



QUIÑENCO S.A.



Citigate Dewe Rogerson

New York

1440 Broadway
New York, N.Y. 10018

Telephone 212-688-6840
Facsimile 212-838-3393

FOR IMMEDIATE RELEASE

For further information contact:

David Perez
Investor Relations
Quiñenco S.A.
(56-2) 698-3580
E-Mail: dperez@lq.cl

or

Noah Fields
Citigate Dewe Rogerson
(212) 688-6840
E-Mail: nfields@dewerogerson.com
Web Site: www.dewerogerson.com

QUIÑENCO (NYSE: LQ) REPORTS NOTICE OF ESSENTIAL FACT REGARDING ITS INVESTMENT IN THE BANKING SECTOR

March 3, 1999, Santiago, Chile

The following is a translation of a notice delivered today by Quiñenco S.A. to Chile's Superintendency of Securities and Insurance concerning Quiñenco's investment in OHCH:

Pursuant to Article 9 and Section 2 of Article 10 of Law 18,045, and pursuant to the General Standard N° 30 of the Superintendency, we report the following:

- A. On February 12, 1999 the Company received a notice from Banco Central Hispanoamericano (BCH) which in its relevant portion states:

"We refer to the Shareholders Agreement of O'Higgins Central Hispanoamericano S.A. ("OHCH") dated November 16, 1995. As stipulated in its seventh clause, letter A), Banco Central Hispanoamericano S.A. ("BCH") exercises its right to end the joint participation in OHCH and notifies you that the valuation that BCH places on 100% of OHCH's capital is US\$ 1,200 million, resulting in a valuation of the corresponding interests of each group of US\$ 600 million."

- B. During an Extraordinary Meeting of the Board of Directors of Quiñenco S.A. held on February 16, 1999, the Board took the aforementioned notice under consideration and agreed to report it to the Superintendency as a "Confidential Event", pursuant to Article 10 of Law 18,045, considering that Quiñenco S.A. holds a different position

regarding the interpretation of the Shareholders Agreement and its relationship with the merger agreed between BCH and Banco Santander, discussions were initiated with the objective of adequately protecting the Company's interests.

- C. Considering that the time period the Board of Directors deemed reasonable to reach a solution has elapsed, and that no solutions have been reached during the meetings to date, the Board of Directors during its Ordinary Meeting held on March 3, 1999 has agreed to lift the confidentiality governing the information reported to the Superintendency, and has decided to report this information publicly as an Essential Fact.
- D. Consequently, the Board of Directors shall continue to study the legal recourses and actions to be followed, as well as the financial alternatives implied by this matter in order to obtain the best outcome possible for the Company, which shall be publicly reported to the Superintendency in due course.

Sincerely,

Guillermo Luksic C.
Chairman

(End Translation)

In response to inquiries, The Company, through its director of Investor Relations, Mr. David Perez, offered the following observations related to the above Notice:

- The paragraph in section "A" above relates to provisions in the OHCH Shareholders' Agreement, which BCH deems it can exercise, containing reciprocal rights for the purchase or sale of the partners' interests in OHCH.
- OHCH is the joint venture company through which Quiñenco and BCH hold interests in Banco Santiago and other banks in the Southern Cone.

#