\$	3Q 2007 MUS\$	YTD 2006 MCh\$	YTD 2007 MCh\$
Revenues						
Madeco	155,269	168,184	160,618	314.2	447,988	488,552
Telefónica del Sur	14,933	14,963	14,648	28.7	44,141	44,686
Quiñenco & holding	211	178	341	0.6	788	802
Total	170,413	183,325	175,607	343.5	492,917	534,040
Operating income (loss)						
Madeco	15,524	12,128	11,632	22.8	48,193	35,005
Telefónica del Sur	3,174	2,627	2,216	4.3	9,593	7,626
Quiñenco & holding	(2,765)	(2,545)	(2,665)	(5.2)	(7,762)	(7,909)
Total	15,933	12,210	11,183	21.9	50,024	34,722
Non-operating income (loss)						
Interest income	866	1,652	1,145	2.2	3,506	4,782
Share of net income/loss from related co:						
Banco de Chile	15,726	16,113	18,390	36.0	47,306	49,151
CCU	3,127	2,145	3,313	6.5	11,542	14,284
Other equity investments	313	589	422	0.8	1,941	817
Other non-op income	212	7,426	(171)	(0.3)	4,480	42,332
Amortization of GW expense	(5,685)	(5,905)	(6,078)	(11.9)	(17,905)	(17,698)
Interest expense	(6,916)	(6,401)	(6,708)	(13.1)	(22,921)	(21,120)
Other non-op expenses	(2,192)	(682)	(1,469)	(2.9)	(7,396)	(3,391)
Price-level restatement	(1,411)	(961)	(2,842)	(5.6)	(1,616)	(3,949)
Foreign exchange gains & losses	(852)	1,311	1,333	2.6	93	3,599
Total	3,188	15,287	7,335	14.3	19,030	68,807
Income Tax	(2,332)	(868)	(2,765)	(5.4)	(5,993)	(12,003)
Extraordinary items	-	-	-	-	-	-
Minority Interest	(5,373)	(5,361)	(3,603)	(7.1)	(19,024)	(14,026)
Amortization of negative GW	371	381	392	0.8	1,169	1,144
Net income (loss)	11,787	21,649	12,542	24.5	45,206	78,644

Revenues – 3Q 2007

Consolidated revenues for the third quarter of 2007 were Ch\$175,607 million (US\$343.5 million), up by 3.0% from the Ch\$170,413 million (US\$333.3 million) reported in the third quarter of 2006, explained by a 3.4% increase in Madeco's sales as a result of the consolidation of recently acquired businesses (Peruplast, Tech Pak and Cedsa), and higher sales of copper and aluminum cables, which more than offset the decline in sales associated with the brass mills business unit.

Consolidated sales can be broken down as follows: Madeco (91.5%), Telefónica del Sur (8.3%) and others (0.2%).

Operating Income - 3Q 2007

Operating income for the third quarter of 2007 was Ch\$11,183 million (US\$21.9 million), down by 29.8% from the Ch\$15,933 million (US\$31.2 million) reported in the third quarter of 2006. The sharp decline in consolidated operating income was mostly attributable to Madeco's operations, which were affected by rising energy and operating costs, low margins associated with the brass mills unit and a sales mix which favored lower priced aluminum cable products, as well as increased SG&A expenses.



EBITDA – 3Q 2007

EBITDA amounted to Ch\$19,570 million (US\$38.3 million) in 3Q 2007, compared to Ch\$23,488 million (US\$45.9 million) in 3Q 2006, a decrease of 16.7% compared to the same period of 2006, mainly attributable to Madeco's operations.

Non-Operating Results – 3Q 2007

Quiñenco reported non-operating income of Ch\$7,335 million (US\$14.3 million) in the third quarter of 2007, compared to non-operating income of Ch\$3,188 million (US\$6.2 million) in the same quarter of 2006. The variation between the two periods is mostly explained by an increase in foreign exchange gains and higher equity method investment results from Banco de Chile. The main items included in non-operating results are discussed below:

Proportionate share of net income of equity method investments (net)

Quiñenco's proportionate share of net income from equity method investments (net) reached Ch\$22,125 million (US\$43.3 million), up by 15.4% from the Ch\$19,166 million (US\$37.5 million) reported in 3Q 2006. Quiñenco's proportionate share of net income from Banco de Chile increased by Ch\$2,664 million (US\$5.2 million) or 16.9% compared to 3Q 2006, explaining most of the increase quarter over quarter.

Other non-operating income

Other non-operating income was a negative Ch\$171 million (US\$0.3 million) compared to income of Ch\$212 million (US\$0.4 million) in the third quarter of 2006.

Amortization of goodwill expense

Amortization of goodwill expense amounted to Ch\$6,078 million (US\$11.9 million) in the third quarter of 2007, compared to Ch\$5,685 million (US\$11.1 million) reported in the same period of 2006. Goodwill expense is almost entirely related to the Banco de Chile acquisition in 2001, and to a lesser extent, the Banco Edwards acquisition in 1999 (kept on the books as Bank of Chile). Of the total balance of goodwill at the consolidated level of Ch\$308,541 million (US\$603.5 million) as of September 30, 2007, Ch\$297,295 million (US\$581.5 million) was associated with the bank.

Interest Expense

Interest expense for the third quarter of 2007 amounted to Ch\$6,708 million (US\$13.1 million), a decrease of 3.0% compared to the same period in 2006. The decrease corresponds to Quiñenco and the intermediate holding companies.

Other non-operating expenses

Other non-operating expenses amounted to Ch\$1,469 million (US\$2.9 million) compared to Ch\$2,192 million (US\$4.3 million) in the third quarter of 2006. Other non-operating expenses are mostly composed of expenses associated with charges for asset obsolescence and write-downs and loss on the sale of investments.

Price-level restatement

Price-level restatement losses amounted to Ch\$2,842 million (US\$5.6 million) in the third quarter of 2007 compared to price-level restatement losses of Ch\$1,411 million (US\$2.8 million) in the same period of 2006. The variation was almost entirely attributable Madeco's operations.

Foreign Currency Exchange Differences

In 3Q 2007, the gains specific to foreign currency differences amounted to Ch\$1,331 million (US\$2.6 million), compared to losses amounting to Ch\$852 million (US\$1.7 million) reported in the third quarter of



2006. The variation was almost entirely attributable Madeco's operations as a result of the appreciation of the Brazilian real and Colombian peso during 3Q 2007.

Income Taxes – 3Q 2007

Quiñenco reported income tax expense of Ch\$2,765 million (US\$5.4 million), compared to Ch\$2,332 million (US\$4.6 million) in the same period of 2006.

Minority Interest – 3Q 2007

In the third quarter of 2007, Quiñenco reported a deduction from income of Ch\$3,603 million (US\$7.1 million), compared to a deduction from income of Ch\$5,373 million (US\$10.5 million) in 3Q 2006. The amount is mainly related to minority shareholders' proportionate share of Madeco's and, to a lesser extent, Telefónica del Sur's third quarter 2007 income.

CONSOLIDATED BALANCE SHEET ANALYSIS (vis-à-vis the 2nd quarter of 2007)

Condensed Consolidated Balance Sheet

	As of 9/30/06 MCh\$	As of 6/30/07 MCh\$	As of 9/30/07 MCh\$	As of 9/30/07 MUS\$
Current assets	383,248	494,321	493,664	965.6
Fixed assets	270,748	312,075	307,739	602.0
Other assets	902,796	877,474	966,421	1,890.4
Total assets	1,556,792	1,683,870	1,767,824	3,458.0
Current liabilities	124,780	202,131	199,075	389.4
Long-term liabilities	459,668	419,210	416,846	815.4
Minority interest	176,982	199,305	196,540	384.4
Shareholders' equity	795,362	863,224	955,363	1,868.8
Total liabilities & shareholders' equity	1,556,792	1,683,870	1,767,824	3,458.0

Current Assets

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

Fixed Assets and Other Assets

Fixed assets did not vary significantly compared to the second quarter of 2007.

Other assets increased by 10.1%, mainly due to Quiñenco's participation in Banco de Chile's capital increase in the third quarter.

Current Liabilities

Current liabilities did not vary significantly compared to the second quarter of 2007.

Long-term Liabilities

Long-term liabilities did not vary significantly compared to the second quarter of 2007.

Minority Interest

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

Equity

Shareholders' equity increased by 10.7% compared to the second quarter of 2007 as a result of Quiñenco's capital increase carried out during the third quarter.

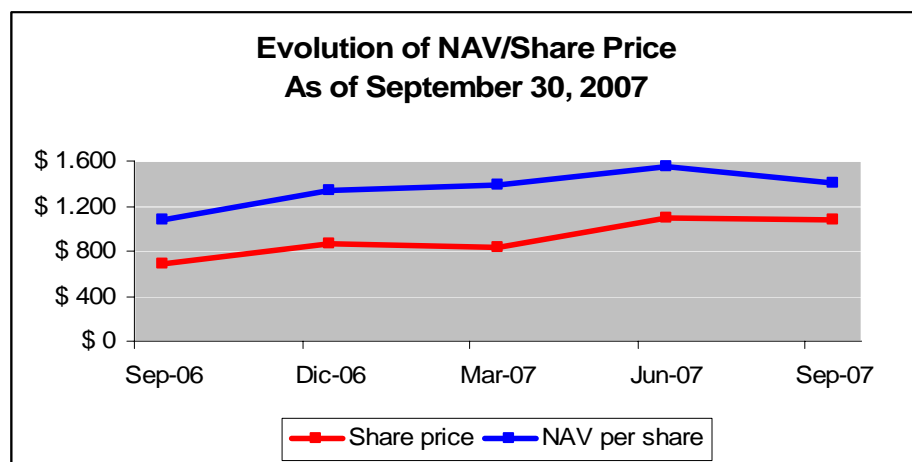
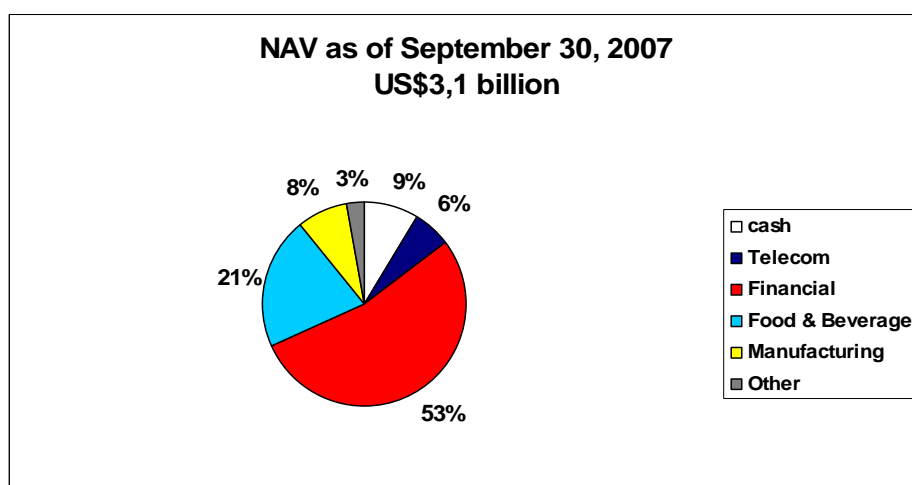


Quiñenco Corporate Level Debt and Cash

As of September 30, 2007, financial debt at the corporate level was Ch\$336,650 million (US\$658.5 million). As of the same date, cash and cash equivalents amounted to Ch\$168,613 million (US\$329.8 million). The debt to total capitalization ratio at the corporate level was 26.0%.

NAV

As of September 30, 2007, the estimated net asset value (NAV) of Quiñenco was US\$3,141 million (Ch\$1,403 per share) and market capitalization was US\$2,418 million (Ch\$1,080 per share). The discount to NAV is estimated at 23% as of the same date.





SECTOR /OPERATING COMPANY ANALYSIS

FINANCIAL SERVICES SECTOR

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

FINANCIAL SERVICES							
	Ownership %	3Q 2006 MCh\$	YTD 2006 MCh\$	2Q 2007 MCh\$	3Q 2007 MCh\$	3Q 2007 MUS\$	YTD 2007 MCh\$
Banco de Chile (1)	52.5%	15,726	47,306	16,113	18,390	36.0	49,151

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

BANCO DE CHILE

	Quarter			Accumulated for Year		
	3Q 2006 MCh\$	3Q 2007 MCh\$	3Q 2007 MUS\$	YTD 2006 MCh\$	YTD 2007 MCh\$	YTD 2007 MUS\$
Operating revenues	157,149	187,529	366.8	440,588	497,330	972.8
Provision for loan losses	(9,637)	(11,538)	(22.6)	(24,000)	(38,631)	(75.6)
Operating expenses	(80,026)	(84,346)	(165.0)	(232,734)	(244,606)	(478.5)
Net Income (loss)	54,912	63,912	125.0	160,054	163,573	320.0
Loan portfolio				9,509,102	10,851,460	21,226.2
Total assets				12,448,327	13,693,297	26,785.0
Shareholders' equity				832,181	956,299	1,870.6
Net interest margin	4.3%	5.0%				
Net Financial Margin	4.5%	4.8%				
Efficiency ratio	50.9%	45.0%				
ROAE	26.9%	28.6%				
ROAA	1.8%	1.8%				

3Q 2007 Results

Banco de Chile's operating revenues increased by 19.3% to Ch\$187,529 million (US\$366.8 million) in the third quarter of 2007. The increase in operating revenues was mainly due to a rise in net financial income and fee income, partially offset by losses on financial instruments and non-forward derivatives contracts. Net financial income increased by 22.9% to Ch\$149,737 million (US\$292.9 million), mainly as a result of higher interest income earned on UF denominated assets financed by liabilities denominated in Chilean pesos, a 15.4% expansion in average interest earning assets due to the increase in the loan portfolio, higher nominal interest rates and a better funding mix. The increase in net financial income was partially offset by lower spreads and a higher negative repricing effect. Fee income, which rose by Ch\$9,133 million (US\$17.9 million) or 27.5% to Ch\$42,371 million (US\$82.9 million) benefited from a 28.6% growth in fee income earned by subsidiaries, particularly the Mutual Fund and Securities Brokerage subsidiaries, as well as a 26.5% growth in fee income generated by banking activities.

Provisions for loan losses amounted to Ch\$11,538 million (US\$22.6 million), a 19.7% increase from the Ch\$9,637 million (US\$18.9 million) reported in the third quarter of 2006, but in line with growth of the loan portfolio, and in keeping with risk levels associated with the retail sector, mainly consumer loans.

Other expenses (net) amounted to Ch\$3,153 million (US\$6.2 million), compared to other income (net) of Ch\$1,290 million (US\$2.5 million) reported in 3Q 2006. The variation is explained by higher charge-offs from the sale of assets received in lieu of payment and higher provisions and lower results from the bank's equity participation in the Transantiago Financial Consortium (AFT).



Operating expenses increased by 5.4% to Ch\$84,346 million (US\$165.0 million) compared to the third quarter of 2006, primarily due to a reclassification of approximately Ch\$3,572 million (US\$7.0 million) to salaries expense (from other services expense) in accordance with the new Chilean labor law which mandated the incorporation of outsourced workers as permanent employees. In addition, a higher level of personnel expenses related to the branch network expansion, communication and technology and rental expenses, partially offset by a reduction in expenses associated with the bank's foreign branches during the period.

Price-level restatement losses totaled Ch\$16,854 million (US\$33.0 million) compared to price-level restatement losses of Ch\$6,372 million (US\$12.5 million) reported in 3Q 2006. The losses in 3Q 2007 reflect the higher inflation experienced during the period (3.2% vs. 1.4% in 3Q 2006).

Net income increased by 16.4% to Ch\$63,912 million (US\$125.0 million) in 3Q 2007, the highest quarterly net income ever reported by the bank, mainly due to the aforementioned increase in operating revenues, which served to more than offset the increase in losses from price-level restatement and higher operating expenses.

As of September 2007, the Bank's loan portfolio (net of interbank loans) had grown by 14.1% to Ch\$10,851,460 million (US\$21.2 billion) over the last twelve month period. The retail segment was particularly robust with notable increases in consumer and mortgage loans as was the wholesale segment registering strong growth in commercial and contingent loans.

Banco de Chile is the second ranked bank in the country with a market share of 18.0% according to information published by the Chilean Superintendency of Banks for the period ended September 30, 2007. Its return on capital and reserves after taxes (annualized) reached 27.5%, making it one of the most profitable banks in the country for the same period. The Chilean financial system as a whole reported a return on capital and reserves of 17.1%, according to the same source.

FOOD & BEVERAGE SECTOR

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

FOOD & BEVERAGE							
	Ownership %	3Q 2006 MCh\$	YTD 2006 MCh\$	2Q 2007 MCh\$	3Q 2007 MCh\$	3Q 2007 MUS\$	YTD 2007 MCh\$
CCU	33.1%	3,127	11,542	2,145	3,313	6.5	14,284

CCU

	Quarter			Accumulated for Year		
	3Q 2006 MCh\$	3Q 2007 MCh\$	3Q 2007 MUS\$	YTD 2006 MCh\$	YTD 2007 MCh\$	YTD 2007 MUS\$
Sales	131,057	137,387	268.7	398,009	429,753	840.6
Operating income (loss)	15,698	17,006	33.3	50,521	63,844	124.9
Net Income (loss)	9,454	10,021	19.6	34,916	43,210	84.5
Total Assets				687,871	712,070	1,392.9
Shareholders' equity				355,728	377,395	738.2

3Q 2007 Results

In the third quarter of 2007, CCU's sales grew by 4.8% compared to the third quarter of 2006, due to an increase in consolidated sales volumes and higher average prices. The growth in sales volumes was led by the Argentine beer



segment (+6.8%), the Chilean beer segment (+3.1%), wines (+10.5%), soft drinks (+2.3%) and spirits (+6.1%). Higher average prices were mostly attributable to the spirits, Argentine wines and soft drinks segments, partially offset by lower prices in the domestic wine, nectars and mineral water segments.

The increase in sales translated directly into an improvement of 8.3% in CCU's operating income, in spite of a 4.0% increase rise in SG&A expenses. The consolidated operating margin, which reflects the seasonality of CCU's business in the winter months, reached 12.4% of sales, compared to 12.0% in the same period of 2006.

CCU reported non-operating losses of Ch\$4,401 million (US\$8.6 million) compared to non-operating losses of Ch\$3,255 million (US\$6.4 million) in 3Q 2006. The deterioration in non-operating results was primarily attributable to higher net interest expense, foreign currency exchanges losses and price-level restatement due to the effects of the higher inflation rate.

Net earnings improved from Ch\$9,454 million (US\$18.5 million) in 3Q 2006 to Ch\$10,021 million (US\$19.6 million) in 3Q 2007, an increase of 6.0%, primarily attributable to the aforementioned improvement in operating results and lower income taxes, partially offset by an increase in non-operating losses.

TELECOMMUNICATIONS SECTOR

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

TELECOMMUNICATIONS							
	Ownership %	3Q 2006 MCh\$	YTD 2006 MCh\$	2Q 2007 MCh\$	3Q 2007 MCh\$	3Q 2007 MUS\$	YTD 2007 MCh\$
Telefónica del Sur	73.7%	1,649	4,854	1,425	919	1.8	3,659

TELEFONICA DEL SUR

	Quarter			Accumulated for Year		
	3Q 2006 MCh\$	3Q 2007 MCh\$	3Q 2007 MUS\$	YTD 2006 MCh\$	YTD 2007 MCh\$	YTD 2007 MUS\$
Sales	14,933	14,648	28.7	44,141	44,686	87.4
Operating income (loss)	3,174	2,216	4.3	9,593	7,626	14.9
Net Income (loss)	2,236	1,247	2.4	6,587	4,963	9.7
Total Assets				136,108	146,847	287.2
Shareholders' equity				73,783	75,316	147.3

3Q 2007 Results

Telefónica del Sur's revenues reached Ch\$14,648 million (US\$28.7 million), varying 1.9% from the Ch\$14,933 million (US\$29.2 million) reported in the third quarter of 2006. Although the revenue mix continued to favor growth in local telephony and Internet services, this growth did not entirely offset the reduction in revenues associated with long distance and public telephones.

Basic telephony services accounted for 44.0% of all revenues, followed by internet (17.2%), user access charges (10.1%), data and telesecurity (9.7%), long distance services (6.1%), public telephones (2.8%) and others (10.1%).

Operating income fell sharply by 30.2% to Ch\$2,216 million (US\$4.3 million), mainly explained by the increment in depreciation (on handsets) and network improvements associated with the PHS wireless "Superinalambrico" telephone launched last year.



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Third Quarter 2007

Telefónica del Sur reported non-operating losses of Ch\$580 million (US\$1.1 million), up by 66.4% from the Ch\$349 million (US\$0.7 million) reported in 3Q 2006. The deterioration in non-operating results was primarily attributable to a reduction in other non-operating income.

Telefónica del Sur reported net income of Ch\$1,247 million (US\$2.4 million), a decrease of 44.2% compared to the third quarter of 2006, mainly as a result of the aforementioned deterioration in operating and non-operating results.

MANUFACTURING SECTOR

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

MANUFACTURING							
	Ownership %	3Q 2006 MCh\$	YTD 2006 MCh\$	2Q 2007 MCh\$	3Q 2007 MCh\$	3Q 2007 MUS\$	YTD 2007 MCh\$
Madeco	46.2%	3,593	13,442	3,003	1,721	3.4	7,901

MADECO

	Quarter			Accumulated for Year		
	3Q 2006 MCh\$	3Q 2007 MCh\$	3Q 2007 MUS\$	YTD 2006 MCh\$	YTD 2007 MCh\$	YTD 2007 MUS\$
Sales	155,269	160,618	314.2	447,988	488,552	955.6
Operating income (loss)	15,524	11,632	22.8	48,193	35,005	68.5
Net Income (loss)	7,784	3,730	7.3	28,884	17,120	33.5
Total assets				443,610	499,254	976.6
Shareholders' equity				261,967	270,639	529.4

3Q 2007 Results

Madeco's sales in the third quarter of 2007 increased by Ch\$5,348 million (US\$10.5 million) or 3.3% from Ch\$155,269 million (US\$303.7 million) to Ch\$160,618 million (US\$314.2 million). The increase in revenues was mainly due to the consolidation of Peruplast, Tech Pak (flexible packaging business unit) and higher sales associated with the cables unit, the effect of which was partially offset by a reduction in sales of the brass mills and aluminum profiles business units.

Wire and cable sales, which accounted for 64.2% of all sales, increased by Ch\$7,303 million (US\$14.3 million) or 7.6% to Ch\$103,078 million (US\$201.6 million), mainly due to higher sales volumes and the consolidation of the Colombian operations of Cedsa, which contributed Ch\$4,981 million (US\$9.7 million).

Sales of the brass mills business unit declined by 26.6% to Ch\$28,460 million (US\$55.7 million), attributable to lower volume sales in Chile and Argentina as well as a drop in export sales, partially offset by higher sales prices vis-à-vis 3Q 2006.

The flexible packaging business unit benefited from the consolidation of the Peruvian Peruplast and Tech Pak operations. Sales of this business unit increased by 69.7% to Ch\$21,169 million (US\$41.4 million), almost entirely due to the inclusion of these companies.

Sales of aluminum profiles were down, decreasing by 7.1 to Ch\$7,911 million (US\$15.5 million) as a result of higher aluminum prices, partially offset by lower sales volumes.

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Sales can be broken down as follows: cables (64.2%), brass mills (17.7%), flexible packaging (13.2%) and aluminum profiles (4.9%).

Madeco's operating income fell by 25.1% to Ch\$11,632 million (US\$22.8 million) as a result of a 15.2% reduction in gross income (-Ch\$3,511 million or US\$6.9 million), which was negatively affected by the rising costs of energy and other operational costs, a 5.1% rise in SG&A expenses (+Ch\$382 million or US\$0.7 million) and lower margins associated with the brass mills and cable units. Operating income of the wire and cable business unit accounted for 75.9% of total operating income, followed by flexible packaging (22.1%), aluminum profiles (2.2%). The brass mills unit reported an operating loss of Ch\$24 million (US\$0.5 thd). The operating margin dropped to 7.2% of sales as a consequence of the weakened operating performance (from 10.0% in 3Q 2006). EBITDA reached Ch\$15,376 million (US\$30.1 million), a decrease of 19.2% compared to the third quarter of 2006.

Non-operating losses amounted to Ch\$4,903 million (US\$9.6 million), down from the Ch\$5,318 million (US\$10.4 million) reported in 3Q 2006. The improvement in non-operating results was mainly attributable to foreign currency translation gains related to the appreciation of the Brazilian real and Colombian peso. In addition, net interest expense declined vis-à-vis the third quarter of 2006 due to lower financial expenses associated with outstanding bonds and higher interest income.

Madeco reported a net profit of Ch\$3,730 million (US\$7.3 million) for the third quarter of 2007, compared to net income of Ch\$7,784 million (US\$15.2 million) in 3Q 2006. The decrease in net quarterly earnings was attributable to the aforementioned deterioration in Madeco's operating performance during the third quarter and higher income tax obligations, minority interest charges, the effect of which was partially offset by lower non-operating losses.

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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