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**QUIÑENCO S.A. ANNOUNCES CONSOLIDATED 2000
FOURTH QUARTER AND YEAR END RESULTS**

(Santiago, Chile, March 16, 2000) Quiñenco S.A. (NYSE:LQ), a leading business conglomerate in Chile and the Southern Cone, announced today its consolidated financial results in Chilean GAAP, for the fourth quarter and the year ended December 31, 2000. Results will be discussed by Quiñenco's senior management in a conference call on Friday, March 23rd, at 11:00 a.m. EST (12 noon 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 (4.7% year-over-year). Figures in US\$ have been converted from Chilean pesos (Ch\$) at the observed exchange rate on December 31, 2000 (Ch\$573.65 = US\$1.00) and are only provided for the reader's convenience.

2000 FINANCIAL HIGHLIGHTS

- **Consolidated sales reached Ch\$451,796 million (US\$787.6 million), an increase of 9.6% over 1999**
- **Operating losses reported in 1999 were completely reverted in 2000; Quiñenco reported operating income for the year of Ch\$15,675 million (US\$27.3 million)**
- **Non-operating losses were Ch\$37,563 million (US\$65.5 million) vs. non-operating gains of Ch\$213,660 million (US\$372.5 million) in 1999 which included large extraordinary gains on the sale of the OHCH banking unit and the cable TV business in that period**



- **The net loss in 2000 of Ch\$5,648 million (US\$9.8 million) included the net loss on the sale of Lucchetti's Argentine operations which amounted to Ch\$7,103 million (US\$12.4 million)**

GROUP HIGHLIGHTS – FOURTH QUARTER AND SUBSEQUENT EVENTS

LQ Inversiones Financieras S.A.

On December 14, 2000, Quiñenco, through its wholly-owned subsidiary LQ Inversiones Financieras S.A., entered into an agreement with the controlling shareholder group of Banco de Chile to acquire 35.8% of the voting rights of Banco de Chile. The corresponding purchase agreement was signed on February 1, 2001 and specifies that the transaction will be closed on or before April 30, 2001. The cost of the acquisition was UF19,726,487.7 (equivalent to US\$545 million).

On February 5, 2001, Quiñenco initiated a tender offer to purchase an additional 5% of SM Chile, the holding company which owns approximately 91.6% of Banco de Chile. The tender offer was carried out at the same per share price that was agreed upon with the controlling shareholder group. It was successfully completed on February 28, 2001 at a cost of Ch\$36,063 million (equivalent to US\$63 million).

Following the closing of the pending transaction no later than April 30, 2001, Quiñenco's (direct and indirect) interest in Banco de Chile will be as follows (includes a 1.0% interest in Banco de Chile and a 11.91% interest in SM Chile held prior to the pending transaction and the February tender offer which was acquired in 1999 and 2000 for approximately US\$121 million):

	<u># of shares</u>	<u>% of shares o/s</u>
Banco de Chile	1,916,851,594	4.27%
SM Chile:		
Series A	377,529,029	66.50%
Series B	5,811,599,313	52.83%
Series D	223,364,748	52.02%
Series E	<u>47,867,153</u>	8.18%
Total SM Chile	6,460,360,243	51.40%

The corresponding voting rights in Banco de Chile related to the above shares approximate 52.7% which will give Quiñenco effective control over Banco de Chile and its subsidiaries.

Lucchetti

On February 14, 2001, Lucchetti, an 87% -owned subsidiary of Quiñenco, announced the sale of its Argentine-based operations to Molinos Rio de la Plata for US\$44.7 million, subject to the approval by the Argentine antitrust authorities. Proceeds related to the sale, which is expected to close in April, will be used to pay down debt.



CCU

On February 23, 2001, Quiñenco informed the investment community that it categorically opposed any joint venture between Paulaner (Quiñenco's partner in IRSA, the holding company which controls 61.6% of CCU) and Heineken that would result in Heineken entering into the ownership of CCU through IRSA. Quiñenco considers that this would represent a serious conflict of interest considering that Heineken competes with CCU in Chile and Argentina. Quiñenco is currently evaluating its alternatives in order to protect the interests of its shareholders and those of CCU.

Net Income Contribution (in millions of Ch\$ as of 12/31/2000)*

Sector/Company	Quiñenco's ownership % at 12/31/2000	4Q 1999	3Q 2000	4Q 2000	YTD 1999	YTD 2000
Manufacturing:						
Madeco (1)	56.11%	(16,912)	(433)	(3,580)	(30,785)	(9,438)
Telecommunications:						
Telsur (1)	73.56%	2,240	1,555	1,624	5,576	5,469
Entel (2)	13.68%	580	985	1,087	2,682	3,825
VTR (1) (3)	100.0%	(2,081)	-	-	30,214	-
Food & Beverage:						
Lucchetti (1)	86.97%	(3,701)	(1,482)	(5,434)	(10,388)	(8,687)
CCU (1)	30.79%	6,969	156	4,607	13,345	7,922
Financial:						
Banco Edwards (1)	51.18%	(2,429)	2,167	2,043	(1,989)	1,625
Banco de Chile (4)	12.28%	-	648	718	-	2,748
OHCH (1)	-	-	-	-	(738)	-
Real estate/hotel admin.:						
Carrera (1)	90.78%	(107)	(508)	(46)	(890)	(1,004)
Habitaria (1)	50.00%	187	(168)	34	(50)	(399)
Total operating companies		(15,254)	2,919	1,053	6,977	2,061
Other income/exp		6,140	4,025	(6,732)	160,868	(7,709)
Net profit/loss		(9,114)	6,944	(5,679)	167,845	(5,648)

* 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 control or indirect control through strategic partnerships.
- (2) Operating company in which Quiñenco holds a minority interest.
- (3) VTR's only activity is its investment in Telsur.
- (4) Interest in Banco de Chile corresponds to voting rights through a 1% interest held directly in Banco de Chile and a 11.9% interest held in SM Chile. In 1999, Quiñenco's 8% interest in Banco de Chile was reported under the lower of cost or market method.



Net Income – 4Q 2000

Quiñenco reported a net loss for the fourth quarter of 2000 which amounted to Ch\$5,679 million (US\$9.9 million), compared to a net loss of Ch\$9,114 million (US\$15.9 million) in the fourth quarter of 1999. Quiñenco's main operating companies reported a net profit during the fourth quarter of 2000 which amounted to Ch\$1,053 million (US\$1.8 million), contrasting sharply with the loss of Ch\$15,254 million (US\$26.6 million) during the fourth quarter of 1999. The reduction in 4th quarter losses was mainly attributable to Madeco, whose performance has improved significantly following the deep restructuring initiated in 1999.

Net Income – Full Year 2000

Quiñenco reported a net loss for the twelve months ended December 31, 2000 which amounted to Ch\$5,648 million (US\$9.8 million), compared to a net profit of Ch\$167,845 million (US\$292.6 million) in 1999. The difference is primarily explained by the sale of the OHCH banking unit and the cable TV unit during 1999 which produced large extraordinary gains in that period.

Profit from operating companies amounted to Ch\$2,061 million (US\$3.6 million), down from Ch\$6,977 million (US\$12.2 million) reported in 1999, which included an extraordinary gain on the sale of VTR Hipercable. In 1999, VTR's, Telsur's and Madeco's (all had direct interests in Hipercable) results were boosted by Ch\$ 36,412 million (US\$63.5 million) as a result of the sale. Excluding the effect of the extraordinary income on 1999 results, profit from operating companies would have shown an increase of Ch\$31,496 million (US\$54.9 million) in 2000, mainly due to a reduction in Madeco's losses.



Consolidated Income Statement Breakdown (in millions of Ch\$ as of 12/31/2000)

	4Q 1999	3Q 2000	4Q 2000	YTD 1999	YTD 2000
Revenues					
Madeco	69,267	79,250	83,438	263,060	302,903
Lucchetti	25,794	25,412	21,262	95,072	96,399
VTR/Telsur	10,447	10,402	10,912	57,565	41,589
Carrera	2,210	1,470	2,116	6,555	7,228
Quiñenco	757	1,204	1,140	3,536	3,677
Total	108,475	117,738	118,868	425,788	451,796
Operating income (loss)					
Madeco	(14,178)	2,651	4,758	(13,237)	9,989
Lucchetti	(1,257)	1,319	(975)	(1,843)	3,426
VTR/Telsur	6,449	3,095	3,504	4,923	11,909
Carrera	72	(344)	44	(233)	(439)
Quiñenco	(4,471)	(2,622)	(2,212)	(10,630)	(9,210)
Total	(13,385)	4,099	5,119	(21,020)	15,675
Non-operating income (loss)					
Interest income	3,602	1,607	1,756	20,340	8,514
Share of net income/loss from related co:					
CCU	6,969	156	4,607	13,345	7,922
Banco Edwards	(2,429)	2,167	2,043	(1,989)	1,625
Habitaria	187	(168)	34	(50)	(399)
Entel	580	985	1,087	2,682	3,825
Banco de Chile	-	648	718	-	2,748
Other equity inv.	(231)	289	(6,279)	1,281	(6,063)
Other non-op income	1,277	10,591	833	257,008	13,196
Amort. of GW expense	(5,320)	(2,764)	(4,930)	(9,088)	(11,712)
Interest expense	(9,278)	(8,884)	(10,919)	(41,839)	(36,954)
Other non-op expenses	(15,078)	(3,186)	(8,708)	(41,202)	(14,292)
Price-level restatement	2,137	643	(3,341)	13,172	(5,973)
Total	(17,584)	2,084	(23,099)	213,660	(37,563)
Income Tax	7,561	(673)	8,968	(22,403)	7,101
Minority Interest	13,312	214	2,931	(4,368)	6,755
Amort. of neg. GW	982	1,220	402	1,976	2,384
Net income	(9,114)	6,944	(5,679)	167,845	(5,648)



Revenues - 4Q 2000

Consolidated revenues for the fourth quarter of 2000 reached Ch\$118,868 million (US\$207.2 million), 9.6% higher than the Ch\$108,475 million (US\$189.1 million) registered in the fourth quarter of 1999, mainly due to an increase in Madeco's sales level during the period. The increase in Madeco's sales in the 4th quarter was attributable to strong demand in Brazil for fiber optic and copper cables from telecommunication operators and increased exports of brassmill products to Europe, Latin America and the USA. This increased activity implied a 20% increase in Madeco's sales compared to the same period in 1999.

The increase in the consolidated sales level was partially offset by a decrease in Lucchetti's sales during the 4th quarter which declined as a result of increased competition from imports in the edible oils segment in Chile, which resulted in lower prices obtained on a per tonnage basis during the quarter.

Revenues- Full Year 2000

Consolidated revenues in 2000 reached Ch\$451,796 million (US\$787.6 million), 6.1% higher than the Ch\$425,788 million (US\$742.2 million) registered in 1999, mainly due to a recovery in Madeco's sales level during the year. Madeco's sales, which increased by 15% in 2000, benefited from strong demand in Brazil for cable products and increased exports of brassmill products to Europe, Latin America and the USA.

With the exception of VTR/Telsur, all consolidating companies showed improvements in their sales level in 2000, having benefited from a more stable economic scenario than experienced in 1999. VTR/Telsur reported a decrease in sales of 27.8% in 2000, however continuing operations only include Telsur after the sale of the cable TV operations in 1999, thus distorting the comparison year-over-year.

Operating Income - 4Q 2000

Operating income for the fourth quarter of 2000 reached Ch\$5,119 million (US\$8.9 million), a marked improvement over the operating loss of Ch\$13,385 million (US\$23.3 million) reported during the same period in 1999. The improvement in operating results was primarily due to Madeco, which was able to reverse the operating losses reported in the 4th quarter of 1999 due to the aforementioned recovery in its sales level as well as a reduction in its SG&A expenses which in 1999 included non-recurring expenses related to the restructuring initiated during that period.



Operating Income – Full year 2000

Operating income for the twelve months ended December 31, 2000 was Ch\$15.675 million, (US\$27.3 million) showing an increase of Ch\$36,695 million (US\$64.0 million) over the operating loss of Ch\$21.020 million (US\$36.6 million) in 1999. The improvement in operating results was primarily due to Madeco and Lucchetti, both of which totally reverted 1999's operating losses. In addition, VTR/Telsur's operating income increased by over 141% in 2000. In 1999, Telsur's operating income included extraordinary depreciation charges related to the company's useful life estimates of certain fixed assets which mainly explains the changes between the two years.

Non-Operating Results - 4Q 2000

Quiñenco reported non-operating losses of Ch\$23,099 million (US\$40.3 million) in the fourth quarter of 2000, compared to non-operating losses of Ch\$17,584 million (US\$30.7 million) during the same period in 1999. The increase in non-operating losses during the period was mostly related to the loss on the sale of Lucchetti's Argentine operation which amounted to Ch\$7,103 million (US\$12.4 million), recognized in the 4th quarter of 2000. In addition, Quiñenco reported price-level restatement losses of Ch\$3,341 million (US\$5.8 million) compared to the price-level restatement gains of 2,137 million (US\$3.7 million) in the same period in 2000.

Non-Operating Results- Full year 2000

Non-operating losses amounted to US\$37,563 million (US\$65.5 million) in 2000, compared to non-operating profit of Ch\$213,660 million (US\$372.5 million) in 1999. 1999's non-operating profit was mainly composed of the extraordinary gain on the sale of the OHCH banking unit and the cable TV operation which amounted to more than Ch\$235,805 million (US\$411 million).

In addition, Quiñenco reported price-level restatement losses of Ch\$5,973 million (US\$10.4 million) in 2000 compared to price-level restatement gains of Ch\$13,172 million (US\$23.0 million) in 1999. 1999 price-level restatement gains were the result of deposits made in US dollars composed of proceeds from the sale of the banking and cable TV business units which appreciated vis-a-vis the Chilean peso during that period.

Income Taxes - 4Q 2000

Income taxes reported during 4Q 2000 were Ch\$8,968 million (US\$15.6 million), compared to Ch\$7,561 million (US\$13.2 million) during the same period in 1999.



Income Taxes- Full Year 2000

Quiñenco reported an income tax credit in 2000 which amounted to Ch\$7,101 million (US\$12.4 million), compared to income taxes of Ch\$22,403 million (US\$39.1 million) during the same period in 1999. The level of income taxes corresponding to 1999 are related to the capital gain on the sale of the banking and cable TV business units in that year. The tax credit in 2000 mostly relates to Lucchetti's application of the new deferred tax accounting norms which produced a one-time tax credit of Ch\$6,450 million (US\$11.2 million) in 2000.

Condensed Consolidated Balance Sheet (in millions of Ch\$ as of 12/31/2000)			
Quiñenco	As of 12/31/99	As of 12/31/2000	As of 9/30/2000
Current assets	402,149	375,519	259,317
Fixed assets	440,932	409,430	434,713
Other assets	516,190	582,871	562,424
Total	1,359,271	1,367,820	1,256,454
Current liabilities	308,245	328,010	296,723
Long-term liabilities	254,451	300,474	205,396
Minority interest	104,130	102,320	105,834
Shareholders' equity	692,445	637,016	648,501
Total	1,359,271	1,367,820	1,256,454

CONSOLIDATED BALANCE SHEET ANALYSIS (vis-a-vis the 3rd quarter of 2000)

Current Assets

Current assets increased 44.8% compared to the third quarter of 2000, mainly due to an increase in other current assets which included cash deposits of Ch\$135,338 million (US\$235.9 million) made under repurchase agreements.

Fixed Assets and Other Assets

Fixed assets and Other assets did not vary significantly compared to the third quarter of 2000.

Current Liabilities

Current liabilities increased 10.5% compared to the third quarter of 2000, principally due to an increase in short-term banking obligations at the Quiñenco corporate level related to the Banco de Chile share acquisition.

Long-Term Liabilities

Long-term liabilities increased by 46.3% compared to the third quarter of 2000 mainly due to new borrowings at the Quiñenco corporate level related to the Banco de Chile share acquisition.



Minority Interest

Minority interest did not vary significantly compared to the third quarter of 2000.

Equity

Shareholders' equity decreased by 1.8% compared to the third quarter of 2000.

Quiñenco Corporate Level

As of December 31, 2000, financial debt at the corporate level was approximately US\$312.0 million. As of the same date, cash and cash equivalents amounted to approximately US\$237.9 million. The debt to total capitalization ratio at the corporate level was 21.9%.

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) (%)
Madeco		3.1%
Telsur		12.4%
Lucchetti		4.1%
Carrera		-1.6%
CCU		8.2%
Habitaria		1.9%

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

Return on Capital Employed (ROCE) for the twelve months ended December 31, 2000 indicates a significant improvement over the same period in 1999. This is the case in each operating company with the exception of CCU whose ROCE measurement was affected by the lower level of consolidated operating income generated during the year.



SECTOR /OPERATING COMPANY ANALYSIS

The following table details Quiñenco's proportional share of income from investments in the manufacturing sector during 1999 and 2000:

(in millions of Ch\$ as of 12/31/2000)

Sector	MANUFACTURING						
Company	Ownership %	3Q 1999	4Q 1999	YTD 1999	3Q 2000	4Q 2000	YTD 2000
Madeco	56.11%	(4,387)	(16,912)	(30,785)	(433)	(3,580)	(9,438)

MADECO

(in millions of Ch\$ as of 12/31/2000)

	4Q 1999	3Q 2000	4Q 2000	YTD 1999	YTD 2000
Sales	69,267	79,250	83,438	263,060	302,903
Operating income (loss)	(14,178)	2,651	4,758	(13,237)	9,989
Net Income (loss)	(29,932)	(772)	(6,381)	(54,487)	(16,786)
Total assets	423,374	434,617	438,809		
Shareholders' equity	157,839	161,606	155,384		

Fourth Quarter Results

Madeco's sales level in the fourth quarter of 2000 increased by over 20% to Ch\$83,438 million (US\$145.5 million). Sales growth was led by the Wire and Cable segment in the Brazilian operations due to a significant increase in the volume of copper and fiber optic cables sold during the period. The Brassmills segment also showed a substantial increase in revenue earned during the period due to price and volume increases. Sales of the Wire and Cable business unit accounted for 58.2% of total sales, followed by Brassmills (22.1%), Flexible Packaging (11.7%) and Aluminum Profiles (8%).

Operating losses incurred during the 4th quarter of 1999 were totally reverted in the 4th quarter of 2000 due to the improved performance from the Wire and Cable and Brassmills segments. Operating results benefited from a 48% reduction in SG&A expenses which, in 1999 included Madeco's non-recurring charges related to the restructuring plan carried out in that year.

Non-operating losses were reduced by 23.9% in 4Q 2000. In the fourth quarter of 1999, Madeco's non-operating results were heavily impacted by expenses related to the company's restructuring plan which included severance charges and other related expenses. The improvement in operating and



non-operating results during the quarter served to reduce Madeco's net loss by 78.7% during the period to Ch\$6,381 million (US\$11.1 million).

Full Year 2000 Results

Madeco's sales level in 2000 increased by over 15% to Ch\$302,903 million (US\$528.0 million). Sales growth was led by the Wire and Cable and the Brassmills business units. Aggressive commercial strategies which were implemented in all of the business units were oriented towards providing superior customer service. Sales of the Wire and Cable business unit accounted for 55.8% of total sales, followed by Brassmills (23.1%), Flexible Packaging (13.6%) and Aluminum Profiles (7.5%).

Operating losses incurred during 1999 were totally reverted in the course of 2000. All of Madeco's business units generated positive operating results in 2000, marking the turnaround in the company's performance. Operating income generated by the Wire and Cable business unit accounted for 30.6% of total operating income, Brassmills, 51.7%, Flexible Packaging, 17.3%, and Aluminum Profiles, 0.5%.

In 1999, non-operating losses included extraordinary charges to income related to the initiation of the Company's restructuring process. In 2000, non-operating losses were reduced by 30.1% although extraordinary charges were made corresponding to provisions for bad debts in Madeco's Argentine operations. The net loss reported in 2000 was reduced by 69.2%, as a result of the improved operating performance of Madeco and its subsidiaries as well as a reduction in the aforementioned non-operating losses.



The following table details Quiñenco's proportional share of income from investments in the telecommunications sector during 1999 and 2000:

(in millions of Ch\$ as of 12/31/2000)

Sector	TELECOMMUNICATIONS						
Company	Ownership %	3Q 1999	4Q 1999	YTD 1999	3Q 2000	4Q 2000	YTD 2000
VTR	100.00%	936	(2,081)	30,214	-	-	-
Telsur	73.56%	1,601	2,240	5,576	1,555	1,624	5,469
Entel (1)	13.68%	2,516	580	2,682	985	1,087	3,825

(1) non-controlling interest

TELSUR

(in millions of Ch\$ as of 12/31/2000)

	4Q 1999	3Q 2000	4Q 2000	YTD 1999	YTD 2000
Revenues	10,658	10,402	10,912	43,273	41,589
Operating income (loss)	3,656	3,095	3,504	6,438	11,909
Net Income (loss)	3,349	2,113	2,208	10,846	7,435
Total assets	111,595	109,333	113,499		
Shareholders' equity	51,256	51,563	52,102		

Fourth Quarter Results

Telsur's revenues in the fourth quarter of 2000 were Ch\$10,912 million (US\$19.0 million), up 2% from the sales level reported during the same period in 1999, mainly due to higher local per minute charges and long distance revenue. Operating income decreased by 4.2% principally due to an increase in depreciation charges related to changes in the estimated useful life of company fixed assets.

Telsur reported net income for the fourth quarter of 2000 of Ch\$2,208 million (US\$3.8 million), down by 34.1% from the same period in 1999. In the same period in 1999, Telsur reported an income tax credit associated with tax accounting treatment of changes in the estimated useful lives of the Company's fixed assets which had a positive effect on net income during the 4th quarter of that year.

Full Year 2000 Results

Telsur's revenues reached Ch\$41.589 million (US\$72.5 million) in 2000, down only 3.9% from those reported in 1999, demonstrating the company's ability to adapt itself to the new tariff structure



imposed in 1999. The decline in access charges was partially offset by revenues related to non-regulated services, including Internet provider services and extension of its public telephone network.

Operating profit rose to Ch\$11.909 (US\$20.8 million) in 2000, up 85% over 1999, due to a reduction in operating costs, mostly related to changes in the estimated useful lives of the company's main assets which served to decrease depreciation expense during the period by 31%.

Net profit in 2000 amounted to Ch\$7,435 million (US\$13.0 million), down from the Ch\$10,846 million (US\$18.9 million) reported in 1999 which included an extraordinary gain of Ch\$9.788 million (US\$17.1 million) on the sale of Telsur's participation in the Hipericable cable TV operation

The following table details Quiñenco's proportional share of income from investments in the food & beverage sector during 1999 and 2000:

(in millions of Ch\$ as of 12/31/2000)

Sector	FOOD & BEVERAGE						
Company	Ownership %	3Q 1999	4Q 1999	YTD 1999	3Q 2000	4Q 2000	YTD 2000
Lucchetti	86.97%	(2,044)	(3,701)	(10,388)	(1,482)	(5,434)	(8,687)
CCU	30.79%	1,221	6,969	13,345	156	4,607	7,922

LUCCHETTI

(in millions of Ch\$ as of 12/31/2000)

	4Q 1999	3Q 2000	4Q 2000	YTD 1999	YTD 2000
Sales	25,794	25,412	21,262	95,072	96,399
Operating income (loss)	(1,257)	1,319	(975)	(1,843)	3,426
Net Income (loss)	(4,249)	(1,705)	(6,249)	(12,763)	(9,988)
Total assets	149,210	150,042	134,806		
Shareholders' equity	45,510	42,737	35,888		

Fourth Quarter Results

Lucchetti reported sales of Ch\$21,262 million (US\$37.1 million) in the fourth quarter of 2000, down 17.6% compared to the same period in 1999. The decrease mostly corresponded to lower sales of edible oils in Chile during the period.



The operating loss decreased by 22.4% in the fourth quarter to Ch\$975 million (US\$1.7 million) from Ch\$1,257 million (US\$2.2 million) in the 4th quarter of 1999. The slight improvement in operating results is primarily attributable to improved margins in the Peruvian operation which benefited from higher average pasta prices per ton compared to the same period in 1999.

Lucchetti reported a net loss for the fourth quarter of 2000 of Ch\$6,249 million (US\$10.9 million.). Included in non-operating losses was the loss on the sale of Lucchetti's Argentine operations which amounted to Ch\$7,103 million (US\$12.4 million), partially offset by tax credits amounting to Ch\$6,963 million (12.1 million).

Full Year 2000 Results

Lucchetti reported sales of Ch\$96,399 million (US\$168.0 million) in the fourth quarter of 2000, up 1.4% over 1999 in spite of the political and economic problems in Peru, the weak Argentine economy and the slower than expected consumer demand recovery in the Chilean market.

At the operating profit level, Lucchetti completely reverted the operating losses reported in 1999 owing to a higher gross margin related to production efficiencies and a reduction in the level of SG&A expenses in all three of Lucchetti's operations.

Lucchetti reported a net loss for the twelve months ended December 31, 2000 of Ch\$9,988 million (US\$17.4 million). Included in non-operating losses was the loss on the sale of Lucchetti's Argentine operations which amounted to Ch\$7,103 million (US\$12.4 million), and interest expense of Ch\$8,817 million (US\$15.4 million). A tax credit amounting to Ch\$6,450 million (11.2 million) partially offset the amount of the net loss reported for the year.

CCU

(in millions of Ch\$ as of 12/31/2000)

	4Q 1999	3Q 2000	4Q 2000	YTD 1999	YTD 2000
Sales	95,499	72,174	97,576	304,054	317,376
Operating income (loss)	19,937	4,212	21,112	41,948	39,440
Net Income (loss)	22,634	507	14,962	43,117	25,727
Total assets	622,115	612,470	625,466		
Shareholders' equity	397,012	395,011	401,955		

Fourth Quarter Results



CCU's sales in the fourth quarter of 2000 increased by 2.2% compared to the fourth quarter of 1999, mainly due to a 2.6% increase in volume sold and 0.2% higher average prices. The growth in volumes sold was led by increased volume in the Chilean beer segment (4.7%), the domestic and export wine segment (19.3% and 31.4%) and the soft drinks (0.7%) and Chilean mineral water segments (13.5%). A reduction in sales volume was reported in the Argentine beer and mineral waters segments which decreased by 7.1% and 43.8% respectively, during the fourth quarter, partially offsetting the increase in volume sold in the segments mentioned above.

CCU reported an increase of 5.9% in operating income in the fourth quarter of 2000, compared to the fourth quarter of 1999. This increase was a result of the higher sales level which contributed to a 1.2% increase in gross profit and a 1.6% reduction in SG&A expenses.

Net income reported in the fourth quarter of 2000 decreased by 33.9% to Ch\$14,962 million (US\$26.1 million) and was mainly attributable to lower non-operating results, partially offset by higher operating results, lower income taxes and lower minority interest related to the acquisition of the 45% of ECUSA in November 1999.

Full Year 2000 Results

CCU's revenues increased by 4.4% in 2000, mostly driven by volume growth in the soft drink and wine segments. Operating income dropped 6% to Ch\$39,440 million (US\$68.8 million) during the period due to an increase in marketing expenses and distribution costs, partially offset by a reduction in salaries expense. Non-operating losses, which included non-recurring severance expense related to the company's cost reduction plan which was implemented in mid-year totaled Ch\$7,968 million (US\$13.9 million). As a consequence, net profit for the year 2000 was Ch\$25,727 (US\$44.8 million), down from the Ch\$43,117 million (US\$75.2 million) reported in 1999.

EBITDA reached Ch\$77,220 million (US\$134.6 million), up by 0.5% over 1999, driven by an increase in EBITDA in the soft drinks division, mostly corresponding to the successful launching and marketing of the Watts juice line in 2000.

The following table details Quiñenco's proportional share of income from investments in the financial services sector during 1999 and 2000:

(in millions of Ch\$ as of 12/31/2000)

Sector	FINANCIAL SERVICES
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Company	Ownership %	3Q 1999	4Q 1999	YTD 1999	3Q 2000	4Q 2000	YTD 2000
Banco Edwards	51.18%	440	(2,429)	(1,989)	2,167	2,043	1,625
Banco de Chile	12.28%	-	-	-	648	718	2,748
(1)(3)	-	-	-	(738)	-	-	-
OHCH (2)							

- 1) Until March 31, 2000, the investment in Banco de Chile was accounted for as a long-term investment under the lower of cost or market method. As of June 30, 2000, this investment is being accounted for under the equity method.
- 2) OHCH was divested in 2Q 1999.
- 3) corresponds to a non-controlling interest

BANCO EDWARDS

(in millions of Ch\$ as of 12/31/2000)

	4Q 1999	3Q 2000	4Q 2000	YTD 1999	YTD 2000
Operating revenues	31,235	33,189	36,231	127,364	130,470
Provision for loan losses	(37,884)	(5,798)	(6,866)	(66,888)	(35,380)
Operating expenses	(17,386)	(22,579)	(24,098)	(68,850)	(84,501)
Net Income (loss)	(20,494)	(4,204)	3,979	(6,910)	3,176
Loan portfolio	2,083,013	2,202,071	2,272,442		
Total assets	2,539,208	2,690,658	2,827,326		
Shareholders' equity	220,814	220,100	224,003		

Fourth Quarter Results

Banco Edwards reported net income for the fourth quarter of 2000 of Ch\$3,979 million (US\$6.9 million), compared to a net loss of Ch\$20,494 million (US\$35.7 million) in the fourth quarter of 1999. The increase in net income reflected a decline in provisions for loan losses which together with an increase in operating revenues, offset the growth in operating expenses reported during the period.

Full year 2000 Results

Banco Edwards reported net income for the year ended December 31, 2000 of Ch\$3,176 million (US\$5.5 million), compared to a net loss of Ch\$6,910 million (US\$12.0 million) in 1999. The increase in net income reflected a decline of 47.1% in provisions for loan losses, which together with a growth in operating revenues, offset the increase in operating expenses related to the bank's expansion program incurred during the period.



As of December 2000, the Bank's loan portfolio showed an overall recovery in its expansion level, having grown 9.1% over the last twelve months. Loan expansion was strongest in foreign trade loans (52.1%) and consumer loans (20.5%). In terms of market segments, the corporate banking sector grew by 63.3%, followed by the high income individual segment which grew by 14.1%.

The following table details Quiñenco's proportional share of income from investments in the real estate/hotel administration sector during 1999 and 2000:

(in millions of Ch\$ as of 12/31/2000)

Sector	REAL ESTATE/HOTEL ADMINISTRATION						
	Ownership %	3Q 1999	4Q 1999	YTD 1999	3Q 2000	4Q 2000	YTD 2000
Hoteles Carrera Habitaria	90.78%	(350)	(107)	(890)	(508)	(46)	(1,004)
	50.00%	(101)	187	(50)	(168)	34	(399)

HOTELES CARRERA

(in millions of Ch\$ as of 12/31/2000)

	4Q 1999	3Q 2000	4Q 2000	YTD 1999	YTD 2000
Sales	2,210	1,470	2,116	6,555	7,228
Operating income (loss)	72	(344)	44	(233)	(439)
Net Income (loss)	(118)	(559)	(51)	(981)	(1,106)
Total assets	24,301	23,771	23,557		
Shareholders' equity	14,629	13,581	13,523		

Fourth Quarter Results

Carrera's sales revenues were down by 4.3% during the fourth quarter of 2000, reflecting the slow economic recovery in the country. The chain continued to face increased competition, which coupled with weak demand, has continued to negatively affect occupancy rates and average daily rates.

Hoteles Carrera reported operating income during the fourth quarter of 2000 of Ch\$44 million (US\$77 thousand), down from the Ch\$72 million (US\$126 thousand) reported in the 4th quarter of 1999. The reduction is attributable to the new hotels which have yet to breakeven on an operational basis. The aforementioned factors translated into a net loss for the fourth quarter of 2000 of Ch\$51 million (US\$0.1 million).

Full Year 2000 Results



Hoteles Carrera's sales increased by 10.3% to Ch\$7,228 million (US\$12.6 million) in 2000. The increase in the sales level during the year is related to the incorporation of the new hotels in the north of Chile which were operational all of 2000. Additionally, the Santiago Hotel Carrera's sales level expanded to higher retail sales of food and beverages in connection with the hotel's executive lunch restaurant.

Carrera reported a net loss in 2000 of Ch\$1,106 million (US\$1.9 million), up 12.8% from the same period in 1999, mainly attributable to the new hotels in the north which have not yet reached break even, aggravated by the weak internal consumer demand shown during the year.



HABITARIA

(in millions of Ch\$ as of 12/31/2000)

	4Q 1999	3Q 2000	4Q 2000	YTD 1999	YTD 2000
Sales	3,095	836	3,975	3,740	6,271
Operating income (loss)	307	(369)	(72)	(296)	(930)
Net Income (loss)	372	(335)	67	(101)	(799)
Total assets	28,476	40,020	40,283		
Shareholders' equity	9,462	13,330	13,392		

Fourth Quarter Results

During the fourth quarter of 2000, Habitaria recorded net income of Ch\$67 million (US\$117 thousand). Since Habitaria recognizes income (and its corresponding cost) related to the sale of its apartments upon complete delivery, revenues may not fully reflect apartments sold under agreement during the period. Administration and overhead expenses are recognized when incurred. Therefore, financial statements may reflect a mis-matching of revenues and expenses. During the fourth quarter of 2000, Habitaria delivered 89 apartments, corresponding to three projects. During the same period, Habitaria sold 43 apartments to be delivered in future periods. The sales pace, although swifter than in the same period in 1999, continues to be unsatisfactory and is related to the slower than expected economic recovery in the real estate sector.

Full Year 2000 Results

During 2000, Habitaria reported a sales increase of over 67.7% compared to 1999, reflecting the marginal increase in activity seen in Chile's depressed real estate market and a larger overall project portfolio available for sale. Since Habitaria recognizes income (and its corresponding cost) related to the sale of its apartments upon complete delivery, revenues may not fully reflect apartments sold under agreement during the period. Administration and overhead expenses are recognized when incurred. Therefore, financial statements may reflect a mis-matching of revenues and expenses. During 2000, Habitaria delivered 161 apartments. During the same period, Habitaria sold 128 apartments to be delivered in future periods. Its portfolio as of December 31, 2000 was 731 apartments .