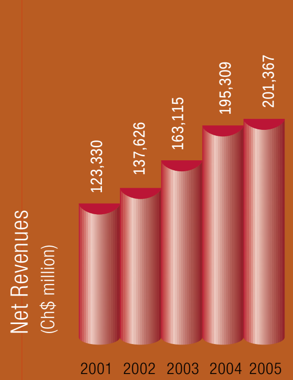
Viña Concha y Toro's dedication to, and passion for, the creation of great wines was amply recognised in 2005. It was a year in which the company received its most important distinction yet for one of its labels: Don Melchor 2001 took fourth place among the 100 best wines of the year in an influential ranking compiled by Wine Spectator, the prestigious specialist magazine.

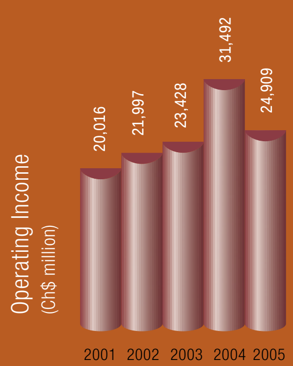
We felt a great sense of pride being able to share such an important place among the most prestigious wines of the world.

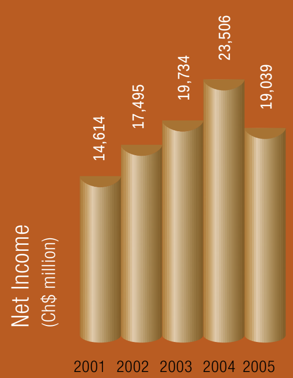
Concha y Toro received constant praise from the world's wine critics for its wine's consistent quality, even among the high-volume lines. Thanks to the excellent marks awarded to its wines, the winery was included in the main lists of the world's most outstanding and reliable cellars.
This helped raise the brand's profile and prestige to a new global level.

FINANCIAL OVERVIEW

	2005	2004	2003	2002	2001
(Consolidated figures in millions of Chilean pesos as of December 31, 2005)					
INCOME STATEMENT					
Net Revenues	201,367	195,309	163,115	137,626	123,330
Gross Profit	69,994	75,947	62,942	53,703	45,689
Operating Income	24,909	31,492	23,428	21,997	20,016
Net Income	19,039	23,506	19,734	17,495	14,614
AS A PERCENTAGE OF REVENUES:					
Gross Margin	34.8%	38.9%	38.6%	39.0%	37.0%
Operating Margin	12.4%	16.1%	14.4%	16.0%	16.2%
Net Income	9.5%	12.0%	12.1%	12.7%	11.8%
BALANCE SHEET					
Total Assets	307,963	267,214	231,890	209,437	200,093
Total Liabilities	137,812	105,562	85,175	72,594	75,117
Shareholders' Equity	170,151	161,653	146,716	136,844	124,976
Financial Debt	88,839	61,522	45,804	36,322	43,460
ROA	6.2%	8.8%	8.5%	8.4%	7.3%
ROE	11.2%	14.5%	13.5%	12.8%	11.7%
Financial Debt/Equity	0.52	0.38	0.31	0.27	0.35
Share Price (Ch$)	755.02	820.5	541.6	529.8	519.2
Earnings per share (Ch$)	26.5	32.7	27.4	24.3	20.3
Earnings per ADR (US$)	1.03	1.13	0.87	0.63	0.56
EBITDA	35,754	40,247	31,179	28,086	26,442
Margen EBITDA	17.8%	20.6%	19.1%	20.4%	21.4%







	2005	2004	2003	2002	2001
SALES VOLUME *(9 liter cases - thousand)*					
Chile:					
Export Market	10,551	9,496	7,369	6,314	5,460
Domestic Market	6,770	6,673	6,957	6,618	6,051
Argentina:					
Export Market	1,238	777	433	214	150
Domestic Market	548	747	641	316	153

Dear Shareholders,

The big event of the year was the fourth place awarded Don Melchor 2001 in the 100 best wines of the year as ranked by the influential Wine Spectator magazine.

The national wine industry had to confront great challenges throughout 2005. Without doubt, the most important of these was the strength of the local currency, the Chilean peso, whose surge during the year had a dramatic impact on an industry that exports 60 per cent of its output. At the same time, a significant rise in the price of grapes for the 2005 vintage added to relative costs.

This difficult business environment meant Viña Concha y Toro's 2005 results were heavily affected. Consolidated sales edged ahead 3.1 per cent year-on-year, to Ch$201,367 million. However, operating profits dropped 20.9 per cent, to Ch$24,909 million, and the operating margin was cut from 16.1 per cent to 12.4 per cent. This reduction in margin is explained mainly by the strong appreciation of the Chilean peso against the company's main trading currencies: the US dollar, euro and pounds sterling.

Greater production costs, influenced by higher grape prices, also hurt margins, although this was partly offset by improved profitability in the domestic market and the reduced cost of production input denominated in foreign currency.

Profits of Ch$19,039 million for 2005, down 19 per cent on 2004, reflect how much the unfavorable business environment clouded the year for the wine industry.

However, a closer analysis of the results and a breakdown of the company's main business areas —such as export sales, domestic activity and subsidiaries — shows healthy growth and a better performance than the national average.

Measured in dollars, export returns maintained a double-digit growth rate, of 11.9 per cent, to reach US$215 million. Shipments, to more than 110 countries, rose 11.1 per cent to mark a new record of 10,551,000 cases.

Concha y Toro's performance easily outstripped growth shown by the rest of Chile's wine export sector. Our wines have consolidated a strong position in the main markets of the world, to the point where one in every three Chilean wines sold is from the Viña Concha y Toro.

In the domestic market, the company reported excellent results thanks to a medium-term strategy aimed at recovering profitability. Sales grew 15.1 per cent, mainly as a result of higher average prices in the principal categories. It is worth mentioning here that growth outstripped the industry average and that our share of the domestic market, in volume terms, reached 27.1 per cent, it's highest point in recent years.

Our subsidiaries have made an important contribution to sales growth at the company. Concha y Toro UK kept up its strong growth rate thanks to the expansion of its distribution channels to wholesalers and supermarkets. This allowed Concha y Toro to position itself among the 15 best-selling brands in the English market. Shipments of Viña Cono Sur, for its part, beat the 2 million-case target, helped by critical acclaim around the world for the quality and innovative, expressive style of its wines. Finally, Trivento Bodegas y Viñedos, our Argentine subsidiary, continued to grow at a surprisingly brisk pace. Its exports grew about 60 per cent in 2005, consolidating the cellar as Argentina's second-biggest wine exporter.

The year 2005 was also one of important achievements in terms of recognition for the Concha y Toro brand and for its portfolio of products. Prestigious international publications highlighted the consistency and focus on quality of our winery and its wines. Wine Spectator placed the company among its 20 best "Sure Bet Values" list; Wine & Spirit named Concha y Toro "Value Brand of the Year" and "Winery of the Year" – for the 11th time.

However, the big event of the year was the fourth place awarded Don Melchor 2001 in the 100 best wines of the year as ranked by the influential Wine Spectator magazine. Such a distinction confirms the strength and consistency that the vineyard of Puente Alto has been delivering for years. This vineyard is widely acknowledged as producing among the best Cabernet Sauvignon stock in the world. To all this must be added the innumerable mentions and

garlands for the Terrunyo, Marqués de Casa Concha and Trio lines.

With its excellent price/quality ratio, the Casillero del Diablo brand continues to delight thousands of consumers around the world, who have positioned it among the best value-for-money wines in its category. Global sales of the label in 2005 rose 15 per cent, to 1.7 million cases.

What is certain is that behind every wine carrying the Concha y Toro label there is a dedicated team of vine-cultivators, oenologists and other specialists, backed up by an efficient sales and marketing force. Total investment in 2005 reached US$61 million. The most important feature of this was a series of land purchases that added 1,450 hectares of vineyards to Concha y Toro's Chilean network. Expansion in the Limarí Valley, a relatively new production zone, was a strategic move offering exciting potential in the cultivation of quality grapes while allowing the company to diversify further its range of denominations by origin. There were also purchases of new land in the Rapel Valley, which will be planted between 2006 and 2007. Investment in oenology encompassed mainly an increase in storage barrels as well as cellar expansion in Cachapoal and Chimbarongo, where technology has also been updated.

In Argentina, meanwhile, we sought to maintain the rapid growth of Trivento. Investment in this country included the acquisition of 213 hectares, a purchase that has allowed for important diversification of vineyards in the principal wine-growing zones of Argentina.

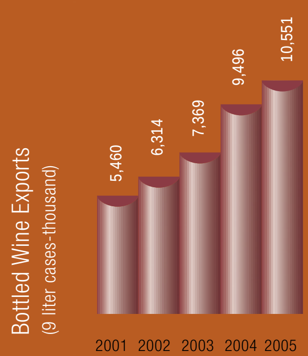
The successes and achievements of our company during the year offer a true reflection of the talent and dedication of each and every one of the people who work for us. This combined effort translates into efficiency and innovation. We will continue to move along this path of excellence, with each business area making its own contribution. This is, without doubt, the stamp that sets the Concha y Toro label apart from the rest.

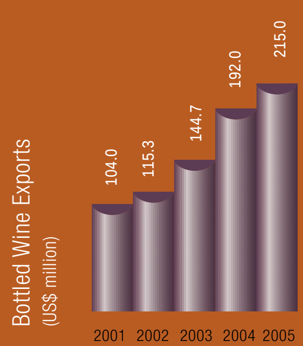
ALFONSO LARRAÍN SANTA MARÍA
Chairman

Viña Concha y Toro turned in important export growth and improved market share and positioning in key markets. In a highly competitive global market, the company consolidated brand growth and sought new business opportunities wherever conditions favoured the promotion of wine consumption.

Returns from exports rose 11.9 per cent, to US$215 million. Total shipments, to more than 110 countries, reached a record 10.551 million cases, 11.1 per cent ahead of year-ago volumes.

Throughout 2005, Concha y Toro continued driving the Chilean wine industry, with growth rates double that of the sector. By value, the company accounted for 27 per cent of Chilean exports of bottled wine, and 32 per cent by volume. This meant that one in every three bottle of Chilean wine sold abroad carried the Concha y Toro seal.





Returns from exports rose 11.9 per cent, to US$215 million. Total shipments, to more than 110 countries, reached a record 10.551 million cases.

The United States

Exports to the US were worth US$44 million, up 8.1 per cent on the year-ago figure. Volume was 2.545 million cases, a rise of 1.7 per cent on 2004. A strategy built around delivering an improved mix of products resulted in a 56 per cent increase in the premium category – promising great growth potential – with broad acceptance of the Casillero del Diablo and Marqués de Casa Concha lines. A 6.3 per cent increase in the average registered price in the US is noteworthy.

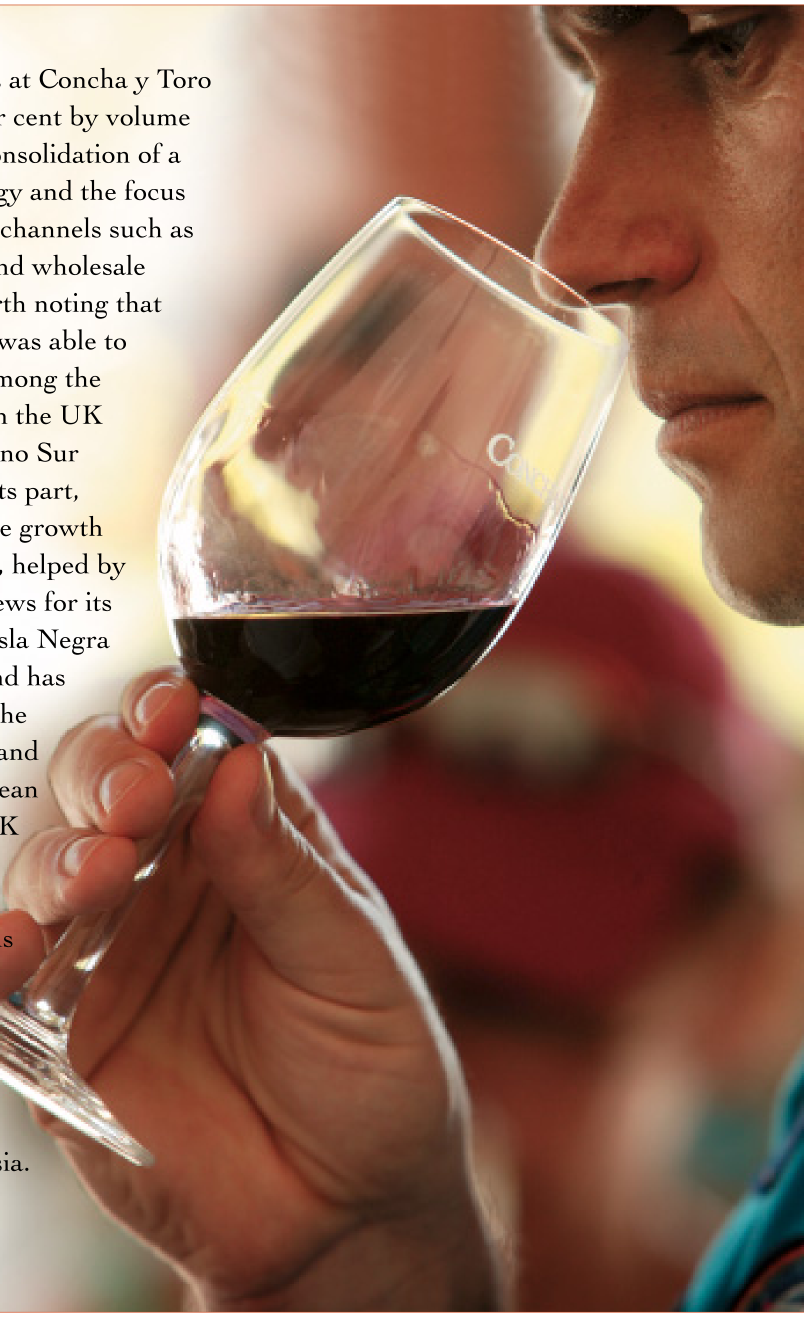
Europe

This market retains the dynamism for which it has become famous in recent years. Exports to the region were worth US$110 million, ahead 13.7 per cent on 2004.

Shipments grew 17.1 per cent, to 5.143 million cases, with growth coming mainly from the UK, The Netherlands and Eastern Europe.

Shipments to the UK rose 20.6 per cent, reflecting a strong performance by the subsidiaries Concha y Toro UK and Viña Cono Sur. Sales at Concha y Toro UK grew 29 per cent by volume thanks to the consolidation of a branding strategy and the focus on "Off-Trade" channels such as supermarkets and wholesale chains. It is worth noting that Concha y Toro was able to position itself among the 15 best sellers in the UK market. The Cono Sur subsidiary, for its part, recorded volume growth of 15.4 per cent, helped by favourable reviews for its Cono Sur and Isla Negra wines. The brand has become one of the most preferred and recognised Chilean wines among UK consumers.

Growth in The Netherlands was 217 per cent, and in Eastern Europe, 62 per cent, driven by demand in Russia.



It is worth noting that Concha y Toro was able to position itself among the 15 best sellers in the UK market.

Asia

The company grew 16.6 per cent in the region by value and 21.6 per cent in volume terms. Shipments to Japan, the region's main market, grew 12 per cent, driven by the re-positioning of the Frontera line, which was re-launched with attractive packaging and a consumer marketing campaign.

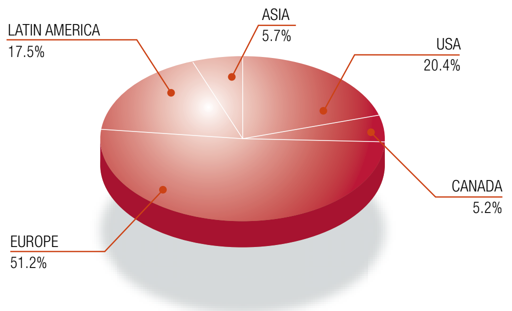
In the rest of Asia, volume growth was 42 per cent, although this was off a low base. The achievement, nonetheless remarkable, was the result of work undertaken in restaurants and hotels where the focus is mainly the sale of fine wines.

Latin America

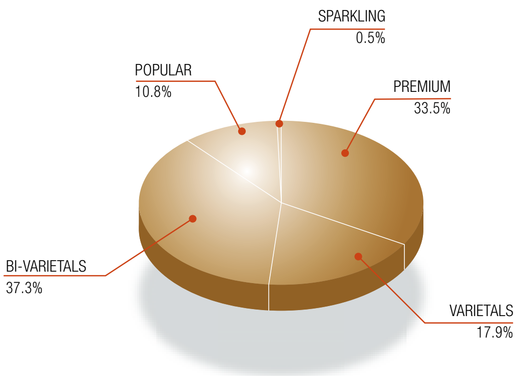
Political and economic stability was maintained in 2005, allowing consolidated export volumes to grow 9.2 per cent, after surging 45 per cent in 2004. Growth reflected a policy of product rotation and a strengthening of our brands in the region.

Efforts were stepped up to maximise sales of premium wines and raise their profile and presence via different media in the region. Consumers warmed particularly to the new concept for the Trio line, and the global campaign for Casillero del Diablo also helped strengthen its image.

Exports by Destination
(% of sales in US$)

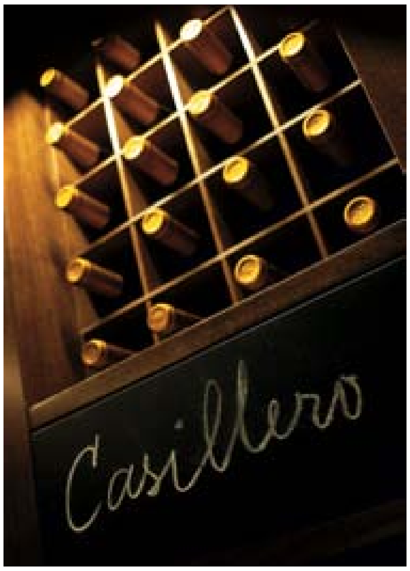


Exports by Category
(% of sales in US$)



Sales in Chile climbed 15.1 per cent in 2005, to Ch$43,240 million. The result, without doubt, was particularly satisfactory because it was three times better than the performance of the national industry as a whole.

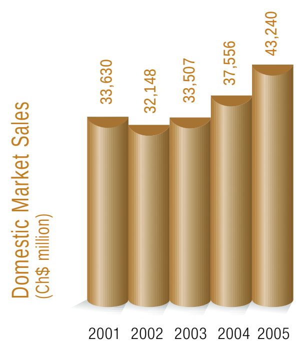
The achievement is the fruit of a sales strategy focused on improving profitability through price increases without sacrificing leadership in volume sales. In 2005, the average price rose 13.5 per cent year-on-year, thanks mainly to higher prices among the popular category and, to a lesser extent, in the premium segment.

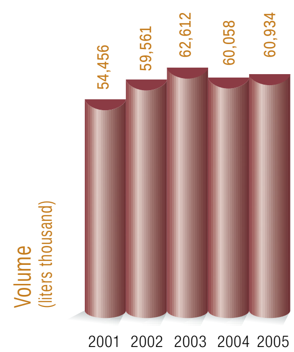


Sales volumes at Concha y Toro reached 61 million litres, up 1.5 per cent from 2004. Growth in popular varieties was 1.5 per cent, and this is also where prices rose the most. Meanwhile, volume increase in the premium category was 14.7 per cent, thanks largely to a policy focussed on moving high-margin labels such as Don Melchor, Casillero del Diablo and Trio.

Concha y Toro's market share climbed to 27.1 per cent by volume, and to 25 per cent measured in sales. This represents its strongest market participation in recent years. Without doubt, it is the strength of our brands, together with an agile and innovative sales strategy, that has allowed us to beat the sector, where there was a fall in volumes sold.

As part of its sales strategy, in 2005 Concha y Toro inaugurated in Pirque the latest additions to its Wine Tourist Centre, which have made it a popular destination for visitors interested in regional oenology. The company seeks to offer a high-quality product to the thousands of tourists that each year turn up at the winery looking for a taste of life at Concha y Toro. The new, and refurbished, buildings cover 14,000 sq m and include new bodegas and barrels, a modern wine bar, audiovisual centre and a wine shop.





Sales in Chile climbed 15.1 per cent in 2005, to Ch$43,240 million.

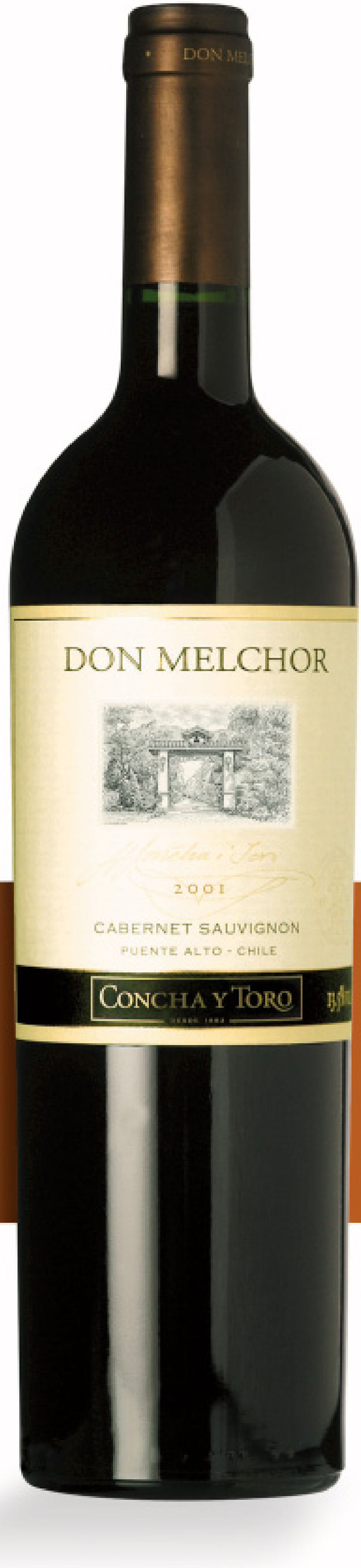
N° 4

DON MELCHOR 2001

95 points

Wine Spectator

This garland confirms the terroir of Puente Alto as one of the best in the world for the cultivation of the Cabernet Sauvignon vine stock.



The company's specific origin wines come from the traditional, old vineyards of Concha y Toro. They are distinctive wines of great character that express the specific characteristics of their origins, where careful selection of terroir and the dedicated management of vineyards and cellars guarantee their exceptional quality.

Concha y Toro's passion for creating great wines was widely recognised in 2005. This was the year in which the company received its most important distinction for one of its wines: Don Melchor 2001 attained global recognition with fourth place among the Top 100 as judged by the influential Wine Spectator magazine. The iconic Concha y Toro wine was ranked with 95 points, and dubbed with the "highly recommended" classification by the specialist publication.

MARQUÉS DE CASA CONCHA

Shone with a consistent 2003 vintage.

CABERNET SAUVIGNON 2003	MERLOT 2003	SYRAH 2003	CHARDONNAY 2003
91 points	**90 points**	**90 points**	**90 points**

Wine Spectator

Appearing among the most important US, French and Italian brands, it became the first wine from a wholly-owned Chilean company to receive such recognition. Without doubt, this garland confirms the terroir of Puente Alto as one of the best in the world for the cultivation of the Cabernet Sauvignon vine stock.

The Ultra Premium Terrunyo line unveiled a new presentation that managed to identify it more closely with the concept of terroir. The new design incorporated on the label shows an actual image of the vineyard from which each wine comes, right down to the specific lot.

Terrunyo continues to reaffirm its leadership in the Carmenere and Sauvignon Blanc varieties, in the Ultra Premium category. Terrunyo Carmenere 2002 was placed among the 100 Wines of the Year, and judged "Best Carmenere" by Wine & Spirits magazine. At the same time, its 2003 vintage was chosen, for the second year in succession, as "Best Chilean Carmenere" by the 2006 Chilean Wine Guide.

This awards confirm Peumo, in the Cachapoal valley, as the most suitable zone, in terms of climate and soil, to grow the Carmenere vine. For its part, the Terrunyo Sauvignon Blanc 2004 was placed among the best 150 best in the world according to a ranking published by the Wine Enthusiast magazine.

The critics' reviews have also testified to the consistency of the Marqués de Casa Concha line and its exceptional 2003 vintage.

The Trio line also continued to reap global recognition. Along with its great sales performance, it enjoyed acknowledgment from the specialised press.

All its wines received more than 90 points in Wine Spectator: the Cabernet Sauvignon won 91 and was classified as a "Smart Buy"; the Merlot took 90 points, as did the Chardonnay 2003. At the same time, Marqués de Casa Concha Syrah 2003, launched into the market in 2005, was welcomed with a 90 score by the influential magazine.

The Trio line also continued to reap global recognition. Along with its great sales performance, it enjoyed acknowledgment from the specialised press, the highlight being the three stars and "Best Value" title for the Trio Cabernet 2003 in Decanter magazine. Apart from launches in Venezuela and Mexico in 2005, there was a gastronomic tour through Shanghai, Singapore, Kuala Lumpur and Taipei.

Ever conscious of the importance of developing brands for more and more demanding consumers, Concha y Toro has continued to invest heavily in its global brands, Casillero del Diablo, Sunrise and Frontera.

In 2005, Casillero del Diablo grew 15 per cent to record global sales of 1.7 million cases. It is the commercial success of Casillero del Diablo that has allowed us to definitively penetrate the premium category at an international level, a highly attractive market segment because of the potential for expansion and the price levels.

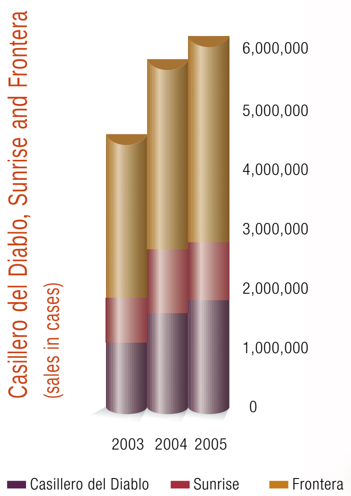
The quality of Casillero del Diablo has put it among the best value wines in the world, backed by constant recognition by the specialist press. Casillero del Diablo Cabernet Sauvignon 2004 received three stars, and was dubbed “Best Value” in Decanter magazine, while the Carmenere 2004 was awarded 87 points and the “Best Value” distinction by the North American Wine Spectator magazine.

The marketing strategy developed in 2005 included a new graphic campaign aimed at maximising recognition of the brand and its legend in specific markets such as Scandinavia, Belgium and Holland. There was also a television, cinematic and billboard campaign in Europe and Latin America.

Exported volumes of the varietal Sunrise range, for its part, fell 10 per cent after strong growth in 2004, resulting mainly from a re-launch and heavy marketing campaign. However, the brand continued to be a clear favourite in important markets such as Germany and Japan.

A publicity campaign was developed during the year in the main markets. The idea was to promote the brand with the "300 days of sun" concept, using diverse promotional activities around the world.

The Frontera range performed well, seeing growth of 8 per cent, to 3.3 million cases. The sales strategy in 2005 was built around winning coverage in new markets –it is now present in 93 countries– and pushing aggressively into those where it already has a presence. Italy, Hungary, Spain and Holland were among those countries that received their first taste of Frontera wines.



The Frontera range performed well, seeing growth of 8 per cent, to 3.3 million cases.

The company moved ahead in 2005 with a vast investment programme aimed at increasing self production and shoring up supply of the highest quality grapes for its wines. Total planted area grew 13 per cent in 2005, to 5,734 hectares in Chile and 782 hectares in Argentina.

The land purchase programme – encompassing a total of 1,450 hectares – was concentrated in the valleys of Limarí and Rapel. In the former, which is a wine-growing region of Coquimbo, we incorporated the estates of Nueva Aurora and Los Acacios, both with working vineyards. The region, among the latest to undergo development in wine cultivation, has become an important focus for Concha y Toro. With its exceptional characteristics, the zone is ideal for the production of white wines and a few red varieties such as Syrah. In the Valley of Rapel, meanwhile, we bought land that will be planted with during the 2006-2007 season. These valleys offer ideal conditions for cultivation of white vine stock and premium reds.

In the interests of strengthening ties with our suppliers, and with the aim of quality production, the company in 2005 launched the Suppliers Development Programme (PDP). With assistance from Corfo, the Chilean business development agency, the programme got underway with the objective of improving the quality of grapes supplied by producers. To this end, there will be training and technology transfer over the next few years, during which participants will have the benefit

Carmenere hillside plantations at Concha y Toro's Peumo Estate of technical guidance from company professionals.

Environmental protection is among the chief concerns at Concha y Toro. For this reason, we help suppliers with the implementation of integrated management and good agricultural practices, aimed mainly at encouraging quality control and care for the environment. At the same time, within the vineyards and cellars of Concha y Toro, we continue to carry out the necessary works and protocol to comply with current industry legislation as set out in the Agreement on Clean Production. This involves everything from the use of authorised, non-contaminating pesticides to the proper management of waste, and the constant improvement in working conditions and health and safety measures.

In 2005, there was further investment in wine-making and storage capacity, to give a total of 231 million litres. We also took stock of 34,000 barrels, up 10 per cent on 2004. Concha y Toro in 2005 bought the Nueva Aurora cellar in Ovalle, which takes in production from the Limarí Valley. Investments here were concentrated in bringing the wine-making infrastructure up to company standards. There were also important investments at the Cachapoal cellar, where we added a new building to house up to 15,000 barrels, and automated much of the maintenance with an emptying, cleaning and filling machine. Bar coding was also introduced, allowing for a more efficient handling of the barrels.

Land Distribution as of December 31, 2005

Valley	Vineyards in Production	Vineyards Planted 2002-2005	Total Vineyards Planted	Fallow	Orchards	Total
Chile:						
Limarí	313	64	376	228	–	604
Casablanca	339	45	384	7	–	391
Leyda				162	–	162
Maipo	620	81	701	3	–	704
Cachapoal	611	239	850	824	103	1,777
Colchagua	636	443	1,078	7	–	1,085
Curicó	442	106	548	2	–	550
Maule	1,584	212	1,796	6	–	1,802
TOTAL CHILE	4,545	1,189	5,734	1,238	103	7,075
Argentina:						
Maipú	132	3	136	–	–	136
Rivadavia	148	90	238	–	–	238
Tupungato	144		144	–	–	144
La Consulta		128	128	–	–	128
San Martín	9	81	91	–	–	91
Luján de Cuyo		46	46	134	–	180
TOTAL ARGENTINA	433	349	782	134	–	916
TOTAL	4,978	1,538	6,516	1,372	103	7,991

Note: The total agricultural area does not consider unworkable land such as hills or roads.

Cono Sur
VINEYARD & WINERY

The subsidiary performed well in 2005, in a year marked out with important achievements. With growth above the Chilean industry average, Viña Cono Sur consolidated its place as Chile's number three exporter. Turnover was Ch$25,345 million, up 6.4 per cent on the year-ago period. Exports were worth US$39 million, up 22.1 per cent. Shipments, to 38 countries, beat ambitious targets by breaking the 2 million case mark.

Export growth can be attributed mainly to important gains in the markets of continental Europe, where Cono Sur has been targeting more countries and opening new businesses. In the key UK market, meanwhile, volumes climbed 15.4 per cent thanks to improved sales of both the Cono Sur and Isla Negra brands.

The year was also characterised by important investments in land and vineyards that should lead to the development of new wine styles. A highlight here was the incorporation of a 200-hectare property in Peralillo, in the Colchagua Valley, which will be dedicated to red varieties. The purchase of a further 167 hectares in the Leyda Valley will mean extra production of white grapes.

To these investments must be added new products, such as the addition of a Sauvignon Blanc to the Vision and 20 Barrels labels, and the development of new varieties.

Sales of Pinot Noir, the winery's product of reference, hit a record 150,000 cases to place Cono Sur among the three main global producers of this variety.

Volumes advanced, and so did global recognition of the quality and style of Cono Sur wines. The 2006 Chilean Wine Guide named the ultra premium Ocio wine as the best Pinot Noir from the country, while the international critics highlighted the quality and innovative and expressive spirit of Cono Sur wines. In 2005 the label harvested no fewer than 55 medals – gold, silver and bronze – in international competitions and events.

VIÑA MAIPO

The Company has sought, through its Viña Maipo subsidiary, to diversify its export range and develop a distribution network that makes best capital of new business in increasingly competitive markets.

Viña Maipo has consolidated a wide range of products that includes reserves, varietals and bi-varietals. This attractive portfolio, put together according to the tastes and needs of consumers across different market segments, has helped position the brand in Europe, Asia and Latin America.

In 2005, Viña Maipo developed a new corporate image and launched a new range of labels to promote its product lines. The idea was to reinvigorate the brand, with a more modern and sophisticated design, while endeavouring to create an icon around the image of the local church in the town of Maipo.

In terms of results, 2005 was an excellent year for Viña Maipo. Exports grew 31 per cent by volume, to 964,000 cases, while sales came in at US$16.4 million. Key growth markets were the UK, where we sold strongly through the large supermarket chains, and Asia, where Japan showed it will be the key to future development of the whole region. It is also worth mention a growing presence of the subsidiary in Scandinavian countries, Holland and Germany.

The dynamic growth of Viña Maipo is attributable largely to the consolidation of its own distribution network. Currently covering 40 countries, it guarantees important exposure for the brand as well as its future development.

2005 was another period of solid expansion for Trivento. Exports grew 61 per cent by value and 59 per cent in volume terms, to US$19.3 million and 1,238,000 cases, respectively.

This allowed Trivento to strengthen its position as the second biggest Argentine exporter by volume, with a market share of 10 per cent. Global distribution reaches 92 countries.

In the domestic market, however, there was a 16 per cent drop in sales by value, to US$9.3 million, and a 27 per cent decrease in volume sales, to 548,200 cases. The fall reflects the impact of price increases, aimed at improving margins on the domestic business.

Investment in 2005 was mainly directed at building a production base to support future growth. One of the moves involved the merger of the export and domestic sale operations in Trivento Bodegas y Viñedos. The merger was designed to extract maximum production and administrative synergies and broaden the reach of the subsidiary's lines in the home market.

On the agricultural side, there were purchases of 213 hectares in Ugarteche (Luján de Cuyo) and La Consulta. The new plantations, along with estate expansion, added 17 per cent to the total plantation surface, to 782 hectares. This diversification of climates and soil types will allow Trivento to maximise the quality of its wines.

Also in 2005, construction began on a new store-room, with potential capacity for 3,000 barrels, in the Maipú cellar. This was due for completion in March 2006.

At the same time, new access for trucks carrying production input, grapes and finished product was completed. New equipment – including crushers, conveyer belts and stainless-steel tanks - was also incorporated into the Tres Porteñas cellar.

Trivento received important awards, medals and acknowledgements during the year, proving once again that the wines continue to improve in terms of quality. There was a noteworthy 90 points awarded by the prestigious Wine Spectator magazine of North America to the Trivento Golden Reserve Malbec 2002; the Silver Medal and Trophy as the Great Value White Wine of the Year 2005 for Trivento Viognier 2004 at the London International Wine Challenge 2005; and the Silver Medal for the Trivento Reserve Syrah/Malbec 2004 at the Japan International Wine Challenge 2005, to name a few.

In terms of recognition, 2005 was a great year for Viña Almaviva, especially for the 2002 vintage. Writing in The Wine Advocate magazine, celebrated critic Robert Parker awarded it 93 points, marking a new high for Chilean wine in this influential publication.

The equally prestigious Wine Spectator also gave the 2002 vintage 93 points, the second-highest mark by this magazine for Almaviva, behind the 2001 vintage.

The noted Chilean Wine Guide's 2006 edition also awards it 93 points – the highest mark in the book - and highlights the Almaviva 2002 as the Best Chilean Wine.

As for the latest Almaviva vintage, from the 2003 harvest, it is worth noting Robert Parker's reference in his web page, in which he highlights it as the finest Chilean wine he has ever tasted. Thanks to this accolade, there is heavy demand for the 2003 vintage in international markets.

In keeping with the grand tradition of the French chateaux, Almaviva in 2005 launched into the Chilean market its "house", or "second" wine. Called EPU, which means "second" in the local dialect of Mapudungún, it has been well received by restaurants, the specialist press and Chilean consumers. The wine shows a distinctive character and carries a Chilean seal.

Volume sales of Viña Almaviva grew by 9.7 per cent year-on-year, or 1,066 cases. However, the strength of the Chilean peso against the US dollar held back results in financial terms. Sales were down 3.3 per cent, to Ch$2,238 million.

History 1883-2005

Viña Concha y Toro was founded in 1883 by Don Melchor Concha y Toro. In 1922 it became a public limited company with a view to expanding both its commercial and productive potential. Shares in the company opened trading on the Santiago Stock Exchange in 1933, the same year that it shipped its first consignment abroad, to The Netherlands.

In the second half of the 20th Century Concha y Toro underwent a far-reaching modernization process. Expansion intensified with the arrival of Eduardo Guilisasti Tagle, company director between 1957 and 1998. The 1980s was a decade of important change, as new technology was incorporated into the production process, while the 1990s were marked by expansion into global markets.

Shares in Concha y Toro have been traded on the New York Stock Exchange *(NYSE)* since October 1994. Funds raised from the ADR listing were used to upgrade technology, develop new product lines and buy land for plantations. They also paid for expansion at the Viña Cono Sur subsidiary in Chile and, in 1996, the creation of Trivento Bodegas y Viñedos in Argentina.

In 1997 Concha y Toro forged a strategic alliance with Baron Philippe de Rothschild, the prestigious French winery, with the intention of producing a wine of the same category as the Grands Crus Classés of France. And so, Almaviva was born.

Since 2001 Concha y Toro has been a member of the Club des Marques, which brings together the best of the world's wineries. To this day, it the only Latin American winery with membership of the association. In the same year the company opened its Concha y Toro UK Limited subsidiary with the aim of strengthening its commercial presence in the UK market, which is the second-biggest in terms of exports.

Concha y Toro's passion for creating great wines has resulted

Company Registration Details

Trading Name: Viña Concha y Toro S.A. | *Tax-role Identification Number:* 90.227.000 - 0 | *Type of Company:* Open stock company
Legal Domicile: Santiago | *Address of Headquarters:* Avda. Nueva Tajamar 481, Torre Norte, Piso N° 15 Las Condes, Santiago, Chile | *Telephone:* (56-2) 476-5000 | *Fax:* (56-2) 203-6740 | *PO Box:* 213, Correo Central, Santiago
Electronic mail: webmaster@conchaytoro.cl | *Web Page:* www.conchaytoro.com | *Chilean Stock Exchange Mnemonic:* Conchatoro
New York Ticker Symbol: VCO

in important international acclaim. Long recognised for the excellence of Don Melchor and Amelia, the company can now add the high marks and international critical acclaim for its Terrunyo, Marqués de Casa Concha and Trio lines to its list of achievements.

Another highlight is the growing popularity of the Casillero del Diablo label, which has turned it into a truly global brand with sales of 1.7 million cases worldwide.

In the last few years the company's performance and the quality of its wines has been truly outstanding, leading to the highest accolades in its history. In 2004, the iconic Don Melchor 2000 Vintage was placed 26th among the wines of the year in Wine Spectator, the prestigious North American magazine. In 2005, the Don Melchor 2001 Vintage won fourth place in the Top 100 wines of the world.

Our company has consolidated its place among the most important quality wineries in the world. Wine & Spirits, the influential industry magazine recognised as much when it included the company, for the 11th time, in its list of the 100 wineries of the year.

In 2005 Concha y Toro was placed among the high-selling brands in the UK market, taking 15th position in a ranking compiled by AC Nielsen, the market researchers. Decanter magazine, meanwhile, named Eduardo Guilisasti, general manager of Concha y Toro, among the 50 most influential people in the world of wine.

Today, Concha y Toro is Latin America's number one wine exporter and one of the world's most important brands, with a presence in 110 countries. With its wide-reaching international presence, it is a truly global company where tradition and innovation meet to underwrite a commitment to our customers to offer the best in quality and wine-drinking experience.

Constitutive Deeds

Written to Public Deed in the presence of Santiago Notary Pedro N. Cruz, Viña Concha y Toro S.A. became a stock company on December 31, 1921. The mandatory abstract was published in issue 13,420 of the Official Gazette on November 6, 1922. The Company's Decree of Authorization, No. 1,556, was recorded on October 18, 1922.

The Company was registered in the Santiago Commerce Register on folio 1,058 Nº 877, on November 6, 1922; and in the Register of the Superintendency of Securities and Insurance, under Nº 0043.

BOARD OF DIRECTORS

EXECUTIVE CHAIRMAN:

ALFONSO LARRAÍN SANTA MARÍA
Businessman
Company director since 1969
General Manager from 1973 to 1989

VICE-CHAIRMAN:

RAFAEL GUILISASTI GANA
History Graduate
Company Director since 1998

DIRECTORS:

FRANCISCO MARÍN ESTÉVEZ
Agricultural Engineer
Company Director since 1982

MARIANO FONTECILLA DE SANTIAGO CONCHA
Diplomat
Company Director during several periods. The first term started in 1949 and the most recent in 1995

PABLO GUILISASTI GANA
Commercial Engineer
Company director since 2005

SERGIO DE LA CUADRA FABRES
Commercial Engineer
Company director since 2005

CHRISTIAN SKIBSTED-HANSEN CORTÉS
Commercial Engineer
Company director since 2005

EXECUTIVES

Chief Executive Officer
EDUARDO GUILISASTI GANA
Civil Engineer

Technical Director
GOETZ VON GERSDORFF
Oenologist

Agriculture Manager
ANDRÉS LARRAÍN SANTA MARÍA
Agriculturalist

Engineering And Projects Manager
CARLOS SAAVEDRA ECHEVERRÍA
Foreign Trade Specialist

Chief Financial Officer
OSVALDO SOLAR VENEGAS
Commercial Engineer

Export Manager Northern Zone
THOMAS DOMEYKO CASSEL
Commercial Engineer

Export Manager Southern Zone
CRISTIÁN CEPPI LEWIN
Commercial Engineer

Operations Manager
JOSÉ ANTONIO MANASEVICH GAVICAGOGEASCOA
Civil Engineer

Head Oenologist
CARLOS HALABY RIADI
Agricultural Engineer, Winemaking

Head Enologist Don Melchor
ENRIQUE TIRADO SANTELICES
Agricultural Engineer, Winemaking

Information Technology Manager
DANIEL DURÁN URÍZAR
Civil Engineer

Marketing Manager Specific Origin Wines
ISABEL GUILISASTI GANA
Arts Graduate

Marketing Manager Global Brands
GIANCARLO BIANCHETTI GONZÁLEZ
Commercial Engineer

A seven-member Board of Directors, elected at the Ordinary Shareholders' Meeting, administers the Company. Directors serve a three-year term after which the entire Board is renewed, although Board members may be re-elected indefinitely. The current Board was elected at the Ordinary Shareholders' Meeting of April 26, 2005. Its three-year term will lapse in 2008. The Board appoints a General Manager, who directs reporting managers.

In accordance with company statutes, the Ordinary Shareholders' Meeting set remuneration of the Board for 2005 at 1.5% of net earnings for the fiscal year. It also approved the assignation of 300 UF *(indexed units)* a month to cover the executive responsibilities of the Board chairman.

Remuneration drawn by Directors in 2005 and 2004, which includes fees for the board meeting attendance and base salaries, was Ch$649,156 thousand and Ch$755,392 thousand respectively.

Remuneration of the Board

	2005	2004
Attendance:	**ThCh$**	**ThCh$**
Alfonso Larraín Santa María	83,141	98,382
Rafael Guilisasti Gana	83,141	98,382
Sergio Calvo Salas	83,141	98,382
Francisco Marín Estévez	83,141	98,382
Eduardo Morandé Fernández	83,141	98,382
Mariano Fontecilla de Santiago Concha	83,141	98,382
Albert Cussen Mackenna	83,141	98,382
Remuneration for the Chairman:		
Alfonso Larraín Santa María	64,577	64,570
Director's Committee remuneration:		
Rafael Guilisasti Gana	894	716
Francisco Marín Estévez	804	716
Albert Cussen Mackenna	894	716
TOTAL	649,156	755,392

Remuneration drawn by Company managers and senior executives, including bonuses, in 2005 amounted to Ch$2,073,433 thousand. Payments related to severance of contracts of former Company executives or managers for the fiscal year 2005 was Ch$95,214 thousand. All administrative personnel at the Company, directly or indirectly, receive a share of a total annual bonus amounting to 4% of net income proportional to their salary.

Directors Committee

The Directors' Committee at Viña Concha y Toro S.A. comprises Sergio de la Cuadra Fabres *(chairman)*, Christian Skibsted-Hansen Cortés, and Rafael Guilisasti Gana. Mr Sergio de la Cuadra Fabres and Mr Christian Skibsted-Hansen Cortés were elected directors with votes distinct to those of the company's controlling group, as set out in article 50 *(a)* of the Stock Company Law.

Members of the committee were elected at Board of Directors session No. 1,026, which was held on April 26, 2005.

The Directors' Committee convened on 10 occasions in fiscal 2005. Among the issues addressed were:

- Assessment of the External Auditor's reports on the Company, the Balance Sheet and other financial statements put forward by management;
- The proposal of external auditors and credit risk rating companies that are then suggested to the shareholders;
- Examination of background information on business operations conducted during the year relating to articles 44 and 89 of the Stock Company Law and, for the same purpose;
- Review of the remuneration systems and compensation plans for managers and senior executives;
- Analysis of in-house control systems used at Viña Concha y Toro and its affiliated companies;
- Preliminary audit report for fiscal 2005;
- Contracting of specialist consultants for the Directors Committee.

The Ordinary Shareholders Meeting approved remuneration of 20UF per committee member for every meeting attended, to be paid in May 2006, together with board remuneration.

An annual budget of Ch$20,000 thousand for Committee operations was approved at the Ordinary Shareholders' Meeting. In 2005, the Committee contracted services of independent consultants costing Ch$7,868,270.

Audit Committee

In accordance with the implementation period for the Sarbanes-Oxley law of the United States, the Company, in the interests of formalizing good corporate governance practices, has begun to comply with the new rules. On July 28, 2005 the Board of Concha y Toro designated from among its members the persons who would form the Audit Committee required by said legislation. In accordance with Chilean law, these were the same directors who make up the Committee of Directors.

Code of Ethics

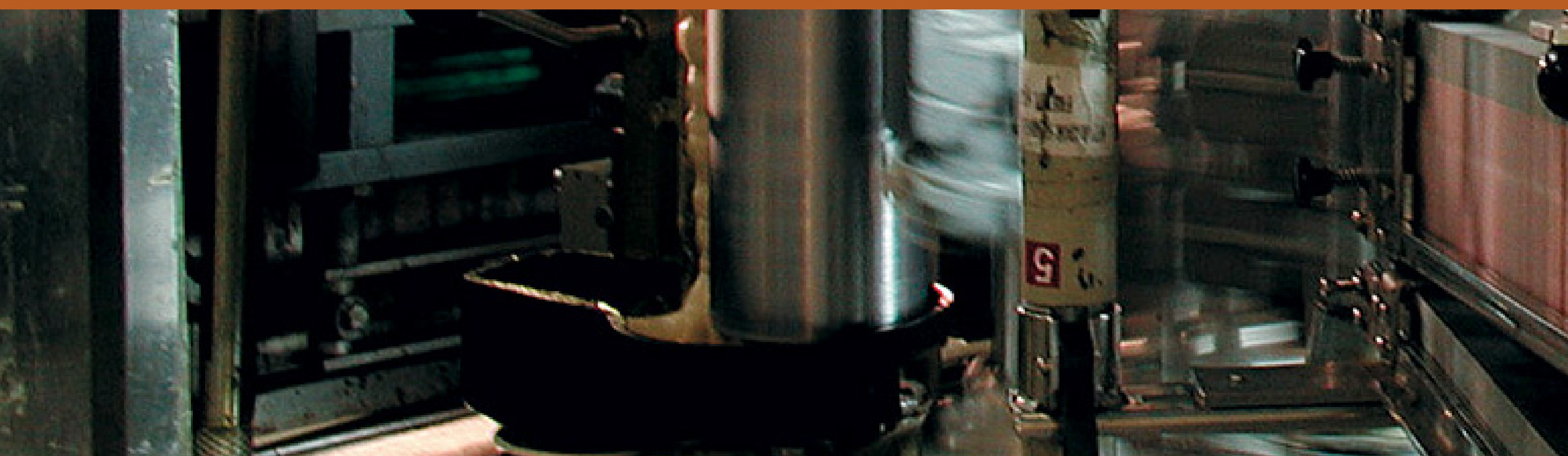
On June 17, 2004, the Board of Viña Concha y Toro approved a Code of Ethics in accordance with the requirements of the US Securities and Exchange Commission and other regulations adopted by the Board. The Company's internal Code of Ethics regulates the actions of everyone who works for Concha y Toro and includes, among other things, conflict of interest, use of property and information, privileged information, independence, communications and certificates, correct behaviour, compliance with health and safety laws and rules, relations with producers, suppliers and clients, and environmental protection. The Code of Ethics is available on the Company's web page.

OWNERSHIP STRUCTURE

On December 31, 2005 the 12 largest shareholders and their holdings in the Company, expressed as a percentage, were as follows:

Shareholder	Number of Shares	Holding
Rentas Santa Bárbara S.A.	83,407,522	11.60%
Inversiones Totihue S.A.	82,864,605	11.52%
AFP Habitat S.A. Fondo de Pensiones	49,239,296	6.85%
AFP Provida S.A. Fondo de Pensiones	43,219,030	6.01%
The Bank of New York *(Según circ.1375 S.V.S)*	41,098,300	5.71%
Fundación Cultura Nacional	25,954,278	3.61%
Cía. de Inversiones El Milagro S.A.	24,406,951	3.39%
AFP Cuprum S.A. Fondo de Pensiones	21,757,536	3.03%
Constructora Santa Marta Ltda.	21,457,885	2.98%
Inversiones Quivolgo S.A.	21,207,506	2.95%
AFP Summa Bansander S.A. Fondo de Pensiones	20,327,756	2.83%
AFP Santa María S.A. Fondo de Pensiones	17,710,771	2.46%
MAJOR SHAREHOLDER POSITIONS	452,651,436	62.94%
TOTAL SUBSCRIBED AND PAID-IN SHARES	719,170,735	
TOTAL SHAREHOLDERS	800	

The main change in ownership has been the reduction in the holding of The Bank of New York from 6.18% on December 31, 2004 to 5.71% on December 31, 2005.



Controlling Group

Directly and indirectly, the controlling group, which acts together in a non-formalized pact, has command of 42% of the Company.

The following table lists individuals representing each member of the controlling group, and significant legal institution or individuals represented by them and their respective holding, while those shareholders possessing interests of under 1% are grouped under others:

FAMILIA GUILISASTI GANA.

Guilisasti Gana family, which commands 100% of the investment companies' shares represented by Rafael Guilisasti G., Rentas Santa Bárbara S.A and Inversiones Totihue S.A.:

GUILISASTI GANA, RAFAEL	RUT 6.067.826-K	26.69%
Rentas Santa Bárbara S.A.		11.60%
Inversiones Totihue S.A.		11.52%
Others		3.57%
LARRAÍN SANTA MARÍA, ALFONSO	RUT 3.632.569-0	6.88%
Inversiones Quivolgo S.A.		2.95%
La Gloria S.A.		2.18%
Others		1.75%
CALVO SALAS, SERGIO	RUT 1.869.956-7	2.51%
Inversiones El Maitén S.A.		1.82%
Others		0.69%
FONTECILLA DE SANTIAGO CONCHA, MARIANO	RUT 1.882.762-K	3.78%
Cía. De Inversiones El Milagro S.A.		3.39%
Others		0.39%
MORANDÉ FERNÁNDEZ, EDUARDO	RUT 1.848.987-2	2.15%
Inversiones Bretaña S.A.		1.58%
Others		0.57%

No legal entities own 10% or more of the shares or rights in the equity of Viña Concha y Toro. No individuals, other than in the Controlling Group, possess shares or rights amounting to 10% or more of the Company's equity, nor are there any individuals that own less than 10% and that acting together with a spouse or family members command such a percentage.

PROFIT AND DIVIDEND POLICY

Net income for fiscal 2005 amounted to Ch$19,039,147 thousand. It was agreed at the Ordinary Shareholders' Meeting, held on April 26, 2005, to disburse interim dividends Nos. 220, 221 and 222 of Ch$2.50 per share, payable on September 30 and December 30, 2005 and on March 31, 2006, respectively.

The Board of Directors will propose at the Meeting payment of a final dividend, No. 223 of Ch$3.10 per share, subject to approval, on May 25, 2006 against the profits of fiscal year 2005.

Profit distribution depends on the net income for the fiscal year. Dividends charged against earnings for fiscal 2005 amount to 40% of the profit that year.

Dividend Policy

Company policy entails disbursing 40% of the net income of each business year through a series of quarterly interim dividends and a final dividend and that is paid the following May. It is the intention of the Board to continue pursuing this policy for the foreseeable future.

It is the intention of the Board of Directors to pay three provisional dividends of Ch$2.50 per share, charged against the profits for the fiscal year 2006. These should be paid on September 29, 2006, December 29, 2006 and March 30, 2007, while the remaining profits up to the ceiling of 40% of the earnings shall be disbursed as a final dividend in May 2007, once the amount is known and the results of the business year are approved at the Ordinary Shareholders' Meeting.

Dividends paid per share over the past three years, in nominal values, are as follows:

Date	Number/Type	Per share	Against year
March 31, 2003	No. 210 Interim	$ 1.50	2002
May 28, 2003	No. 211 Final	$ 4.58	2002
September 30, 2003	No. 212 Interim	$ 1.70	2003
December 30, 2003	No. 213 Interim	$ 1.70	2003
March 31, 2004	No. 214 Interim	$ 1.70	2003
May 28, 2004	No. 215 Final	$ 5.24	2003
September 30, 2004	No. 216 Interim	$ 2.00	2004
December 30, 2004	No. 217 Interim	$ 2.00	2004
March 31, 2005	No. 218 Interim	$ 2.00	2004
May 26, 2005	No. 219 Final	$ 6.62	2004
September 30, 2005	No. 220 Interim	$ 2.50	2005
December 30, 2005	No. 221 Interim	$ 2.50	2005
March 31, 2006	No. 222 Interim	$ 2.50	2005

Human Resources

As of December 31, 2005, full-time staff at Viña Concha y Toro numbered 1,295 in the parent company, 413 personnel employed by Chilean subsidiaries, 241 in foreign subsidiaries, such that the Company workforce comprises 1,949 personnel.

Staff breakdown:

	Parent	Chilean subsidiariess	Foreign subsidiaries	Consolidated
Managers and executives	45	12	14	71
Professionals and technicians	303	106	93	502
Sales, administration and laborers	947	295	134	1,376
TOTAL	1,295	413	241	1,949

Viña Concha y Toro is the largest producer and exporter of wines in Chile. It is a vertically integrated company that is involved at every stage of the production and marketing of wine. It manages its own vineyards, vinification and bottling plants and has the most extensive own distribution network for wine in Chile.

The Company conducts its business directly and through a number of affiliates. Distribution is handled by its affiliates Comercial Peumo Ltda., Transportes Viconto Ltda. and Concha y Toro UK Limited. The business operations of each of the Company's affiliates are detailed in "Subsidiaries and Affiliates".

Information relating to business development follows.

Suppliers

Principal suppliers to the Company are:

Cristalerías de Chile S.A. (bottles), Tetra Pak de Chile Comercial Ltda. (TetraBrik packaging), Industria Corchera S.A. (corks), Envases Roble Alto S.A. (cases).

In addition, the Company relies on some 500 independent producers that provide grapes and bulk wine.

Clients or suppliers that are directly or indirectly related to directors, shareholders and/or managers and senior executives are detailed in Note 6 of the Consolidated Financial Statements.

Property

Concha y Toro's main assets are its vineyards, cellars and bottling plants. In Chile, the Company owns 11,830 hectares of land, distributed throughout the seven main wine-growing valleys, and holds long-term leases on 605 hectares. Of this total, 7,075 hectares correspond to arable land, with 5,734 hectares planted.

In Argentina, the Company owns 981 hectares of land, with 916 hectares corresponding to arable land and 782 hectares planted.

In the Mendoza area, the Trivento winery has two vinification cellars as well as a storing cellar and bottling plant.

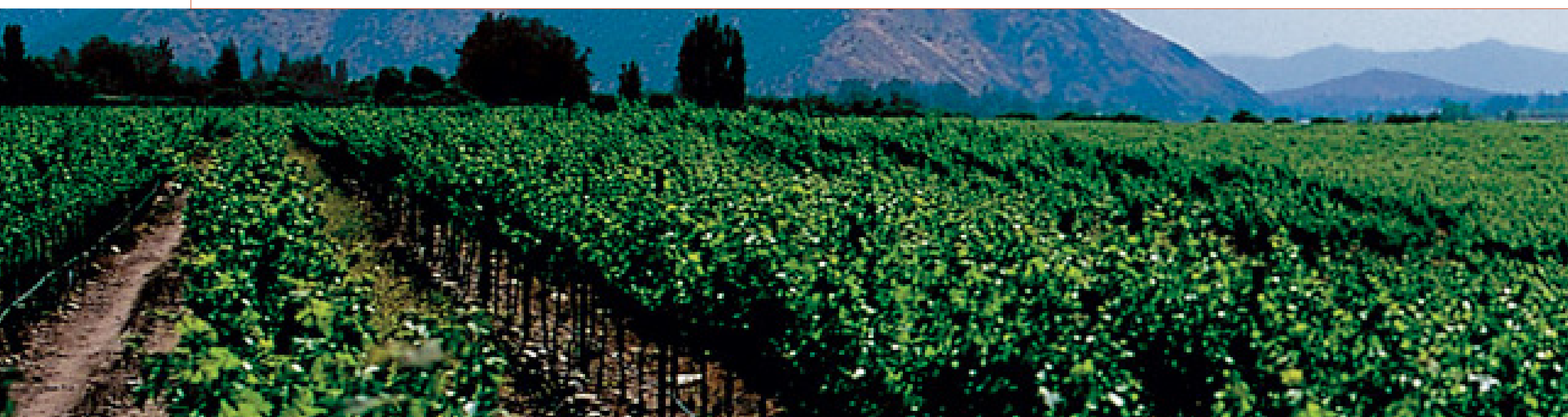
Equipment, vinification and cellar capacity

The Company's principal assets in equipment include harvesting machinery, grape crushers, concrete and stainless steel tanks, and barrels. As of December 31, 2005, vinification and aging capacity in Chile totaled 231 million liters and 34,000 barrels.

In addition, an affiliate, Transportes Viconto Ltda., has a fleet of trucks for transporting a percentage of grape, bulk wine and finished products.

Insurance

Viña Concha y Toro and its affiliates hold contracts with first-class insurers. The Company has an all-risk insurance policy covering its key assets.



Brand names

Concha y Toro markets its products under several existing brand names that have been duly registered, and include: Concha y Toro, Don Melchor, Amelia, Terrunyo, Marqués de Casa Concha, Trio, Casillero del Diablo, Sunrise, Frontera, Subercaseaux, Clos de Pirque, Tocornal and Maipo. Trademarks registered by subsidiaries include Cono Sur, Isla Negra and Trivento.

Financial activities

Company financial activity is geared at covering the working capital requirements of its business as well as investment in fixed assets. Debt is taken on or settled according to cash flow requirements. Amounts and currency needed determine the Company's borrowing requirement. Another significant financial activity is the liquidation of export revenues received in foreign currency and the taking out of futures to hedge currency exposure, which is conducted through the money desks of the leading banks in Chile.

On April 26, 2005 Concha y Toro issued 21-year bonds worth Ch$34.544 million in the local market, offering a real interest rate of 3.9 per cent. Of the money raised, 35 per cent was used to pay down existing, mainly short-term, debt, while the rest was used to finance investments in 2005 aimed at supporting future growth at the company.

Research and development

Research and development activities do not involve significant expenses, since, to a large extent, the Company relies on agreements with domestic and foreign firms and institutes for technical assistance and technology transfer. The Company has set up numerous research projects in Chile with local universities including Universidad Católica Chile (Santiago), Universidad de Concepción and Universidad de Talca. Since October 2003 the Company has been part of Conicyt's Fondef project "Water management technologies for sustainable intensive agriculture". Led by the Universidad de Concepción, the project aims to improve current irrigation practices by taking corrective actions to optimize water and energy usage and thus develop advanced, sustainable and efficient management of agriculture.

Risk factors

Viña Concha y Toro's business is not devoid of risk as the Company is involved at every stage of the production and marketing of its wines.

Climatic phenomena such as drought and frost, and disease and fungus can adversely affect the quantity, quality and cost of grape supplies available to the Company both from its own vineyards and from independent suppliers.

Wine packaging is sourced mainly from two large suppliers – one of bottles and the other of Tetra Briks. If the supply of these primary materials was

disrupted it could have a short-term adverse effect on the Company.

Concha y Toro's products are sold in Chile as well as abroad and, consequently, faces market risks that largely comprise exchange rate and interest rate risks when servicing debt.

Company exports are mostly denominated in United States dollars, although some are set in Canadian dollars, Pounds sterling or euros. In addition, operations in the domestic Argentine market are conducted in Argentine pesos. Given such transactions, financial results could be adversely affected by unfavorable exchange rates or weak economic environments where the Company sells its products, although market diversification mitigates this risk.

The Company also has foreign subsidiaries in Argentina and the United Kingdom, such that political or economic events in either country may affect subsidiary performance.

Credit Risk Raters

The credit risk classification of two independent raters regarding Concha y Toro's financial instruments as of December 2005 is as follows:

Instrument Shares	Humphreys Ltda. 1st class Level 1	Feller - Chile 1st class Level 2
Number 407 bonds	AA	AA-

Investment and financing policy

The Company invests to reposition its operating assets, to modernize, to provide new facilities for expanding and improving production capacity and to acquire land for vineyards. Investment in fixed assets in 2005 totaled Ch$31,279 million *(US$61 million)*.

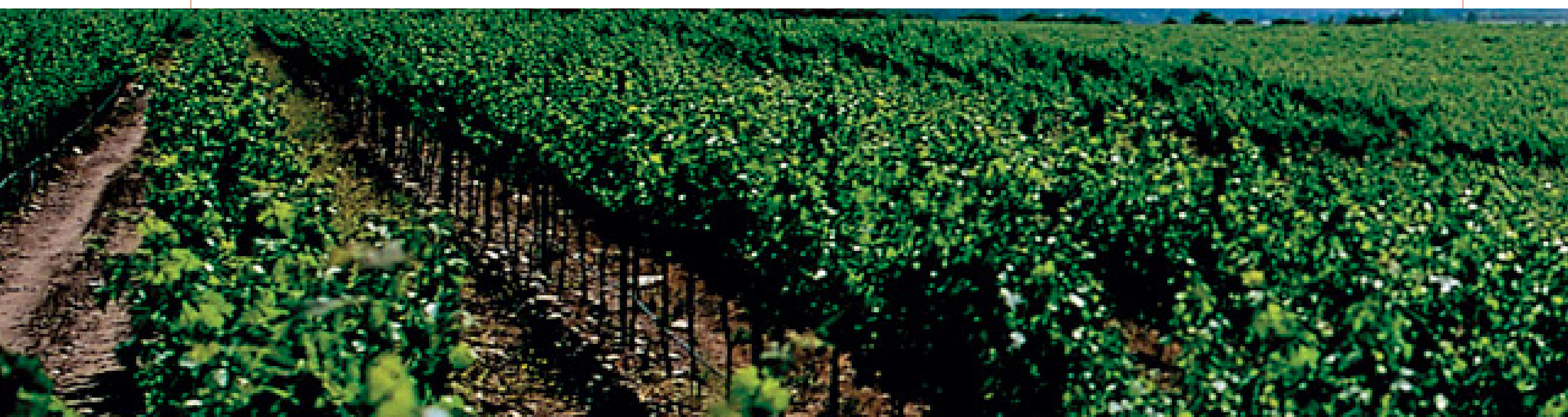
Investment was financed through company cash flow and an increase in debt.

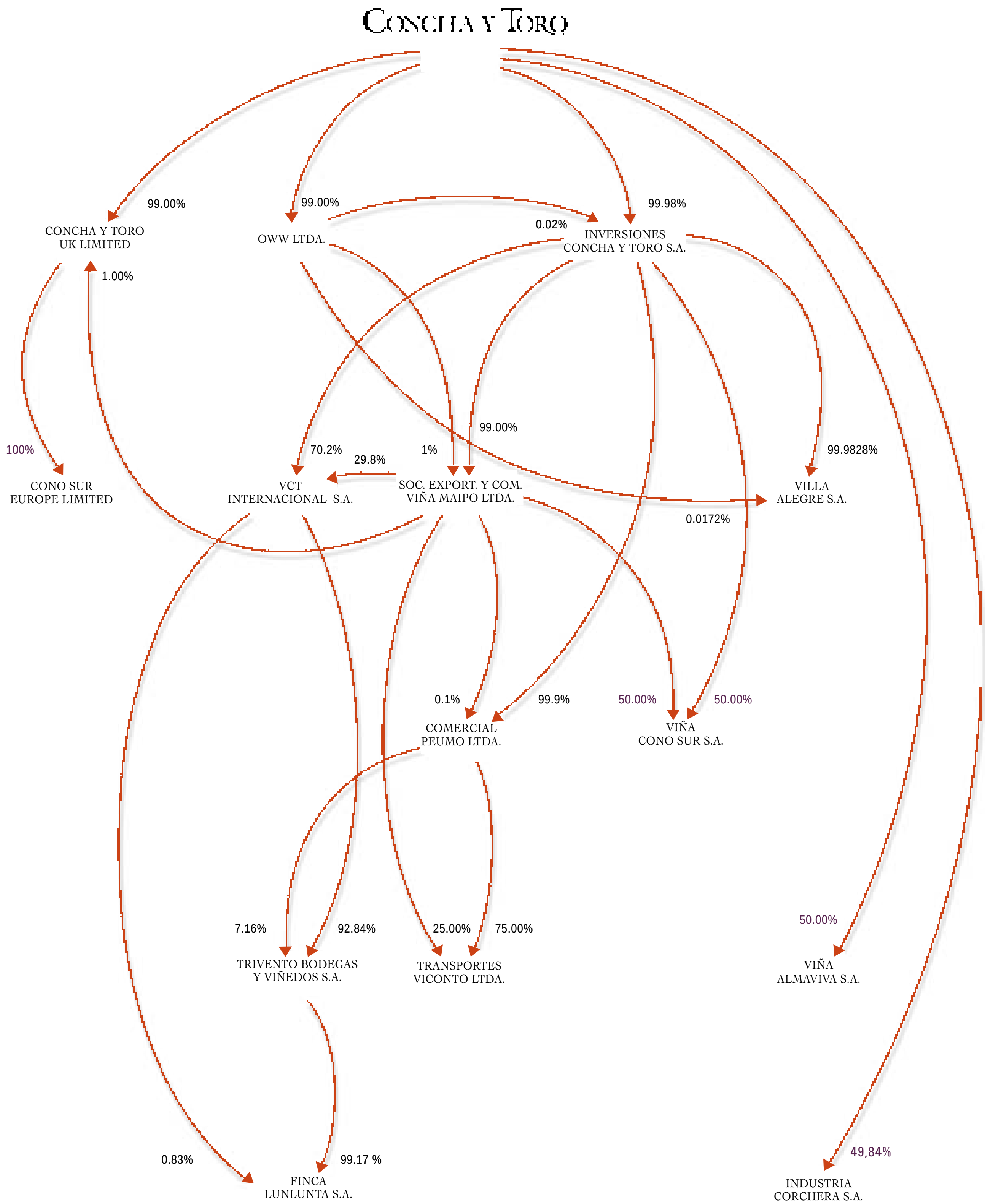
External Auditors

Deloitte & Touche

Legal Counsel

- Uribe, Hübner & Canales
- Estudio Cruzat, Ortúzar & Mackenna - Baker & McKenzie
- Luis Felipe Cruzat Larraín
- O´Melveny & Myers LLP
- Sargent & Krahn
- José Luis Santa María




CONCHA Y TORO
99.00%
CONCHA Y TORO
UK LIMITED
1.00%
99.00%
OWW LTDA.
0.02%
99.98%
INVERSIONES
CONCHA Y TORO S.A.
100%
CONO SUR
EUROPE LIMITED
70.2%
29.8%
VCT
INTERNACIONAL S.A.
1%
99.00%
SOC. EXPORT. Y COM.
VIÑA MAIPO LTDA.
99.9828%
VILLA
ALEGRE S.A.
0.0172%
0.1%
99.9%
COMERCIAL
PEUMO LTDA.
50.00%
50.00%
VIÑA
CONO SUR S.A.
7.16%
92.84%
TRIVENTO BODEGAS
Y VIÑEDOS S.A.
25.00%
75.00%
TRANSPORTES
VICONTO LTDA.
50.00%
VIÑA
ALMAVIVA S.A.
0.83%
99.17 %
FINCA
LUNLUNTA S.A.
49,84%
INDUSTRIA
CORCHERA S.A.

INVERSIONES CONCHA Y TORO S.A.

Tax ID
96.921.850-K

Address
Avda. Santa Rosa 0837, Paradero 43, Puente Alto, Santiago

Direct and indirect equity interest
100%

Paid-in capital
ThCh$12,521,964

Business Purpose
To engage in all kinds of trade operations and, in particular, the import, export, purchase, selling, distribution, acquisition and general disposal of all kinds of merchandise within Chile or abroad. Carry out all forms of the business. Constitute, form a part thereof or acquire voting rights or shares in any kind of company in Chile or abroad.

Business Relationship with Parent
Controls the companies Comercial Peumo Limitada, Sociedad Exportadora y Comercial Viña Maipo Limitada, Villa Alegre S.A., and VCT Internacional S.A.. In addition, Inversiones Concha y Toro S.A. owns 50% of Viña Cono Sur S.A. All of these companies are subsidiaries of the Parent Company.

Directors
Eduardo Guilisasti Gana (M)
Thomas Domeyko Cassel (M)
Osvaldo Solar Venegas (M)
Rafael Guilisasti Gana (D)
Cristián Ceppi Lewin (M)

General Manager
Eduardo Guilisasti Gana (M)

VCT INTERNACIONAL S.A.

Tax ID
99.513.110-2

Address
Nueva Tajamar 481, Torre Sur, 15th Floor.
Las Condes, Santiago

Direct and indirect equity interest
100%

Paid-in capital
ThCh$13,773,825

Business Purpose
To effect, preferably abroad, long-term or short-term investment in any class of asset pertaining to the business interests of the Parent, as well as forming and participating in any kind of company, preferably abroad.

Business Relationship with Parent
The company controls the Parent's financial interests in its Argentine subsidiary, Trivento Bodegas y Viñedos S.A.

Directors
Alfonso Larraín Santa María *(Chairman)* (D)
Eduardo Guilisasti Gana (M)
Osvaldo Solar Venegas (M)

SOCIEDAD EXPORTADORA Y COMERCIAL VIÑA MAIPO LTDA.

Tax ID
82.117.400-7

Address
Nueva Tajamar 481, Torre Sur, 15th Floor.
Las Condes, Santiago

Direct and indirect equity interest
100%

Paid-in capital
ThCh$19,647

Business Purpose
The manufacture, packaging, bottling, distribution, purchase, sale, export, import and trade in whatever form of wines and sparkling wines.

Business Relationship with Parent
The company holds financial interests in the Parent's subsidiaries Transportes Viconto Ltda., Concha y Toro UK Limited, Comercial Peumo Limitada, Viña Cono Sur S.A. and VCT Internacional S.A.

COMERCIAL PEUMO LTDA.

Tax ID
85.037.900-9

Address
Avda. Santa Rosa 0837, Paradero 43, Puente Alto, Santiago

Direct and indirect equity interest
100%

Paid-in capital
ThCh$2,243,616

Business Purpose
To engage in all kinds of trade operations and, in particular, the import, export, purchase, selling, distribution, acquisition and general disposal of all kinds of merchandise within Chile and abroad. Execute any form of trade operation or other business activities that the partners agree upon.

Business Relationship with Parent
The company holds a stake in the Parent's subsidiaries Transportes Viconto Limitada, and Trivento Bodegas y Viñedos S.A.
It sells, distributes and markets products in Chile made by the Parent and its subsidiaries.
A specially trained sales force at Comercial Peumo Limitada handles wholesale and retail trade and sales via Internet.
Principal Contracts with the Parent
Buying and selling of wine and other products of the Parent, its subsidiaries and associated companies.

VIÑA CONO SUR S.A.

Tax ID
86.326.300-K

Address
Nueva Tajamar 481, Torre Sur, Oficina 1602
Las Condes, Santiago

Direct and indirect equity interest
100%

Paid-in capital
ThCh$426,141

Business Purpose
The manufacture, packaging, distribution, purchase, sale, export, import and trade in whatever form of wines, champagne and liquors.

Business Relationship with Parent
Production and sale of grapes and wines under its own labels.

Directors
Eduardo Guilisasti Gana (Chairman) (M)
Isabel Guilisasti Gana (M)
Osvaldo Solar Venegas (M)
J. Antonio Manasevich G. (M)
José Guilisasti Gana

General Manager
Adolfo Hurtado Cerda

Principal Contracts with the Parent
Buying and selling of grapes and other products with the Parent and the company Comercial Peumo Limitada.
Bottling contract with the Parent company.

VILLA ALEGRE S.A.

Tax ID
96.585.740-0

Address
Avda. Santa Rosa 0837, Paradero 43
Puente Alto, Santiago

Direct and indirect equity interest
100%

Paid-in capital
ThCh$151,643

Business Purpose
The production, development, distribution and trade of mineral waters, as well as the production, development, distribution and trade of all types of natural soft drinks, agricultural or livestock products and by-products and others related to this line of business.
The company ended its productive operations in October 2004. During 2005, there were no movements.

TRIVENTO BODEGAS Y VIÑEDOS S.A.

Tax ID
3368989817-9

Address
Canal Pescara 9347, Russell C.P.5517, Maipú
Mendoza, Argentina

Direct and indirect equity interest
100%

Paid-in capital
ThCh$6,337,114

Business Purpose
The production, trade, bottling of wine and alcoholic beverages and importing and exporting of wine and products related to its objective.
Business Relationship with Parent
Production, in Argentina, and sale of grapes and wines under its own labels.

Directors
Alfonso Larraín Santa María *(Chairman)* (D)
Eduardo Guilisasti Gana (M)
Rafael Guilisasti Gana (D)
Andrés Larraín Santa María (M)
Thomas Domeyko Cassel (M)

General Manager
Tomás Larraín León

FINCA LUNLUNTA S.A.

Tax ID
30-70913379-5

Address
Canal Pescara 9347, Russell C.P.5517, Maipú
Mendoza, Argentina

Direct and indirect equity interest
100%

Paid-in capital
ThCh$2,132

Business Purpose
Production, sale and fractionation of wine and alcoholic beverages, as well as importation and exportation of wine and related products.

Business Relationship with Parent
Trade in grapes and wine under its own brands.

Chairman
Tomás Larraín León
María Elena Molina *(deputy)*

General Manager
Tomás Larraín León

CONCHA Y TORO UK LIMITED

Company Number
4131411
Registered in England and Wales

Address
MWB Business Exchange Oxford
John Eccles House
Robert Robinson Avenue
Oxford Science Park
Oxford OX4 4GP

Direct and indirect equity interest
100%

Paid-in capital
ThCh$649

Business Purpose
Import, distribution, sale and trade in any way whatsoever of wine or sparkling wine.

Business Relationship with Parent
The company distributes products of the Parent and the latter's subsidiary and affiliated companies in the United Kingdom.

Directors
Osvaldo Solar Venegas (M)
Thomas Domeyko Cassel (M)

Manager
Cristián López Pascual

Principal Contracts with the Parent
Trade in products with the Parent and the latter's subsidiary and affiliated companies.

CONO SUR EUROPE LIMITED

Company Number:
5231308
Registered in England and Wales

Address
Amberley Place, 107-111 Peascod Street,
Windsor, Berkshire
SL4 1TE
Great Britain

Direct and indirect equity interest
100%

Paid-in capital:
ThCh$111

Business Purpose:
Wine Importation and Distribution in Europe

TRANSPORTES VICONTO LTDA.

Tax ID
85.687.300-5

Address
Nueva Tajamar 481, Torre Sur, 15th Floor,
Las Condes, Santiago

Direct and indirect equity interest
100%

Paid-in capital
ThCh$30,065

Business Purpose
Provide all manner of freight and transport-services related, both within and outside Chile, using trucks and other means of transport, as well as any other business or activity agreed upon by the partners.

Business Relationship with Parent
The company ships wine produced by the Parent and its subsidiaries to various points of sale or distribution. It is equipped with its own as well as leased vehicles.

Principal Contracts with the Parent
Freight of bulk wine and finished products.

SOCIEDAD EXPORTADORA Y COMERCIAL ONEWORLDWINES LTDA.

Tax ID
84.712.500-4

Address
Nueva Tajamar 481, Torre Norte, 15th Floor,
Las Condes, Santiago

Direct and indirect equity interest
99%

Paid-in capital
ThCh$23,966

Business Purpose
Production, packaging, fractionation, distribution, buying, selling, import, export and trade of wine and champagne in any way whatsoever.

Business Relationship with Parent
The company holds a stake in the Parent's subsidiaries Inversiones Concha y Toro S.A., Sociedad Exportadora y Comercial Viña Maipo Limitada.

VIÑA ALMAVIVA S.A.

Tax ID
96.824.300-4

Address
Avda. Santa Rosa 821, Paradero 45, PO Box 274
Puente Alto, Santiago

Direct and indirect equity interest
50%

Paid-in capital
ThCh$2,030,557

Business Purpose
This company's main objective is to produce and trade (including the export and distribution) of distinctive, Super Premium quality wines.

Directors
Rafael Guilisasti Gana (D)
Eduardo Guilisasti Gana (M)
Enrique Tirado S. (M)
Xavier de Eizaguirre *(Chairman)*
Philippe Dhalluin
Pierre Guinchard

General Manager
Felipe Larraín Vial

Principal Contracts with the Parent
Trade in products.

INDUSTRIA CORCHERA S.A.

Tax ID
90.950.000-1

Address
Jorge Cáceres 220
La Cisterna, Santiago

Direct and indirect equity interest
49.84%

Paid-in capital
ThCh$4,967,990

Business Purpose
Production, manufacture, import, export, distribution and trade of cork, its derivatives and substitutes, as well as stoppers and caps. Representation of machinery and other input, provision of wine industry services, real-estate investment and execution of any other business related to the purpose.

Business Relationship with Parent
The company supplies the Parent and the latter's subsidiary and affiliated companies with corks and other material related to bottling.

Directors
Eduardo Morandé Fernández *(Chairman)*
Antonio Ataide Pereira
José Alberto Canelas Queirós
José Antonio Manasevich G. (M)
Affonso de Barros
Osvaldo Solar Venegas (M)

General Manager
Juan de Magalhaes-Calvet

Principal Contracts with the Parent
Contract for supplying corks and other material for bottling *(caps, stoppers, capsules and the like)*.

(D) Director of Viña Concha y Toro S.A. (M) Manager of Viña Concha y Toro S.A.

CONSOLIDATED FINANCIAL STATEMENTS

Deloitte.

To the Board of Directors and Shareholders of
Viña Concha y Toro S.A.

We have audited the consolidated balance sheets of Viña Concha y Toro S.A. and its subsidiaries as of December 31, 2004 and 2005, and the related consolidated statements of income, cash flows, and changes in shareholders' equity for the years then ended. These consolidated financial statements are the responsibility of Company's Management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Chile. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2004 and 2005, and the consolidated results of their operations, their cash flows, and their changes in shareholders' equity for the years then ended, in conformity with accounting principles generally accepted in Chile.

The translation of these financial statements into English has been made solely for the convenience of readers outside Chile.

Deloitte.

February 17, 2006

Juan Echeverría González

Member of
DELOITTE TOUCHE TOHMATSU

CONSOLIDATED BALANCE SHEETS

(Restated for general price-level changes and expressed in thousands of constant Chilean pesos as of December 31, 2005 and thousands of US dollars)

	As of December 31,		
	2004 ThCh$	2005 ThCh$	2005 ThUS$ Note 2(x)
ASSETS			
CURRENT ASSETS			
Cash	1,863,619	1,447,134	2,824
Accounts receivable, net	51,451,473	49,193,974	95,988
Notes receivable, net	2,437,170	3,165,542	6,177
Other accounts receivable	1,398,916	1,408,810	2,749
Amounts due from related companies	376,416	128,420	251
Inventories, net	54,630,156	73,344,388	143,111
Income taxes recoverable	4,096,762	7,123,953	13,900
Prepaid expenses	9,504,618	9,291,774	18,130
Deferred income taxes	1,161,834	1,537,450	3,000
Other current assets	733,510	296,378	578
TOTAL CURRENT ASSETS	127,654,474	146,937,823	286,708
PROPERTY, PLANT AND EQUIPMENT			
Land	25,937,858	32,156,349	62,744
Buildings and infrastructure	109,900,406	123,454,738	240,887
Machinery and equipment	38,692,706	48,391,074	94,422
Other fixed assets	10,794,957	10,748,331	20,972
Revaluation from fixed asset technical appraisal	3,525,089	3,389,466	6,614
Less: Accumulated depreciation	(58,801,597)	(69,072,155)	(134,775)
TOTAL PROPERTY, PLANT AND EQUIPMENT, NET	130,049,419	149,067,803	290,864
OTHER ASSETS			
Investments in related companies	6,410,401	6,674,975	13,024
Investments in other companies	304,915	304,915	595
Goodwill, net	1,144,460	1,072,557	2,093
Intangibles	1,511,645	3,305,497	6,450
Accumulated amortization	(279,363)	-278,588	(544)
Other assets	418,368	877,810	1,713
TOTAL OTHER ASSETS	9,510,426	11,957,166	23,331
TOTAL ASSETS	267,214,319	307,962,792	600,903

The accompanying notes are an integral part of these consolidated financial statements.

	As of December 31		
	2004	2005	2005
	ThCh$	ThCh$	ThUS$ Note 2(X)
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Short-term debt due to banks and financial institutions	15,554,529	15,734,834	30,702
Current portion of long-term debt due to banks and financial institutions	13,600,087	12,344,115	24,086
Bonds payable	–	292,935	572
Long-term liabilities with maturities within one year	293,718	193,588	378
Dividends payable	1,500,440	1,808,735	3,529
Accounts payable	14,863,712	14,121,808	27,555
Notes payable	1,284,290	2,890,376	5,640
Other payables	1,943,995	2,130,449	4,157
Amounts payable to related companies	3,058,973	1,287,437	2,512
Accrued expenses	12,790,595	15,124,368	29,511
Withholdings	2,417,082	3,404,466	6,643
Income taxes payable	594,553	–	–
Deferred revenue	110,664	343,145	670
Other current liabilities	19,612	24,104	46
TOTAL CURRENT LIABILITIES	68,032,250	69,700,360	136,001
LONG-TERM LIABILITIES			
Due to banks and financial institutions	31,298,835	23,762,828	46,366
Bonds payable	–	35,949,620	70,146
Miscellaneous payables	774,878	561,277	1,095
Accrued expenses	694,592	897,163	1,750
Deferred income taxes	4,751,438	6,930,809	13,524
TOTAL LONG-TERM LIABILITIES	37,519,743	68,101,697	132,881
Commitments and contingencies			
Minority interest	9,715	9,524	19
SHAREHOLDERS' EQUITY			
Paid-in capital, no par value, 719,170,735 shares issued and outstanding as of 2004 and 2005	44,727,614	44,727,614	87,273
Additional paid-in capital – share premium	5,219,134	5,219,134	10,184
Other reserves	7,192,835	7,192,857	14,034
Reserve for future dividends	85,567,386	99,571,203	194,285
Net income for the year	23,506,309	19,039,147	37,150
Less: Provisional Dividends	(4,560,667)	(5,598,744)	(10,924)
TOTAL SHAREHOLDERS' EQUITY	161,652,611	170,151,211	332,002
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	267,214,319	307,962,792	600,903

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME

(Restated for general price-level changes and expressed in thousands of constant Chilean pesos as of December 31, 2005 and thousands of US dollars)

	Year ended December 31,		
	2004 ThCh$	2005 ThCh$	2005 ThUS$ Note 2(x)
OPERATING INCOME			
Sales	195,308,560	201,367,002	392,911
Cost of sales	(119,361,287)	(131,373,455)	(256,338)
Gross profit	75,947,273	69,993,547	136,573
Administrative and selling expenses	(44,455,305)	(45,084,854)	(87,970)
Operating income	31,491,968	24,908,693	48,603
NON-OPERATING INCOME AND EXPENSES			
Interest income	51,734	157,255	307
Equity participation in net income of related companies	397,988	400,858	782
Other non-operating income	317,759	2,842,554	5,547
Goodwill amortization	(84,139)	(71,902)	(140)
Interest expense	(1,776,988)	(3,565,227)	(6,957)
Other non-operating expenses	(410,016)	(2,013,462)	(3,929)
Price-level restatement, net	31,623	(175,772)	(343)
Foreign exchange gains (losses), net	(1,510,492)	31,237	61
NON-OPERATING EXPENSES, NET	(2,982,531)	(2,394,459)	(4,672)
Income before income taxes and minority interest	28,509,437	22,514,234	43,931
Income taxes	(5,014,008)	(3,475,256)	(6,781)
Income before minority interest	23,495,429	19,038,978	37,150
Minority interest	3,903	169	–
Income before amortization of negative goodwill	23,499,332	19,039,147	37,150
Negative goodwill	6,977	–	–
NET INCOME FOR THE YEAR	23,506,309	19,039,147	37,150

The accompanying notes are an integral part of these consolidated financial statements.

(Restated for general price-level changes and expressed in thousands of constant Chilean pesos as of December 31, 2005 and thousands of US dollars)

	Paid-in Capital ThCh$	Additional paid-in capital ThCh$	Other Reserves ThCh$	Reserves for future dividends ThCh$	Provisional Dividends ThCh$	Net income for the year ThCh$	Total ThCh$
Balance as of January 1, 2004	42,120,364	4,914,902	6,780,038	69,406,258	(3,642,096)	18,583,807	138,163,273
2003 net income distribution	–	–	–	14,941,711	3,642,096	(18,583,807)	–
Dividends declared	–	–	–	(3,768,455)	–	–	(3,768,455)
Foreign currency translation adjustment	–	–	(6,648)	–	–	–	(6,648)
Price-level restatement	1,053,009	122,872	169,501	2,014,488	(87,164)	–	3,272,706
Net income for the year	–	–	–	–	–	22,689,487	22,689,487
Interim Dividends	–	–	–	–	(4,315,024)	–	(4,315,024)
Balances as of December 31, 2004	43,173,373	5,037,774	6,942,891	82,594,002	(4,402,188)	22,689,487	156,035,339
Balance as of December 31, 2004 restated to constant Chilean Pesos as of December 31, 2005	44,727,614	5,219,134	7,192,835	85,567,386	(4,560,667)	23,506,309	161,652,611
Balance as of January 1, 2005	43,173,373	5,037,774	6,942,891	82,594,002	(4,402,188)	22,689,487	156,035,339
2004 net income distribution	–	–	–	18,287,299	4,402,188	(22,689,487)	–
Dividends declared	–	–	–	(4,760,910)	–	–	(4,760,910)
Foreign currency translation adjustment	–	–	23	–	–	–	23
Price-level restatement	1,554,241	181,360	249,943	3,450,812	(204,963)	–	5,231,393
Net income for the year	–	–	–	–	–	19,039,147	19,039,147
Interim Dividends	–	–	–	–	(5,393,781)	–	(5,393,781)
Balances as of December 31, 2005	44,727,614	5,219,134	7,192,857	99,571,203	(5,598,744)	19,039,147	170,151,211

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Restated for general price-level changes and expressed in thousands of constant Chilean pesos as of December 31, 2005 and thousands of US dollars)

	Year Ended December 31		
	2004 ThCh$	2005 ThCh$	2005 ThUS$ Note 2(y)
CASH FLOWS FROM OPERATING ACTIVITIES			
Received from customers	205,868,237	210,585,984	410,899
Interest received	643,283	878,745	1,715
Dividends and other distributions received	97,344	172,011	336
Other income received	12,067,091	21,868,392	42,670
Payments to suppliers and personnel	(191,587,348)	(201,822,448)	(393,800)
Interest paid	(1,789,545)	(2,968,490)	(5,792)
Income taxes paid	(3,454,907)	(4,213,162)	(8,221)
Payment of other expenses	(564,576)	(64,210)	(125)
V.A.T. and others taxes paid	(7,055,853)	(11,696,272)	(22,822)
NET CASH PROVIDED BY OPERATING ACTIVITIES	14,223,726	12,740,550	24,860
CASH FLOWS FROM FINANCING ACTIVITIES			
Bank financing	66,003,493	34,479,424	67,277
Bonds payable	–	35,949,620	70,146
Dividends paid	(8,300,186)	(10,018,034)	(19,547)
Payment of bank financing	(47,232,165)	(39,758,806)	(77,578)
Payment of loans obtained from related companies	–	–	–
Payment of expenses related to the issuance of bonds	–	(622,615)	(1,215)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	10,471,142	20,029,589	39,083
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales of property, plant and equipment	62,328	62,597	122
Additions to property, plant and equipment	(24,337,225)	(30,433,486)	(59,382)
Payment of capitalized interest	–	(299,146)	(584)
Permanent investments	(1,051,844)	(836,229)	(1,632)
Other investment income	–	–	–
Other investment disbursements	(5.328)	(1,436,384)	(2,803)
NET CASH USED IN INVESTING ACTIVITIES	(25,332,069)	(32,942,648)	(64,279)
Positive (negative) net cash flow for the year	(637,201)	(172,509)	(336)
Effect of price-level restatement on cash and cash equivalents	(83,487)	(243,976)	(476)
Net increase (decrease) in cash and cash equivalents	(720,688)	(416,485)	(812)
Cash and cash equivalents beginning of year	2,584,307	1,863,619	3.636
CASH AND CASH EQUIVALENTS END OF YEAR	1,863,619	1,447,134	2,824

The accompanying notes are an integral part of these consolidated financial statements.

	Year Ended December 31		
	2004 ThCh$	2005 ThCh$	2005 ThUS$ Note 2(y)
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Net income for the year	23,506,309	19,039,147	37,150
NET GAIN ON SALES OF PROPERTY, PLANT AND EQUIPMENT	(40,959)	(32,952)	(64)
Charges *(credits)* to income which do not represent cash flows:			
Depreciation	8,684,253	10,755,919	20,987
Amortization of intangibles	71,168	89,272	174
Provisions and write-offs	2,358,086	1,993,545	3,890
Equity participation in income of related companies	(397,988)	(400,858)	(782)
Amortization of goodwill	84,139	71,902	140
Amortization of negative goodwill	(6,977)	–	–
Price-level restatement, net	(31,623)	175,772	343
Foreign currency translation, net	1,510,492	(31,237)	(61)
Other credits to income which do not represent cash flows	–	(61)	–
Other charges to income which do not represent cash flows	366,768	–	–
CHANGES IN ASSETS WHICH AFFECT CASH FLOWS			
Increase in trade receivables	(10,406,346)	(235,170)	(459)
Increase in inventory	(11,671,448)	(25,287,718)	(49,342)
Decrease *(increase)* in other current assets	(3,173,307)	1,904,351	3,716
CHANGES IN LIABILITIES WHICH AFFECT CASH FLOWS			
Increase *(decrease)* in accounts payable associated with operating results	1,486,762	2,247,359	4,385
Increase *(decrease)* in interest payable	258,668	272,768	532
Increase *(decrease)* in income tax payable	829,759	(1,151,632)	(2,247)
Increase in other accounts payable associated with non-operating results	562,004	2,620,846	5,114
Net increase in value added tax and other accounts payable	237,869	709,466	1,384
Gain *(loss)* attributable to minority interest	(3,903)	(169)	0
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	14,223,726	12,740,550	24,860

The accompanying notes are an integral part of these consolidated financial statements.

(Restated for general price-level changes and expressed in thousands of constant Chilean pesos as of December 31, 2005 and thousands of US dollars)

NOTE 1 - REGISTRATION OF SECURITIES

Viña Concha y Toro S.A. is a corporation organized under the laws of the Republic of Chile registered under No. 0043 of the Chilean Superintendency of Securities and Insurance and in the New York Stock Exchange *("NYSE")* and is therefore subject to the supervision of the Chilean Superintendency of Securities and Insurance *("SVS")* and the Securities and Exchange Commission *("SEC")* of the United States of America. The Company is a producer and exporter of wines in Chile. It is a vertically integrated company that is involved at every stage of the production and marketing of wine. It manages its own vineyards, vinification and bottling plants and has an extensive distribution network for wines.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Periods covered

These financial statements reflect the Company's financial position as of December 31, 2004 and 2005, and the results of its operations, the changes in its shareholders' equity, and its cash flows for the years ended December 31, 2004, and 2005, respectively.

b) Basis for consolidation

The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles in Chile and the accounting regulations of the SVS *(collectively "Chilean GAAP")*. Should any discrepancy exist between generally accepted accounting principles and the regulations issued by the Chilean SVS the latter shall prevail. The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
The consolidated financial statements include the accounts of Viña Concha y Toro S.A. *(the "Parent Company")* and subsidiaries. The Parent Company and its subsidiaries are referred to as the "Company". All intercompany balances and transactions have been eliminated in consolidation. In addition, the participation of minority shareholders has been recognized and shown as minority interest.
The consolidated financial statements for the years 2004 and 2005 include the following subsidiaries:

	Ownership interest As of December 31,					
	2004			2005		
	Direct	Indirect	Total	Direct	Indirect	Total
Company	%	%	%	%	%	%
Comercial Peumo Ltda.	0.00	100.00	100.00	0.00	100.00	100.00
Sociedad Exportadora y Comercial Oneworldwine Ltda.	99.00	0.00	99.00	99.00	0.00	99.00
Sociedad Exportadora y Comercial Viña Maipo Ltda.	0.00	100.00	100.00	0.00	100.00	100.00
Transportes Viconto Ltda.	0.00	100.00	100.00	0.00	100.00	100.00
Viña Cono Sur S.A.	0.00	100.00	100.00	0.00	100.00	100.00
Trivento Bodegas y Viñedos S.A.	0.00	100.00	100.00	0.00	100.00	100.00
Distribuidora Peumo Argentina S.A.	0.00	100.00	100.00	0.00	0.00	0.00
Concha y Toro UK Limited	99.00	1.00	100.00	99.00	1.00	100.00
Villa Alegre S.A.	0.00	100.00	100.00	0.00	100.00	100.00
Finca Lunlunta S.A.	0.00	0.00	0.00	0.00	100.00	100.00
Conosur Europe Limited	0.00	100.00	100.00	0.00	100.00	100.00
Inversiones Concha y Toro S.A.	99.98	0.02	100.00	99.98	0.02	100.00
VCT Internacional S.A.	0.00	100.00	100.00	0.00	100.00	100.00

c) Translation of foreign currency financial statements

Financial statements of consolidated foreign subsidiaries have been converted into Chilean pesos in accordance with Technical Bulletin No. 64, "Accounting for Investments Abroad" *("BT 64")*, of the Chilean Association of Accountants, as follows:

Financial statements of foreign operations with the Chilean peso as the functional currency are those whose activities are considered an extension of the Chilean operations, and are remeasured as follows:

- Monetary assets and liabilities are translated at the year-end exchange rate.
- Non-monetary items, primarily property, plant and equipment and shareholders' equity, are measured using historical exchange rates in effect at the time of the transactions adjusted by changes in the Chilean CPI during the year.
- The statement of operations is translated into Chilean pesos at the average exchange rate of the month in which the transactions occur, except for those expenses related to assets and liabilities that have been measured at historical exchange rates.
- Exchange differences resulting from the above translation are recorded in the statement of operations.

Financial statements of foreign subsidiaries whose activities do not constitute an extension of the Chilean operations, or which operate in countries that are exposed to significant risks, restrictions or inflation/exchange fluctuations, are measured using the US dollar as the functional currency and then translated into Chilean pesos at the year end exchange rate. Measurement into US dollars is performed as follows:

- Monetary assets and liabilities are translated at year-end rates of exchange between the US dollar and the local currency.
- All non-monetary assets and liabilities and shareholders' equity are translated at historical rates of exchange between the US dollar and the local currency.
- Income and expense accounts are translated at the average exchange rate of the month in which the transactions occur, except for those expenses related to assets and liabilities that have been measured at historical exchange rates.
- Any exchange differences are included in the results of operations for the period.

On the Parent Company's books, price-level restatements based on Chilean inflation are applied to the beginning balance of the investment account and then the participation in the net income of the subsidiary *(determined as described above)* is recorded. The Parent Company then compares this value to its participation in the equity of the investee as measured in US dollars and translated into Chilean pesos. The difference is recorded as an adjustment to the investment account with a corresponding adjustment to the foreign currency translation account in shareholders' equity.

d) Price-level restatement

The consolidated financial statements are prepared on the basis of general price-level accounting in order to reflect the effect of changes in the purchasing power of the Chilean peso during each year. At the end of each reporting period, the consolidated financial statements are stated in terms of the general purchasing power of the Chilean peso using changes in the Chilean consumer price index *(CPI)* as follows:

- Non-monetary assets, liabilities, and shareholders' equity accounts are restated in terms of year-end purchasing power.
- Monetary items are not restated as such items are, by their nature, stated in terms of current purchasing power in the financial statements.
- The price-level restatement credit or charge in the income statement represents the monetary gain or loss in purchasing power from holding monetary assets and liabilities exposed to the effects of inflation.
- All the accompanying consolidated financial statements have been restated in constant Chilean pesos of general purchasing power of December 31, 2005 *("constant pesos")* applied under the "prior month rule", as described below, to reflect changes in the CPI from the financial statement dates to December 31, 2005. This updating does not change the prior years' statements or information in any way except to update the amounts to constant pesos of similar purchasing power.

The general price-level restatements are calculated using the official consumer price index of the Chilean Instituto Nacional de Estadísticas *(National Statistics Institute)* and are based on the prior month rule, in which the inflation adjustments are based on the consumer price index at the close of the month preceding the close of the respective period or transaction. The CPI index is considered by the business community, the accounting profession and the Chilean government to be the index which most closely complies with the technical requirement to reflect the variation in the general level of prices in the country and, consequently, is widely used for financial reporting purposes in Chile.

The values of the Chilean CPI used for price-level restatement purposes are as follows:

	December 31,	
Year	Index*	Change in index
2001	110.10	–
2002	113.40	3.0%
2003	114.44	1.0%
2004	117.28	2.5%
2005	121.53	3.6%

* Index as of November 30 of each year, under prior month rule described above

The price-level restated consolidated financial statements do not purport to represent appraised values, replacement cost, or any other current value of assets at which transactions would take place currently and are only intended to restate all non-monetary financial statement components in terms of local currency of a single purchasing power and to include in the net result for each year the gain or loss in purchasing power arising from the holding of monetary assets and liabilities exposed to the effects of inflation.

Assets and liabilities denominated in "unidades de fomento" *(UF —an inflation— indexed, Chilean peso-denominated monetary unit)* are presented in Chilean pesos at the following year-end rates *(stated in Chilean pesos per foreign currency)*:

	At December 31	
	2004	2005
	Ch$	Ch$
UF	17,317.05	17,974.81

e) Assets and liabilities denominated in foreign currencies

Assets and liabilities denominated in foreign currencies are presented in Chilean pesos at the exchange rate at the end of each year published by the Central Bank of Chile. The detail of exchange rates for foreign currencies is as follows:

	As of December 31,	
	2004	2005
	Ch$	Ch$
U.S. dollar	557.40	512.50
Canadian dollar	463.19	440.78
Argentine peso	187.65	169.42
Euros	760.13	606.08
Australian dollar	433.77	375.87
British pounds	1,073.37	880.43
Swedish Krone	84.26	64.49
Japanese yen	5.41	4.34

f) Time deposits

Time deposits are presented at price-level restated principal plus accrued interest. The original maturity dates are less than 90 days.

g) Inventories

Inventories of raw materials, materials and supplies are presented at price-level restated cost. These values do not exceed net realizable value.

Bulk wine inventory is stated at weighted average cost plus price level restatement in accordance with Technical Bulletin No. 3 of the Chilean Association of Accountants, which does not exceed net realizable value. Cost of bulk wine is calculated using the absorption costing method, which includes indirect costs incurred during the production process plus direct acquisition or grape production costs.

Finished goods and in-process wine inventories are stated at cost plus price level restatement. Finished goods and in process wine inventories include the cost of purchased grapes and agricultural costs, including overhead for the production of grapes, as well as all direct and indirect costs associated with the wine-making process, including the bottling process.

The Company records a provision for obsolescence based on inventory turnover and/or the evaluation of inventory use.

h) Prepaid expenses

Prepaid expenses include prepaid rent, prepaid insurance, deferred harvest costs and other prepaid expenses. Deferred harvest costs consist of direct material, labour, and an allocation of indirect costs for incurred for the period April/May through December which relate to the harvest of April/May of the following year. These costs are charged to the cost of wine once the harvest is completed in the following period.

i) Property, plant and equipment

Property, plant and equipment are presented at acquisition and/or building or development cost plus price-level restatement. This cost includes applicable financing costs incurred by the Company until the asset is ready for use. The value resulting from the technical appraisal of 1979 is included in the balance of property, plant and equipment and includes annual price level restatements.

Fixed asset maintenance costs are charged to income as incurred.

In accordance with Chilean GAAP, the Company has evaluated the recovery of the value of its investments abroad *(Argentina)* in consideration of the guidelines established in Technical Bulletins Nos. 33 and 72 issued by the Chilean Association of Accountants. As a result of this evaluation, no impairment adjustments were recorded.

j) Leased assets

Assets acquired through lease agreements that are classified as capital leases are recorded at the present value of future minimum lease payments, which is calculated by discounting regular instalments and any related purchase option at the interest rate implied or stated in the respective agreement. Leases payables are recorded net of unaccrued future interest in the short and long-term portion.

k) Depreciation

Depreciation is calculated according to the straight-line method based on the estimated useful lives of the different classes of assets, and includes depreciation pertaining to fixed asset technical appraisals.

l) Intangible assets

Intangible assets represent rights or privileges acquired that will benefit the Company's operations beyond the period in which they were acquired. These refer primarily to water rights and industrial brand name rights, which are amortized over 40 and 10-year periods, respectively. These assets are presented at restated cost and include other acquisition related costs, except for the cost of financing.

m) Investments in related companies

Investments in shares of public and private companies in which the Company exercises significant influence are valued according to the equity method whereby the investment is carried at acquisition cost, plus the Company's equity in undistributed earnings or losses since acquisition, including the elimination of unrealized gains or losses. Investments in foreign companies have been valued in accordance with the provisions of Technical Bulletin No. 64 issued by the Chilean Association of Accountants.

n) Investments in other companies

Investments in equity shares traded in the Chilean Stock Market in which the Company cannot exercise significant influence are valued at the lower of restated cost and quoted market value of the portfolio at the date of the financial statements.

o) Goodwill

Goodwill represents the excess of the acquisition cost of shares of related companies over the book value of these investments at the date of the acquisition. These differences are amortized over 5 to 20 years, using the straight-line method. Goodwill for acquisitions that occurred after December 31, 2003 have been recorded in accordance with Technical Bulletin No. 72 of the Chilean Association of Accountants.

p) Income and deferred taxes

The Company determines and records its income taxes on an accrual basis based on the net taxable income in conformity with current Chilean tax regulations.
Deferred income taxes are recorded in accordance with Technical Bulletin No. 60 and the complementary technical bulletins thereto Nos. 68, 69, 71 and 73 issued by the Chilean Association of Accountants. Deferred taxes are recorded based on the total amount of temporary differences between the book and tax basis of assets and liabilities. The effects on deferred taxes generated by the absorption of tax losses against current year taxable income are recorded against deferred tax expense in the associated year.

q) Staff severance indemnities

Severance benefits payable to employees are stated at the present value of the projected obligation attributable to each employee for his/her accumulated years of service. The liability considers an annual discount rate of 6.00% and an average remaining service period of 11 years.

r) Vacations

The cost of employees' vacations is recorded on an accrual basis.

s) Statement of cash flows

The Company prepares the statement of cash flows using the direct method. The Company classifies as cash equivalents all highly liquid investments purchased with a maturity date of three months or less. Cash flows provided by operating activities include all cash flows related to the Company, also including interest paid, financial income and, in general, all cash flows which are not defined as being part of investing or financial activities. It should be noted that the concept of operations applied in the preparation of this statement is broader than that used in the statement of income.

t) Revenue recognition

The Company recognizes revenues from sales of its goods when delivery has occurred, and when collectibility is reasonably assured.

u) Derivative contracts

The Company has foreign exchange forward contracts that have been designated as hedge instruments against variations in the foreign exchange rate of specific items, and are recorded in accordance with Technical Bulletin No. 57 issued by the Chilean Association of Accountants.

v) Computer software

Investments in computer programs relate principally to capitalized costs incurred in the implementation of the SAP R/3 system and other complementary or additional programs, which are presented under other fixed assets within property, plant and equipment and which are being amortized, using the straight-line method.

w) Allowance for doubtful accounts

The Company and its subsidiaries have recorded allowances for doubtful accounts based on a case-by-case assessment of debtors, reserving for buckets whose overdue balance exceeds five months. In addition, the Company considers its historical experience with write-offs, which have not been significant.

x) Convenience translation to U.S. dollars

The Company maintains its accounting records and prepares its financial statements in Chilean pesos. The United States dollar amounts disclosed in the accompanying financial statements are presented solely for the convenience of the reader at the December 31, 2005 closing exchange Ch$512.50 per US$1. This translation should not be construed as a representation that the Chilean peso amounts actually represent or have been, or could be, converted into United States dollars at this or any other rate.

NOTE 3 - CHANGES IN ACCOUNTING PRINCIPLES

During the period between January 1 and December 31, 2005, there were no changes in the application of accounting policy compared to the prior year.

Effective on January 1, 2004 the Company adopted Technical Bulletin No. 72 of the Chilean Association of Accountants which modified the rules of accounting for business combinations and equity-method investees. Prior to January 1, 2004, investments in other companies in which the Company owned from 10% to 50% of common stock on a consolidated basis were recorded under the equity method of accounting. As of the adoption date, the Technical Bulletin changed the accounting treatment for investments in which an entity owns more than 10% and less than 20% of common stock. Investments that meet these criteria are accounted for at acquisition cost, restated for price-level changes or foreign currency and are no longer recorded under the equity method of accounting. The new cost basis of the investments in these companies at January 1, 2004 was determined at their December 31, 2003 book values equal to their equity method value including the unamortized goodwill balance. Furthermore, business combinations executed after the date of adoption are accounted for using the purchase method of accounting., recognizing the excess of cost over the fair value of assets acquired and liabilities assumed as goodwill. All goodwill *(whether recorded prior to or upon adoption of Technical Bulletin No. 72)* continues to be amortized and is tested for impairment when a change in circumstances indicates that it may not be recoverable. The adoption of Technical Bulletin No. 72 did not have a material effect on the financial statements of the Company for the year ended December 31, 2004.

NOTE 4 – INVESTMENTS IN DEBT AND EQUITY SECURITIES

There were no marketable securities as of December 31, 2005 and 2004. The Company holds certain equity securities which have been classified as long-term investments; see Note 12.

NOTE 5 - SHORT-TERM RECEIVABLES

Short-term

Trade accounts receivable:

Description	As of December 31,			
	2004		2005	
	ThCh$	%	ThCh$	%
Trade accounts receivable – export sales, net	41,408,953	80.48%	37,749,730	76.74%
Trade accounts receivable – domestic sales, net	10,042,520	19.52%	11,444,244	23.26%
TOTAL TRADE ACCOUNTS RECEIVABLE, NET	51,451,473	100.00%	49,193,974	100.00%

Notes Receivable:

Description	As of December 31,	
	2004	2005
	ThCh$	ThCh$
Postdated checks, net	1,925,695	2,147,425
Notes receivable, net	618	–
Notes receivable denominated in foreign currencies	510,857	1,018,117
TOTAL NOTES RECEIVABLE, NET	2,437,170	3,165,542

Other Accounts Receivable:

Description	As of December 31, 2004 ThCh$	2005 ThCh$
Receivable from employees	291,225	699,735
Reimbursable amounts	25,944	28,746
Other accounts receivable *(net)*	1,081,747	680,329
TOTAL OTHER ACCOUNTS RECEIVABLE	1,398,916	1,408,810

Maturities of short-term receivables are as follows:

	Up to 90 Days		More than 90 days up to 1 year		Total	
	2004 ThCh$	2005 ThCh$	2004 ThCh$	2005 ThCh$	2004 ThCh$	2005 ThCh$
Trade accounts receivable	48,073,215	46,606,506	3,701,090	3,202,563	51,774,305	49,809,069
Allowance for doubtful accounts	–	–	–	–	(322,832)	(615,095)
Trade accounts receivable, net	–	–	–	–	51,451,473	49,193,974
Notes receivable	2,484,501	3,213,144	17,629	15,101	2,502,130	3,228,245
Allowance for doubtful accounts	–	–	–	–	(64,960)	(62,703)
Notes receivable, net	–	–	–	–	2,437,170	3,165,542
Other accounts receivable	1,505,267	1,535,495	–	–	1,505,267	1,535,495
Allowance for doubtful accounts	–	–	–	–	(106,351)	(126,685)
Other accounts receivable, net	–	–	–	–	1,398,916	1,408,810
Long-term accounts receivable	–	–	–	–	–	–

NOTE 6 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Balances and transactions with related parties represent all those transactions realized with affiliates or related persons. In addition, this note discloses all those significant transactions with related companies whose total amount exceeds 1% of the Company's results, as well as operations related to the sale and purchase of shares.

These transactions and loans accrue no interest and loans are adjusted using the variation in the exchange rate for foreign currency, which is mainly, U.S. dollars.

a) Notes and accounts receivable:

Company	As of December 31, 2004 ThCh$	2005 ThCh$
Frutícola Viconto S.A.	4,812	–
Bodegas y Viñedos Sta. Emiliana S.A.	258,241	120,430
Viña Almaviva S.A.	113,363	–
Maria Ines Cerda Fernandez	–	7,990
TOTAL	376,416	128,420

b) Notes and accounts payable:

Company	Short-term 2004 ThCh$	Short-term 2005 ThCh$	Long-term 2004 ThCh$	Long-term 2005 ThCh$
		As of December 31,		
Comercial Greenwich Ltda.	478	559	–	–
Agrícola Alto de Quitralman Ltda.	126	–	–	–
Industria Corchera S.A.	2,151,385	1,003,189	–	–
Importadora y Comercial Huasco S.A.	11,085	7,836	–	–
Forestal Quivolgo S.A.	142,736	–	–	–
Inversiones y Asesorías de Asís Ltda.	1,923	–	–	–
Inversiones Totihue	385,164	–	–	–
Eduardo Rafael Morandé Montt	37,531	–	–	–
Carmen Montt Luco	37,531	–	–	–
Carmen Gloria Morandé Montt	37,531	–	–	–
Juan Ignacio Morandé Montt	37,531	–	–	–
Catalina Del Rosario Morandé Montt	37,531	–	–	–
Víctor Javier Morandé Montt	37,531	–	–	–
María Verónica Morandé Montt	37,531	–	–	–
José Vicente Morandé Montt	37,531	–	–	–
Eduardo Ignacio Morandé Fernández	40,942	–	–	–
Empresa Electrica de Magallanes Ltda.	80	175	–	–
Agricola Ganaderos Ltda.	36	1,707	–	–
Agricola Sextafrut S.A.	64	–	–	–
Frutícola Viconto S.A.	–	24,478	–	–
Viña Almaviva S.A.	–	212,188	–	–
Spring Wireless	12,524	6,624	–	–
Metrogas S.A.	632	8	–	–
Gasco S.A.	9,171	15,957	–	–
Cia. Nac. de Fuerza Electrica S.A.	2,379	14,716	–	–
TOTAL	3,058,973	1,287,437	–	–

c) Transactions:

Company	Relationship	Type of transaction	For the year ended December 31, 2004 Amount ThCh$	(Expense) Income ThCh$	2005 Amount ThCh$	(Expense) Income ThCh$
Frutícola Viconto S.A.	Common Mgmt.	Sale of fruit and products	154,415	12,380	241,279	19,316
		Sale of services and others	11,834	6,937	16,158	6,924
		Purchase of raw materials	296,853	–	610,467	–
Bodegas y Viñedos Santa Emiliana S.A.	Common Mgmt.	Sale of raw materials	377,581	61,756	46,970	5,553
		Sale of services and others	2,731,957	420,882	2,442,729	291,050
		Purchase of raw materials and products	975,499	–	1,409,223	–
		Purchase of services and other purchases	872,667	(344,760)	281,532	(276,916)
Industria Corchera S.A.	Affiliate	Sale of services and other	4,581	–	–	–
		Purchase of raw materials	6,870,331	–	5,577,457	–
		Purchase of services and other purchase	–	–	13,961	(13,961)
Viña Almaviva S.A.	Affiliate	Sale of raw materials and others	57,058	31,350	68,269	36,606
		Sale of services and others	46,048	43.580	12,341	10,180
		Purchase of raw materials and products	733,084	–	911,342	–
		Purchase of services and others	7,256	(7,256)	–	–
Importadora y Com. Huasco S.A.	Affiliate	Purchase of materials and raw materials	57,081	–	14,609	–
Agrícola Alto de Quitralman Ltda.	Common Mgmt.	Purchase of raw materials	258,549	–	452,556	–
Comercial Greenwich Ltda.	Common Mgmt.	Sale of products	–	–	892	116
		Sale of services and others	3,817	–	26	–
		Purchase of raw materials	185,063	–	207,311	–
		Purchase of services and others	597	(597)	4,411	(2,293)
Forestal Quivolvo S.A.	Common Mgmt.	Sale of services and others	995	–	5,342	–
		Purchase of raw materials	165,347	–	317,624	–
Compañía Nacional de Fuerza Eléctrica S.A.	Common Mgmt.	Purchase of services	221,233	(221,233)	259,755	(259,755)

NOTE 7 - INVENTORIES

Inventories, stated as described in Note 2 g), are summarized as follows:

	As of December 31, 2004 ThCh$	2005 ThCh$
Wine, bottled and bulk	43,748,835	62,519,377
In process wine	3,249,933	2,559,052
Liquors	465,743	570,818
Materials and supplies	7,802,670	7,616,664
Other products	339,961	519,324
Inventories-in-transit	445,339	831,251
Allowance for obsolescence	(1,422,325)	(1,272,098)
TOTAL	54,630,156	73,344,388

NOTE 8 - INCOME AND DEFERRED TAXES

a) Income taxes payable

The detail of consolidated income taxes payable is as follows:

	As of December 31,	
	2004	2005
	ThCh$	ThCh$
Provision for income tax	3,448,575	1,357,616
Provision for income tax subsidiary	1,096,619	351,640
Unique article 21 tax	9,807	11,296
Less:		
Monthly tax provisional payments	(3,725,308)	(4,261,063)
Other credits	(235,140)	(215,424)
INCOME TAXES PAYABLE *(recoverable)*	594,553	(2,755,935)

b) Recoverable taxes are included within the Income tax receivable line in 8f.)
Consolidated net taxable income as of December 31, 2005 amounts to approximately ThCh$7,985,975 and ThCh$20,285,733 in 2004.

c) The detail of the balance of net undistributed taxed earnings of the Company at December 31, 2004 and 2005 is the following:

	As of December 31,	
Taxed earnings	2004	2005
	ThCh$	ThCh$
Credit of 17%	16,837,163	21,557,228
Credit of 16.5%	11,498,745	11,165,224
Credit of 16%	10,131,275	638,760
Credit of 15%	715,259	103,352
As per Article No. 17 of the Income Tax Law	2,759,327	2,600,652
Earnings with no credits	3,399,420	1,388,715
Balance of taxed earnings	45,341,189	37,453,931

d) Two subsidiaries, Viña Cono Sur S.A. and Viña Maipo Ltda. of the Company have undistributed taxed earnings of ThCh$30,061,612 and ThCh$29,924,145 as of December 31, 2004 and 2005, respectively. The societies Comercial Peumo Ltda. and VCT Internacional S.A. present tax losses for ThCh$2,070,182 and ThCh$4,659,902, respectively *(ThCh$1,948,782 and ThCh$3,736,299 in 2004)*.

e) Deferred taxes

Changes in the Chilean Income Tax Law, effective beginning on January 1, 2001, required that income tax rates increase gradually between 2001 and 2005 from 15% to 17%. Consequently, deferred tax balances as of December 31, 2005 were calculated based on 17%.

The detail of deferred taxes is as follows:

	As of December 31,							
	2004				2005			
	Deferred tax asset		Deferred tax liability		Deferred tax asset		Deferred tax liability	
Temporary differences	Short-term ThCh$	Long-term ThCh$	Short-term ThCh$	Long-term ThCh$	Short-term ThCh$	Long-term ThCh$	Short-term ThCh$	Long-term ThCh$
Allowance for doubtful Accounts	75,041	–	–	–	138,757	–	–	–
Allowance for obsolescence	241,401	–	–	–	216,257	–	–	–
Provision for vacations	173,399	–	–	–	237,641	–	–	–
Amortization of intangibles	–	43,732	–	–	–	45,269	–	2,030
Financial lease agreements	–	–	–	24,411	18,148	–	–	47,765
Overhead expenses	–	–	70,425	1,099,944	–	–	102,098	2,229,500
Fixed assets depreciation	–	–	–	6,479,333	–	–	–	7,307,601
Staff severance indemnities	–	118,081	–	–	–	152,517	–	–
Other events	163,475	–	–	–	–	–	–	–
Inventories	–	–	–	–	58,002	–	349,656	–
Unrealized gains for inventories	89,193	226,364	–	–	86,094	27,301	–	–
Forwards	–	–	128,211	–	–	–	51,582	–
Tax losses	617,961	319,750	–	–	792,258	358,859	–	–
Expenses related to the issuance bonds	–	–	–	–	–	100,216	–	–
Complementary accounts, net of amortization	–	–	–	(2,144,323)	–	–	–	(1,971,925)
TOTAL	1,360,470	707,927	198,636	5,459,365	2,040,786	684,162	503,336	7,614,971

f) The detail of recoverable taxes is as follows:

	As of December 31, 2004 ThCh$	2005 ThCh$
Value-added tax	2,071,642	2,369,011
IABA fiscal credit	297,656	463,809
Income tax receivable (1)	927,725	3,119,998
Income tax receivable for partial utilization of tax loss carry forwards	244,917	162,797
Other credits	554,822	1,008,338
TOTAL	4,096,762	7,123,953

(1) Income tax receivable is shown net of a reserve of Ch$139,860 and Ch$346,507as of December 31, 2004 and 2005. See Note 20.

g) The detail of income tax expense as presented in the consolidated statement of income for the years ended December 31, is summarized as follows:

	For the years ended December 31, 2004 ThCh$	2005 ThCh$
Current tax expense *(provision for income taxes)*	(4,545,194)	(1,709,256)
Tax expense adjustment *(prior year)*	294,696	174,566
Effect of changes in deferred tax assets and liabilities for the year	(755,483)	(1,844,764)
Tax benefit provided by tax loss	168,658	213,406
Effect of amortization of complementary deferred tax asset or liability accounts	(135,937)	(172,398)
Other charges or credits to the account	(40,748)	(136,810)
TOTAL	(5,014,008)	(3,475,256)

NOTE 9 - OTHER CURRENT ASSETS

	2004 ThCh$	2005 ThCh$
Rights under forward contracts	713,898	294,139
Adjustment to forward fair value	19,612	–
Guaranties	–	2,239
TOTAL	733,510	296,378

NOTE 10 - PROPERTY, PLANT AND EQUIPMENT

a) The following is a summary of property, plant and equipment as of December 31, 2004 and 2005:

	2004		2005	
	Gross Fixed Assets ThCh$	Accumulated Depreciation ThCh$	Gross Fixed Assets ThCh$	Accumulated Depreciation ThCh$
Land	25,937,858	–	32,156,349	–
	25,937,858	–	32,156,349	–
Plantations	30,644,575	(6,148,983)	35,556,363	(7,212,541)
Buildings and facilities	51,126,495	(12,218,131)	53,636,201	(14,780,403)
Aging barrels	28,129,336	(12,789,813)	34,262,174	(15,783,350)
	109,900,406	(31,156,927)	123,454,738	(37,776,294)
Machinery and equipment	36,361,400	(18,759,805)	45,935,326	(22,061,974)
Transportation equipment	2,331,306	(1,486,033)	2,455,748	(1,609,278)
	38,692,706	(20,245,838)	48,391,074	(23,671,252)
Bottles and packaging	1,160,732	(732,551)	1,203,211	(914,561)
Other fixed assets	8,038,768	(4,735,397)	7,949,586	(4,781,975)
Leased fixed assets	1,595,457	(434,122)	1,595,534	(538,124)
	10,794,957	(5,902,070)	10,748,331	(6,234,660)
Revaluation from fixed asset technical appraisal	3,525,089	(1,496,762)	3,389,466	(1,389,949)
	3,525,089	(1,496,762)	3,389,466	(1,389,949)
NET PROPERTY, PLANT AND EQUIPMENT	188,851,016	(58,801,597)	218,139,958	(69,072,155)

b) Depreciation for each period presented is as follows:

	For the year ended December 31,	
	2004	2005
	ThCh$	ThCh$
Depreciation *(selling and administrative expenses)*	(1,059,445)	(1,225,596)
Depreciation *(Cost of sales)*	(3,071,818)	(3,468,324)
Depreciation capitalized to deferred costs (*)	(6,238,227)	(8,794,645)
TOTAL	(10,369,490)	(13,488,565)

(*) This amount includes depreciation related to next harvest, barrels and cost of wine processing.
Depreciation charged to income as of December 31, 2004 and 2005: in addition to depreciation of administrative and selling expenses and depreciation of operating expenses, considers depreciation included under cost of sales for an amount of ThCh$4,552,990 in 2004 and ThCh$6,061,999 in 2005.

c) The detail of interest capitalized is as follows:

	For the years ended December 31,	
	2004	2005
	ThCh$	ThCh$
Vineyards under development	76,367	150,382
Construction in-progress	179,387	155,558
TOTAL	255,754	305,940

d) Technical revaluation: in accordance with Circular 1529 of the Superintendency of Securities and Insurance, the Company recorded the increase in value resulting from a technical appraisal of its principal fixed assets as of December 31, 1979. As of December 31, 2004 and 2005, this higher value consisted of the following restated amounts:

	As of December 31,			
	2004		2005	
Item	Asset Value	Accumulated Depreciation	Asset Value	Accumulated Depreciation
	ThCh$	ThCh$	ThCh$	ThCh$
Land	1,822,602	–	1,822,602	–
Plantations	272,948	(246,152)	257,038	(238,537)
Buildings and facilities	1,231,050	(1,052,121)	1,199,035	(1,040,621)
Machinery and equipment	198,489	(198,489)	110,791	(110,791)
TOTAL	3,525,089	(1,496,762)	3,389,466	(1,389,949)

e) Leased assets are accounted for in conformity with Technical Bulletin No. 22 of the Chilean Association of Accountants. Leased assets are floor No. 15 and office 1602 Towe South of the World Trade Center Building *(whose contract stipulates an average interest rate of 5.88%, with 18 installments outstanding as of December 31, 2005)*, in addition to telephony power station and the switchboard *(with an average interest rate of 4.98% and 20 installments outstanding as of December 31, 2005)*, as follows:

	As of December 31,	
	2004	2005
	ThCh$	ThCh$
Leased fixed assets	1,595,457	1,595,534
Accumulated depreciation	(434,122)	(538,124)
TOTAL	1,161,335	1,057,410

The Company does not legally own leased assets and therefore it cannot freely dispose of them until it exercises the related purchase option.

f) Operating leases:

The Company has entered into long-term lease agreements for land where it has developed vineyards for wine production. These agreements are expressed in US dollars and/or UF and are restated each year in consideration of changes in these monetary units in accordance with each related agreement. As of December 31, 2004 and 2005, future minimum payments related to these operating lease agreements are as follows:

Year ended December 31,	2004 ThCh$	2005 ThCh$
Short-term	434,005	243,292
2007	432,242	241,692
2008	433,929	243,381
2009	434,490	243,945
2010	434,490	243,945
2011	434,490	243,945
2012 and thereafter	2,104,993	1,860,883
Total	4,708,639	3,321,083

g) Investments in computer programs

There were no significant investments in computer programs during 2004, and 2005.

NOTE 11 - INVESTMENTS IN RELATED COMPANIES

Significant Events

1) Investments in related companies and the related direct participation in their equity, as well as the recognition of unrealized gains and losses for purchases and sales between related companies at the end of the respective periods are detailed in an attached chart.

2) Valuation of investments in Argentina

a) The financial statements of the Argentine subsidiaries, Distribuidora Peumo Argentina S.A. and Trivento Bodegas y Viñedos S.A., in which Viña Concha y Toro has indirect ownership interest of 100%, have been translated in conformity with the method indicated in Technical Bulletin No. 64 issued by the Chilean Association of Accountants, which requires that the control of investments in unstable economies be maintained in historical US dollars.

b) As the consolidated foreign subsidiaries have accumulated deficits, there are no current dividends receivable from subsidiaries abroad.

c) During the period from January to December 2004, some loan instrument due to certain banks and financial institutions were designated as a hedge for the investment it has in Argentine companies Trivento Bodegas y Viñedos and Distribuidora Peumo, which amounts to US$11,077,698. These liabilities generated a credit to the account Translation adjustment reserve for 2005 of ThCh$719,678(ThCh$ 468,757 in 2004).

d) In January 2005, the subsidiaries Trivento Bodegas y Viñedos S.A. and Distribuidora Peumo Argentina S.A., acquired 120 shares of Finca Lunlunta S.A., which represent 100% of the total number of shares of that company. The amount paid in this transaction was Argentine pesos 1,000.

e) Sale of shares of Distribuidora Peumo Argentina S.A. On June 22, 2005, the subsidiary VCT Internacional sold to Comercial Peumo Ltda. el 9.99%, related to 71,060 shares of the 711,140 it had in Distribuidora Peumo Argentina S.A. The amount of the transaction was ThCh$ 133,344. With this transaction, Comercial Peumo Ltda. increased its participation in Distribuidora Peumo Argentina S.A. from 0.01% to 10%. On the other hand VCT Internacional decreased its participation in the same company from 99.99% to 90%. This transaction did not signify any change in participation in the ownership Viña Concha y Toro S.A. has on Distribuidora Peumo Argentina S.A., so that it continues have indirect control of 100% of this company in Argentina. This transaction did not generate any effects on income for Viña Concha y Toro S.A.

f) On July 15, 2005, the Company signed a commitment for the merger of the operations in Argentina, which develop the subsidiaries Trivento Bodegas y Viñedos S.A. and Distribuidora Peumo Argentina S.A. The objective is to position the TRIVENTO brand, optimize and making the production and distribution processes more efficient in the Argentine domestic market.

The merger is conducted based on the balances performed on June 30, 2005 and is materialized beginning on October 1, 2005 and therefore up to September 30, 2005 both companies worked independently under their by-laws currently in force. The merger was conducted with Trivento Bodegas y Viñedos S.A. as successor company, incorporating the 100% of the assets and liabilities of Distribuidora Peumo Argentina S.A., according to its book value. As of December 31, 2005, the operation is presented merged.

g) Due to the merger of Trivento Bodegas y Viñedos S.A. and Distribuidora Peumo Argentina S.A, the successor company became the owner of 100% of the shares of Finca Lulunta S.A. Due to this and with the purpose of regularizing the ownership of these shares, on November 21, 2005. Trivento Bodegas y Viñedos S.A., the successor company, transferred to VCT Internacional 1 share of Finca Lulunta S.A. representing 0.83% of the total shares.

3) The investment in Viña Almaviva S.A. is presented net of a 50% reduction in the investment balance due

to an unrealized gain generated by the sale of a plot of land in 2001 by Concha y Toro S.A. to Almaviva S.A., an equity-method investee which is 50% owned. The amount of the reduction is ThCh$537,781 *(ThCh$537,781 in 2004)*. This unrealized gain will be recognized only upon sale of the plot of land to a third party.

4) On September 2004, the subsidiaries Inversiones Concha y Toro S.A. and Sociedad Exportadora y Comercial Oneworldwines Ltda. bought 25% of Villa Alegre S.A. shares. With this transaction Viña Concha y Toro S.A. took control indirectly of 100% of Villa Alegre S.A. This purchase generated a negative goodwill of ThCh$6,735 which was credited to income during 2004.
On October 2004 Villa Alegre S.A. ended its productive operations and on December 31, 2004 ended its commercial operations.

5) During 2005 the Company received a dividend from Industria Corchera S.A. for an amount of ThCh$155.526 *(dividend of ThCh$85.422 as of December 31, 2004)*.

Detail of investments

Company Year ended December 31,	Ownership percentage 2004 %	2005 %	Equity of investee 2004 ThCh$	2005 ThCh$	Income *(loss)* 2004 ThCh$	2005 ThCh$	Unrealized Income 2004 ThCh$	2005 ThCh$	Equity Method value 2004 ThCh$	2005 ThCh$
Industria Corchera S.A.	49.84	49.84	7,204,769	7,400,222	388,042	252,931	_	_	3,590,857	3,688,271
Viña Almaviva S.A.	50.00	50.00	6,714,650	7,048,970	9,939	167,161	(537,781)	(537,781)	2,819,544	2,986,704
					397,448	420,092	(537,781)	(537,781)	6,410,401	6,674,975

NOTE 12 - INVESTMENTS IN OTHER COMPANIES

2003:

a) During July, the Company acquired 4,312 shares of La Rosa Sofruco S.A. at a price-level restated cost of ThCh$8,079.

2004:

a) During March, the Company acquired 4,159 shares of La Rosa Sofruco S.A. at a price-level restated cost of ThCh$7,895.

b) During April, the Company acquired 579 shares of La Rosa Sofruco S.A. at a price-level restated cost of ThCh$1,096.

c) During May, the Company acquired 1,062 shares of La Rosa Sofruco S.A. at a price-level restated cost of ThCh$2,004

e) During July, the Company acquired 884 shares of la Rosa Sofruco S.A. at a price-level restated cost of ThCh$1,649.

2005:

a) During 2005, there are no transactions for the purchase or sales of investments in other companies.

Detail of investments

Company	Number of shares	Ownership Percentage	Book Value Year ended December 31, 2004 ThCh$	2005 ThCh$
Sociedad Agrícola La Rosa Sofruco S.A.	252,119	2.2920	272,259	272,259
Cía. General de Electricidad Industrial S.A.	13,483	0.00	8,128	8,128
Cámara de Comercio de Santiago	1	0.00	1,438	1,438
Termas de Puyehue S.A.	2,000	0.00	120	120
Acciones Unión Sede Oriente S.A.	3	0.00	19,949	19,949
Compañía de Telecomunicaciones de Chile	463	0.00	413	413
Cía. Agropecuaria Copeval S.A.	78,899	0.00	2,608	2,608
TOTAL			304,915	304,915

NOTE 13 - GOODWILL

The detail of goodwill is as follows:

Company	For the year ended December 31, Amortization		As of December 31, Net Balance	
	2004	2005	2004	2005
	ThCh$	ThCh$	ThCh$	ThCh$
Villa Alegre S.A.	12,237	–	–	–
Industria Corchera S.A.	71,902	71,902	1,144,460	1,072,557
TOTAL	84,139	71,902	1,144,460	1,072,557

NOTE 14 - INTANGIBLES

Intangible assets are as follows:

	As of December 31,			
	Gross Carrying amount	Accumulated Amortization	Gross Carrying amount	Accumulated Amortization
	2004		2005	
	ThCh$	ThCh$	ThCh$	ThCh$
Industrial trademarks	973,206	188,144	1,162,732	221,296
Telephone line rights	14,861	6,439	14,634	7,340
Water rights	510,882	72,181	2,104,724	38,801
Other	12,696	12,599	23,407	11,151
TOTAL	1,511,645	279,363	3,305,497	278,588

NOTE 15 - OTHER ASSETS

The composition of other assets is as follows:

	Year ended December 31,	
	2004	2005
	ThCh$	ThCh$
Prepaid rent	406,886	247,797
Community property rights	11,482	11,896
Guarantees leases	–	11,504
Deferred expenses bonds serie C	–	606,613
TOTAL	418,368	877,810

NOTE 16 - SHORT-TERM BANK DEBT

Registration Nª	Bank or financial institution	U.S. dollars 2004	U.S. dollars 2005	Euros 2004	Euros 2005	Other foreign currencies 2004	Other foreign currencies 2005	UF 2004	UF 2005	Non adjustable Ch$ 2004	Non adjustable Ch$ 2005	Total 2004	Total 2005
Short-Term portion													
97030000-7	Banco Estado	945,817	–	–	–	–	–	–	2,706,117	–	–	945,817	2,706,117
Foreign Bank	Rabobank	–	–	617,311	434,518	1,118,986	885,709	–	–	–	–	1,736,297	1,320,227
97004000-5	Banco de Chile	–	–	–	–	–	–	–	1,724,535	2,106,119	–	2,106,119	1,724,535
97039000-6	Banco Santander	984,241	145,006	96,452	1,012,154	–	–	–	–	–	–	1,080,693	1,157,160
97008000-7	Banco Citibank	6,788,546	3,643,044	–	–	–	–	2,897,057	–	–	–	9,685,603	3,643,044
97032000-8	Banco Bhif	–	–	–	–	–	172,484	–	–	–	–	–	172,484
97006000-6	Banco BCI	–	2,213,314	–	–	–	–	–	–	–	–	–	2,213,314
97041000-7	Banco Boston	–	2,222,927	–	–	–	77,212	–	–	–	–	–	2,300,139
Foreign Bank	Banco de Rio	–	–	–	–	–	310,170	–	–	–	–	–	310,170
Foreign Bank	Banco Frances	–	–	–	–	–	60,000	–	–	–	–	–	60,000
Foreign Bank	Banco Patagonia	–	–	–	–	–	127,644	–	–	–	–	–	127,644
	TOTAL	8,718,604	8,224,291	713,763	1,446,672	1,118,986	1,633,219	2,897,057	4,430,652	2,106,119	–	15,554,529	15,734,834
	PRINCIPAL OWED	8,591,925	8,150,257	713,763	1,446,672	1,112,011	1,625,952	2,884,232	4,408,502	2,072,000	–	15,373,931	15,631,383
	Weighted average interest rate	2.80%	4.78%	2.62%	2.82%	5.13%	6.23%	0.58%	1.66%	2.40%	–		
Long-term current portion													
97032000-8	Banco Bhif	2,487,117	1,112,143	–	–	–	349,841	–	–	601	580	2,487,718	1,462,564
Foreign Bank	Rabobank	–	–	574,747	873,584	278,798	445,316	–	–	–	–	853,545	1,318,900
97004000-5	Banco de Chile	–	–	–	–	–	–	781,531	788,018	2,104,372	–	2,885,903	788,018
97023000-9	Corpbanca	10,163	1,546,520	–	–	–	–	–	–	–	–	10,163	1,546,520
97951000-4	HSBC Bank	7,312	1,036,775	–	–	–	–	–	–	–	–	7,312	1,036,775
97039000-6	Banco Santander	–	–	–	–	–	–	–	–	91,935	89,175	91,935	89,175
97030000-7	Banco Estado	1,189,212	2,087,463	–	–	–	–	1,471,664	–	2,737,156	–	5,398,032	2,087,463
97006000-6	Banco de Credito e Inversiones	–	1,258	–	–	–	–	–	–	–	–	–	1,258
Foreign Bank	Rió de la Plata S.A.	–	–	–	–	1,191,038	1,434,122	–	–	–	–	1,191,038	1,434,122
Foreign Bank	Banco Frances	–	–	–	–	283,617	707,516	–	–	–	–	283,617	707,516
Foreign Bank	Banco Boston	–	–	–	–	969	1,173,035	–	–	–	–	969	1,173,035
Foreign Bank	Banco Patagonia	–	–	–	–	–	20,132	–	–	–	–	–	20,132
Foreign Bank	Banco Credicoop	–	–	–	–	389,855	678,637	–	–	–	–	389,855	678,637
	TOTAL	3,693,804	5,784,159	574,747	873,584	2,144,277	4,808,599	2,253,195	788,018	4,934,064	89,755	13,600,087	12,344,115
	PRINCIPAL OWED	3,638,038	5,688,750	562,508	865,846	2,135,893	4,610,569	2,122,785	681,674	4,765,600	–	13,224,824	11,846,839
		2.75%	3.54%	3.16%	3.42%	5.15%	8.61%	4.01%	1.15%	4.32%	5.22%		

Percentage of short-term and current portion of long-term bank debt denominated in foreign currency (%)	81.09
Percentage of short-term and current portion of long-term bank debt denominated in local currency (%)	18.91

NOTE 17 – OTHER CURRENT LIABILITIES

The detail is as follows:

	As of December 31, 2004 ThCh$	As of December 31, 2005 ThCh$
Unrealized gain from fair value forward agreements	–	24,104
Deferred income from forward agreement	19,612	–
TOTAL OTHER CURRENT LIABILITIES	19,612	24,104

NOTE 18 – LONG-TERM BANK DEBT

Tax Registration No.	Bank or Financial Institution	Currency or Adjustment index	Years to Maturity: 1 to 2	2 to 3	3 to 5	5 to 10	More than 10	As of December 31, 2005: Total long-term portion at year-end	Weighted average Interest rate	As of December 31, 2004: Total long-Term
97004000-5	Banco de Chile	UF	–	–	1,393,048	5,796,876	–	7,189,924	4.85%	7,176,184
Foreign bank	Rabobank	Euro	865,785	–	–	–	–	865,785	3.42%	2,249,952
Foreign bank	Rabobank	Other currencies	220,108	–	–	–	–	220,108	4.83%	278,003
97030000-7	BancoEstado	US$	1,537,500	–	–	–	–	1,537,500	3.83%	4,042,265
Foreign bank	Banco Río de la Plata S.A.	Other currencies	2,039,203	–	–	–	–	2,039,203	9.98%	2,393,205
Foreign bank	Banco Frances	Other currencies	290,840	–	–	–	–	290,840	8.43%	1,003,891
97039000-7	Banco Santander	Ch$	–	2,500,000	2,500,000	–	–	5,000,000	5.22%	5,180,000
Foreign bank	Banco Boston	Other currencies	153,750	76,875	–	–	–	230,625	4.51%	1,166,401
Foreign bank	Banco Credicorp	Other currencies	338,843	–	–	–	–	338,843	10.25%	777,602
97951000-4	HSBC Bank	US$	–	–	–	–	–	–	–	1,154,933
97023000-9	Corpbanca	US$	–	–	–	–	–	–	–	1,732,399
97039000-6	Banco BHIF	Ch$	1,000,000	2,000,000	1,000,000	–	–	4,000,000	5.22%	4,144,000
97039000-6	Banco BHIF	Other currencies	341,666	170,834	–	–	–	512,500	4.80%	–
97006000-6	Banco de Credito e Inversiones	US$	768,750	–	–	–	–	768,750	4.91%	–
Foreign bank	Banco Patagonia	Other currencies	768,750	–	–	–	–	768,750	6.07%	–
Total			8,325,195	4,747,709	4,893,048	5,796,876	–	23,762,828	–	31,298,835

Long-term bank debt denominated in foreign currency	31.87%
Long-term bank debt denominated in Chilean pesos and UF	68.13%

None of the short or long term obligations of the Company are secured by collateral, nor do they impose financial covenants or restrictions. Most of the obligations outstanding as of December 31, 2005 accrue interest based on fixed interest rates.

NOTE 19 – SHORT AND LONG-TERM BONDS PAYABLE

On April 26, 2005, Series C bonds were placed for an amount of UF 2,000,000 at a rate of 3.9% per annum. The placement achieved collection equivalent to 100% of the par value.
As of December 31, 2005, the short-term portion includes a sum of ThCh$ 292,935, related to interest accrued at that date. The long-term presents a balance of ThCh$ 35,949,620 related to principal instalments for Series C bonds.
As of December 31, 2004, there were no short or long-term bonds payables.

No. of Registration or Identification of the Instrument	Series	Nominal Amount Placed in Force	Adjustment unit for Bonds	Interest Rate	Final Period	Frequency: Payment of Interest	Frequency: Payment of Amortization	Par Value: 12-31-2005	Par Value: 12-31-2004	Placement in Chile or Abroad
Short and Long-term Bonds Payable										
407	C	2,000,000,000	UF	3.9%	15-04-2026	Semi-Annual	Semi-Annual	292.935	–	Nacional
TOTAL SHORT-TERM PORTION								292.935	–	
Long-term bonds										
407	C	2,000,000,000	UF	3.9%	15-04-2026	Semi-Annual	Semi-Annual	35.949.620	–	Nacional
TOTAL SHORT-TERM PORTION								35.949.620	–	

NOTE 20 – ACCRUALS AND WRITE-OFFS

The detail is as follows:

Short-term

	As of December 31, 2004 ThCh$	As of December 31, 2005 ThCh$
Advertising expenses	7.780,490	8,079,699
Employee legal bonus and profit participation	888,751	893,494
Directors' compensation	589,476	285,288
Provision for staff severance indemnities	1,865	1,804
Provision for vacations	1,070,015	1,455,345
Other provisions	2,459,998	4,408,738
Total accruals	12,790,595	15,124,368

Long-term

	As of December 31, 2004 ThCh$	As of December 31, 2005 ThCh$
Staff severance indemnities	694,592	897,163
Total accruals	694,592	897,163

The most significant charges to income related to inventory write-offs are as follows:

	For the years ending December 31, 2004 ThCh$	For the years ending December 31, 2005 ThCh$
Label write-offs	-	1,280
Degradation of wines	85,289	36,499
Reprocessing	395,158	414,881

As of December 31, 2004 and 2005, there are provisions recorded which are presented deducted from the related asset accounts as per the following detail:

	As of December 31, 2004	2005
Doubtful accounts	(322,832)	(615,095)
Uncollectible notes	(64,690)	(62,703)
Income taxes recoverable	(139,860)	(346,507)
Miscellaneous receivables	(174,994)	(182,234)
Obsolescence of inventories	(1,422,325)	(1,272,098)

NOTE 21 – ACCRUED EXPENSES

Accrued expenses consists of staff severance indemnities and are recorded at the present value of the total liability according to the accrued cost of the benefit considering an interest rate of 6.00% per annum and an average service life period of 11 years. Changes during each year were as follows:

	2004 ThCh$	2005 ThCh$
Balance at the beginning of the year	616,826	670,456
Increase during the year	243,374	542,417
Payments during the year	(165,608)	(315,710)
TOTAL PROVISION FOR STAFF SEVERANCE INDEMNITIES	694,592	897,163

NOTE 22 - MINORITY INTEREST

The detail of minority interest is as follows:

Taxpayer I.D.	Related Company	Year ended December 31, 2004		Year ended December 31, 2005	
		Liability ThCh$	Income ThCh$	Liability ThCh$	Income ThCh$
96.585.740-0	Villa Alegre S.A.	–	4,659	–	–
84.712.500-4	Sociedad Exportadora y Comercial Oneworldwines Ltda.	9,715	(756)	9,524	169
TOTAL		9,715	3,903	9,524	169

NOTE 23 - SHAREHOLDERS' EQUITY

The Company's paid in capital as of December 31, 2005 is as follows:

Number of shares

Series	No. of subscribed shares	No. of paid shares	No. of voting right shares
0	719,170,735	719,170,735	719,170,735

Paid in Capital and Par Value

Series	Subscribed capital	Paid-in capital
0	44,727,614	44,727,614

a) Other Reserves

Other reserves consist of the following:

	As of December 31, 2004 ThCh$	As of December 31, 2005 ThCh$
Additional paid in capital price-level restatement	1,825,367	1,825,367
Revaluation from fixed asset technical appraisal	4,149,243	4,149,243
Adjustment to property, plant and equipment value	524,549	524,548
Revaluation from fixed asset technical appraisal in subsidiaries	1,096,066	1,096,066
Revaluation of inventory *(1973)*	722,784	722,784
Revaluation of marketable securities *(1980)*	559,095	559,095
Cumulative translation adjustment	(1,684,269)	(1,684,246)
TOTAL OTHER RESERVES	7,192,835	7,192,857

b) Cumulative translation adjustment

This account relates to the effects of the foreign exchange gains or losses between the Chilean peso and the U.S. dollar on the price-level restated foreign investment measured in U.S. dollars, in accordance with Technical Bulletin No. 64 issued by the Chilean Association of Accountants. The detail of the adjustment by subsidiary is included below:

The detail of this reserve is as follows:

2004

Company	Opening Balance	Exchange Difference Investment	Exchange Difference Liability	Balance as of December 31, 2004
Trivento Bodegas y Viñedos	(1,580,705)	(474,231)	468,757	(1,586,179)
Distribuidora Peumo Argentina	(96,676)	(1,414)	–	(98,090)
TOTAL	(1,677,381)	(475,645)	468,757	(1,684,269)

2005

Company	Opening Balance	Exchange Difference Investment	Exchange Difference Liability	Balance as of December 31, 2004
Trivento Bodegas y Viñedos	(1,586,179)	(674,861)	674,882	(1,586,158)
Distribuidora Peumo Argentina	(98,090)	(44,794)	44,796	(98,088)
TOTAL	(1,684,269)	(719,655)	719,678	(1,684,246)

c) Dividends

The Company's dividend policy proposed by the Board of Directors for 2005 consists of the distribution of up to 40% of net income for the year divided into three provisional dividends payable in September 2005, December 2005 and March 2006 and the payment of a final dividend in May 2006.

Dividends approved and paid as of December 31, 2004 and 2005 are detailed as follows:

2004

Dividend No.	Amount ThCh$	Month of payment	Type of dividend
214	1,222,590	March 2004	Provisional
215	3,768,455	May 2004	Final
216	1,438,341	September 2004	Provisional
217	1,438,341	December 2004	Provisional

2005

Dividend No.	Amount ThCh$	Month of payment	Type of dividend
218	1,438,341	March 2005	Provisional
219	4,760,910	May 2005	Final
220	1,797,927	September 2005	Provisional
221	1,797,927	December 2005	Provisional

Interim dividends are recorded in the "interim dividends" column of the stockholders' equity note when they are provisionally declared by the Board of Directors during any given fiscal year. They are recorded as a debit in the interim dividend column of the stockholders' equity note in the line item "Net income for the year". The offsetting credit is against dividends payable as a liability. These provisional interim dividends are approved formally by the annual Shareholders' Meeting in April of the subsequent year. The final dividends, of which the interim dividends are a portion, may differ from the provisionally declared interim dividends. Once the final dividend is approved and paid to shareholders, a credit is recorded for the amount of interim dividends preliminarily approved in the prior year in the "interim dividends" column of the stockholders' equity note and the final declared dividend is shown as a reduction in the retained earnings column. This treatment is mandated by Circular 1501 of the Chilean Superintendency of Securities and Insurance.

There are no restrictions on the payment of dividends out of the retained earnings of the Company.

NOTE 24 - OTHER NON-OPERATING INCOME AND EXPENSES

The detail is as follows:

Other Non-operating income

	For the year ended December 31,	
	2004	2005
	ThCh$	ThCh$
Dividends received	13,348	16,542
Gain on sale of fixed assets	44,665	53,167
Leasing	6,407	26,659
Administrative services	13,851	13,849
Insurance recoveries	103,137	79,000
Result from investments in forward contracts	–	2,520,000
Sale of other products	45,410	38,310
Other	90,941	95,027
TOTAL	317,759	2,842,554

Other Non-operating expenses

	For the year ended December 31,	
	2004	2005
	ThCh$	ThCh$
Amortization of intangible assets	21,698	4,524
Loss on sale of fixed assets	3,706	20,215
Fixed asset disposals	134,023	72,294
Prior year expenses	23,253	5,327
Wine extraordinary appraisal	–	887,425
Reorganization expenses	–	648,576
Other assets written-off	34	139,761
Argentine competitively law	184,101	177,061
Other expenses	43,201	58,279
TOTAL	410,016	2,013,462

NOTE 25 - PRICE-LEVEL RESTATEMENT

	Restatement index	Year ended December 31, 2004 ThCh$	2005 ThCh$
Assets *(Charges)* / Credits			
Inventories	CPI	772,438	2,185,907
Property, plant and equipment	CPI	3,143,803	4,967,255
Investment in related companies	CPI	285,092	439,351
Other accounts receivable	UF	1,080	2,726
Recoverable taxes	CPI	70,724	117,302
Prepaid expenses	UF	2,536	6,406
Prepaid expenses	CPI	60,916	63
Other long-term assets	CPI	165	17,756
Long-term other accounts receivable	UF	(783)	18,277
Other non-monetary assets	CPI	62,074	138,343
Cost and expense accounts	CPI	3,301,717	5,286,804
TOTAL CREDITS		7,699,762	13,180,190
Liabilities *(Charges)* / Credits			
Shareholders' equity	CPI	(3,390,523)	(5,231,393)
Minority interest	CPI	(1,585)	(340)
Bank and financial institutions-liabilities	UF	(90,242)	(132,656)
Bank and financial institutions-liabilities	CPI	(14,348)	(222,290)
Current portion of long-term bank liabilities	UF	(217,814)	(26,539)
Bonds payable	UF	–	(9,082)
Long-term obligations with maturity within one year	UF	(8,362)	(10,036)
Accounts payable	UF	1,895	(283)
Notes payable	UF	(3,585)	(19,017)
Other accounts payable	UF	156	(110,479)
Accrued expenses	UF	(33)	(296)
Long-term bank and financial institution liabilities	UF	(180,920)	(263,104)
Bonds payables long-term	UF	–	(1,445,280)
Other long-term accounts payable	UF	(16,258)	(19,144)
Income accounts	CPI	(3,746,520)	(5,866,023)
TOTAL *(charges)*		(7,668,139)	(13,355,962)
NET *(loss)* GAIN FROM PRICE-LEVEL RESTATEMENT		31,623	(175,772)

NOTE 26 – FOREIGN EXCHANGE DIFFERENCES

The following represents the detail of foreign exchange gains and losses recognized in income for each of the respective years for accounts denominated in foreign currencies:

	Currency	Year ended December 31, 2004 ThCh$	2005 ThCh$
Assets *(Charges)* / Credits			
Cash	CAD	–	(6,310)
Cash	Euro	9,045	(50,446)
Cash	GBP	9,192	(29,042)
Cash	US$	(131,833)	(92,708)
Time deposits	US$	–	–
Trade accounts receivable	CAD	(59,281)	(80,231)
Trade accounts receivable	Euro	171,006	(1,640,912)
Trade accounts receivable	US$	(1,607,971)	(1,334,038)
Trade accounts receivable	GBP	199,195	(628,676)
Other accounts receivable	CAD	1,104	(827)
Other accounts receivable	Euro	(8,194)	(14,876)
Other accounts receivable	US$	9,948	159
Accounts receivable from related companies	CAD	–	921
Accounts receivable from related companies	Euro	(11,836)	601
Accounts receivable from related companies	US$	(618,416)	(1,095,535)
Accounts receivable from related companies	GBP	(28,572)	(142,552)
Prepaid expenses	US$	(34,361)	–
Prepaid expenses	Euro	8	(23,198)
Other current assets	US$	11,008	2,661,378
Other current assets	CAD	34,701	–
Other current assets	Euro	(218,365)	–
Other current assets	GBP	(66,766)	–
Other assets	US$	–	(54,286)
TOTAL *(charges)* CREDITS		(2,340,388)	(2,530,578)
Liabilities *(Charges)* / Credits			
Bank debt	Euro	(2,572)	7,824
Bank debt	US$	687,108	694,418
Bank debt	GBP	21,647	194,507
Long-term bank debt, short-term portion	Euro	(8,847)	184,466
Long-term bank debt, short-term portion	US$	(48,371)	448,476
Long-term bank debt, short-term portion	GBP	4,491	97,294
Long-term obligations with maturity within one year	US$	35,542	(232)
Accounts payable	Euro	(27,815)	32,625
Accounts payable	US$	291,818	205,982
Accounts payable	GBP	1,061	(1,009)
Notes payable	Euro	(60,143)	109,882
Notes payable	US$	(15,959)	1,605
Notes payable	GBP	(482)	638
Notes payable	SEK	591	–
Accounts payable to related companies	US$	58,993	30,635
Other accounts payable	US$	3,779	2,759
Other accounts payable	GBP	84	1
Other accounts payable	Euro	(63)	480

	Currency	Year ended December 31, 2004 ThCh$	2005 ThCh$
Liabilities *(Charges)* / Credits			
Accrued expenses	CAD	24,540	17,372
Accrued expenses	Euro	(31,488)	316,498
Accrued expenses	US$	269,392	268,703
Accrued expenses	GBP	2,060	64,977
Accrued expenses	JPY	553	(16)
Other current liabilities	CAD	(63,272)	–
Other current liabilities	Euro	48,211	–
Other current liabilities	GBP	(134,178)	–
Long-term bank debt	Euro	(76,042)	356,792
Long-term bank debt	US$	189,311	(48,089)
Long-term bank debt	GBP	4,491	90,565
Long-term accounts payable to related companies	US$	(48,640)	23,736
Adjustment for financial statement translation	US$	(283,433)	(150,563)
Adjustment for financial statement translation	GBP	(12,471)	(388,511)
TOTAL *(Charges)* / CREDITS		829,896	2,561,815
NET *(loss)* FROM EXCHANGE DIFFERENCE		(1,510,492)	31,237

NOTE 27 – EXPENSES IN THE ISSUANCE AND PLACEMENT OF SHARES AND DEBT CERTIFICATES

Expenses in the issuance and placement of bonds are presented in Other long-term assets, which are amortized using the straight-line method, in accordance with the term for the issuance of documents. This amortization is presented as Interest Expenses. Issuance expenses net of amortization, at the end of the period amount to ThCh$ 606,613. Issuance expenses include disbursements due to reports from risk classifiers, legal and financial advisories, taxes, printing and placement fees. Amortization for the year 2005 was ThCh$19,661.

NOTE 28 - STATEMENT OF CASH FLOWS

Future cash flow contractually committed to which represents investing activities:

	Currency of adjustment index	Short-term portion ThCh$	Years to Maturity 2007 ThCh$	2008 ThCh$	2009 ThCh$	2010 ThCh$	2011 ThCh$	More than 6 years ThCh$	Total owed ThCh$
Lease payable	U.F.	243,326	216,399	162,544	162,544	81,272	–	–	866,085
Lease farms	U.F.	101,237	99,637	101,326	101,890	101,890	101,890	1,671,476	2,279,346
Lease farms	US$	142,055	142,055	142,055	142,055	142,055	142,055	189,407	1,041,736
Payables for additions to fixed assets	Eur	2,222,755	–	–	–	–	–	–	2,222,755
Payables for additions to fixed assets	US$	163,792	–	–	–	–	–	–	163,792
Payables for additions to fixed assets	U.F.	1,450,000	–	–	–	–	–	–	1,450,000
Payables for additions to fixed assets	Ch$	949,942	–	–	–	–	–	–	949,942
TOTAL		5,273,107	458,091	405,925	406,489	325,217	243,945	1,860,883	8,973,656

During the years ended 2004 and 2005, there were no other investing activities which commit future cash flows.

NOTE 29 - DERIVATIVE CONTRACTS

Derivate Contracts

			Description of the contract						Accounts affected Value of Asset/Liabilities			
Type of Derivate	Type of Agreement	Amount of the contract nominal	Date o expiration	Currency	Purchase Sales Position	Hedged Item	Hedged Amount of transaction at contract date	Hedged Amount at spot at end of period	Name	Amount	Realized	Amount
FR	CCPE	323,924	1ST. Quarter of 2006	US$	S	Export customers	313,406	313,447	Other current assets	10,477	8,598	1,920
FR	CCPE	352,481	1ST. Quarter of 2006	GBP	S	Export customers	299,346	299,423	Other current assets	53,059	53,122	13
FR	CCPE	550,968	1ST. Quarter of 2006	EUR	S	Export customers	442,438	442,582	Other current assets	108,385	15,929	92,601
FR	CCPE	118,255	1ST. Quarter of 2006	CAN	S	Export customers	110,195	110,258	Other current assets	7,997	3,000	5,060
FR	CCPE	503,649	1ST. Quarter of 2006	GBP	S	Export customers	396,194	396,362	Other current assets	107,287	26,775	80,681
FR	CCPE	556,048	1ST. Quarter of 2006	EUR	S	Export customers	442,438	443,624	Other current assets	112,425	37,361	76,249
FR	CCPE	116,888	1ST. Quarter of 2006	CAN	S	Export customers	110,195	110,431	Other current assets	6,457	592	6,100
FR	CCPE	502,119	1ST. Quarter of 2006	GBP	S	Export customers	396,194	396,814	Other current assets	105,305	9,117	96,808
FR	CCPE	556,012	1ST. Quarter of 2006	EUR	S	Export customers	442,438	444,624	Other current assets	111,387	3,811	109,763
FR	CCPE	501,327	1ST. Quarter of 2006	GBP	S	Export customers	396,194	397,160	Other current assets	104,167	14,603	90,531
FR	CCTE	292,758	2ST. Quarter of 2006	CAN	S	Export customers	273,284	273,284	Other current assets	19,474	–	19,474
FR	CCTE	292,758	3ST. Quarter of 2006	CAN	S	Export customers	273,284	273,284	Other current assets	19,474	–	19,474
FR	CCTE	292,758	3ST. Quarter of 2006	CAN	S	Export customers	273,284	273,284	Other current assets	19,474	–	19,474
FR	CCTE	284,605	3ST. Quarter of 2006	CAN	S	Export customers	273,284	273,284	Other current assets	11,321	–	11,321
FR	CCTE	206,568	1ST. Quarter of 2006	CAN	S	Export customers	198,351	198,351	Other current assets	8,217	–	8,217
FR	CCTE	212,486	1ST. Quarter of 2007	CAN	S	Export customers	198,351	198,351	Other current assets	14,135	–	14,135
FR	CCTE	212,486	2ST. Quarter of 2007	CAN	S	Export customers	198,351	198,351	Other current assets	14,135	–	14,135
FR	CCTE	212,486	2ST. Quarter of 2007	CAN	S	Export customers	198,351	198,351	Other current assets	14,135	–	14,135
FR	CCTE	212,486	2ST. Quarter of 2007	CAN	S	Export customers	198,351	198,351	Other current assets	14,135	–	14,135
FR	CCTE	212,486	3ST. Quarter of 2007	CAN	S	Export customers	198,351	198,351	Other current assets	14,135	–	14,135
FR	CCTE	212,486	3ST. Quarter of 2007	CAN	S	Export customers	198,351	198,351	Other current assets	14,135	–	14,135
FR	CCTE	212,486	3ST. Quarter of 2007	CAN	S	Export customers	198,351	198,351	Other current assets	14,135	–	14,135
OE	CCPE	512,500	1ST. Quarter of 2006	US$	S	Export customers	512,500	512,540	Other current liabilities	40	–	–
FR	CCPE	452,485	1ST. Quarter of 2006	GBP	S	Export customers	440,215	440,604	Other current assets	11,881	12,270	–
FR	CCPE	512,450	1ST. Quarter of 2006	US$	S	Export customers	512,500	512,725	Other current liabilities	275	(50)	–
FR	CCPE	512,500	1ST. Quarter of 2006	US$	S	Export customers	512,500	512,817	Other current liabilities	317	–	–
FR	CCPE	134,223	1ST. Quarter of 2006	CAN	S	Export customers	132,234	132,385	Other current assets	1,838	1,989	–
FR	CCPE	217,200	1ST. Quarter of 2006	EUR	S	Export customers	212,128	212,438	Other current assets	4,761	5,072	–
FR	CCPE	217,315	1ST. Quarter of 2006	EUR	S	Export customers	212,128	212,576	Other current assets	4,739	5,187	–
FR	CCPE	217,574	1ST. Quarter of 2006	EUR	S	Export customers	212,128	212,936	Other current assets	4,638	5,446	–
FR	CCPE	217,784	1ST. Quarter of 2006	EUR	S	Export customers	212,128	213,142	Other current assets	4,642	5,656	–
FR	CCPE	228,408	1ST. Quarter of 2006	GBP	S	Export customers	220,108	220,381	Other current assets	8,027	8,300	–
FR	CCPE	228,410	1ST. Quarter of 2006	GBP	S	Export customers	220,108	220,295	Other current assets	8,115	8,303	–
FR	CCPE	228,403	1ST. Quarter of 2006	GBP	S	Export customers	220,108	220,452	Other current assets	7,950	8,295	–
FR	CCPE	228,470	1ST. Quarter of 2006	GBP	S	Export customers	220,108	220,531	Other current assets	7,939	8,363	–
FR	CCPE	228,410	1ST. Quarter of 2006	GBP	S	Export customers	220,108	220,331	Other current assets	8,079	8,303	–
FR	CCPE	133,809	1ST. Quarter of 2006	CAN	S	Export customers	132,234	132,348	Other current assets	1,461	1,575	–
FR	CCPE	132,000	1ST. Quarter of 2006	CAN	S	Export customers	132,234	132,398	Other current liabilities	398	(234)	–
FR	CCPE	267,582	1ST. Quarter of 2006	GBP	S	Export customers	264,129	264,285	Other current assets	3,297	3,453	–
FR	CCPE	256,675	1ST. Quarter of 2006	US$	S	Export customers	256,250	256,329	Other current assets	346	425	–
FR	CCPE	256,675	1ST. Quarter of 2006	US$	S	Export customers	256,250	256,369	Other current assets	306	425	–
FR	CCPE	109,900	1ST. Quarter of 2006	CAN	S	Export customers	110,195	110,358	Other current liabilities	458	(295)	–
FR	CCPE	109,900	1ST. Quarter of 2006	CAN	S	Export customers	110,195	110,394	Other current liabilities	494	(295)	–
FR	CCPE	267,177	1ST. Quarter of 2006	GBP	S	Export customers	264,129	264,517	Other current assets	2,660	3,048	–
FR	CCPE	257,140	1ST. Quarter of 2006	US$	S	Export customers	256,250	256,422	Other current assets	718	890	–
FR	CCPE	132,003	1ST. Quarter of 2006	CAN	S	Export customers	132,234	132,448	Other current liabilities	445	(231)	–
FR	CCPE	182,640	1ST. Quarter of 2006	EUR	S	Export customers	181,824	182,282	Other current assets	358	816	–
FR	CCPE	257,000	1ST. Quarter of 2006	US$	S	Export customers	256,250	256,474	Other current assets	526	750	–

Derivate Contracts

Type of Deri-vate	Type of Agree ment	Amount of the contract nominal	Description of the contract				Hedged Amount of transaction at contract date	Hedged Amount at spot at end of period	Accounts affected Value of Asset/Liabilities			
			Date o expiration	Currency	Purchase Sales Position	Hedged Item			Name	Amount	Realized	Amount
FR	CCPE	219,930	1ST. Quarter of 2006	CAN	S	Export customers	220,390	220,893	Other current liabilities	963	(460)	–
FR	CCPE	304,885	1ST. Quarter of 2006	EUR	S	Export customers	303,040	303,974	Other current assets	911	1,845	–
FR	CCPE	445,890	1ST. Quarter of 2006	GBP	S	Export customers	440,215	440,705	Other current assets	5,185	5,675	–
FR	CCPE	257,325	1ST. Quarter of 2006	US$	S	Export customers	256,250	256,375	Other current assets	950	1,075	–
FR	CCPE	257,350	1ST. Quarter of 2006	US$	S	Export customers	256,250	256,415	Other current assets	935	1,100	–
FR	CCPE	257,375	1ST. Quarter of 2006	US$	S	Export customers	256,250	256,461	Other current assets	914	1,125	–
FR	CCPE	110,400	1ST. Quarter of 2006	CAN	S	Export customers	110,195	110,473	Other current liabilities	73	205	–
FR	CCPE	110,435	1ST. Quarter of 2006	CAN	S	Export customers	110,195	110,504	Other current liabilities	69	240	–
FR	CCPE	305,600	1ST. Quarter of 2006	EUR	S	Export customers	303,040	303,631	Other current assets	1,969	2,560	–
FR	CCPE	442,905	1ST. Quarter of 2006	GBP	S	Export customers	440,215	441,090	Other current assets	1,815	2,690	–
FR	CCPE	257,700	1ST. Quarter of 2006	US$	S	Export customers	256,250	256,546	Other current assets	1,154	1,450	–
FR	CCPE	110,5400	1ST. Quarter of 2006	CAN	S	Export customers	110,195	110,363	Other current assets	177	345	–
FR	CCPE	152,490	1ST. Quarter of 2006	EUR	S	Export customers	151,520	152,012	Other current assets	478	970	–
FR	CCPE	257,315	1ST. Quarter of 2006	US$	S	Export customers	256,250	256,428	Other current assets	887	1,065	–
FR	CCPE	441,920	1ST. Quarter of 2006	GBP	S	Export customers	440,215	440,676	Other current assets	1,244	1,705	–
FR	CCPE	220,139	1ST. Quarter of 2006	GBP	S	Export customers	220,108	220,531	Other current liabilities	392	31	–
FR	CCPE	132,045	1ST. Quarter of 2006	CAN	S	Export customers	132,234	132,392	Other current liabilities	347	(189)	–
FR	CCPE	256,475	1ST. Quarter of 2006	US$	S	Export customers	256,250	256,382	Other current assets	93	225	–
FR	CCPE	256,500	1ST. Quarter of 2006	US$	S	Export customers	256,250	256,454	Other current assets	46	250	–
FR	CCPE	256,875	1ST. Quarter of 2006	US$	S	Export customers	256,250	256,513	Other current assets	362	625	–
OE	CCPE	514,050	1ST. Quarter of 2006	US$	S	Export customers	512,500	512,922	Other current assets	1,128	1,550	–
OE	CCPE	1,285,000	1ST. Quarter of 2006	US$	S	Export customers	1,281,250	1,282,140	Other current assets	2,860	3,750	–
OE	CCPE	1,285,000	1ST. Quarter of 2006	US$	S	Export customers	1,281,250	1,282,567	Other current assets	2,433	3,750	–
OE	CCPE	768,150	1ST. Quarter of 2006	US$	S	Export customers	768,750	769,678	Other current liabilities	1,528	(600)	–

NOTE 30 - CONTINGENCIES AND RESTRICTIONS

1) Wine contracts: The Company enters into long-term agreements for the acquisition of grapes and wine, which expire on various dates through 2014.

2) On December 15, 2000, the decrees Nos. 3,692, 3,693 and 3,694 issued by the Ministry of Public Works dated August 28, 2000 were published in the Official Gazette, which entitles the government to expropriate lots 481 property of Viña Concha y Toro S.A and, 480- A and 480-B the property of Viña Concha y Toro S.A. and Viña Tocornal Ltda. (currently - Viña Cono Sur S.A.). The total indemnity established amounted to Ch$2,080,314,000 (historical amount).
On July 9, 2001, the Company and its subsidiary, Viña Cono Sur S.A. filed a claim on the Second Civil Court of San Miguel against the Chilean State related to the amount of the compensation granted for the expropriation of the three above-mentioned lots.
At the first instance sentence dated October 6, 2003, the demand entered was accepted in all its parts and greater compensation was set for a sum of Ch$1,043,953,230 (historical value), plus restatement according the variation in the CPI beginning on March 1, 2000, date in which the provisional appraisal was practiced. This sentence was appealed by the Chilean State before the Court of Appeals of San Miguel, and it is in the "process of relation".
During 2001 and 2002, Viña Concha y Toro S.A. and Viña Cono Sur S.A. received the full amount of indemnities related to the expropriations of the above-mentioned lots. The gain on the expropriation was reflected as other non-operating income within non-operating results.

3) On March 1, 2000, the Ministry of Public Works published in the Official Gazette Decree No. 3.918 dated December 29, 1999 an entitlement to the expropriation of an additional lot, lot 11 No. 231-17, located in Chimbarongo owned by Viña Cono Sur S.A. The amount of the compensation for the expropriation was set at Ch$100,969,400 (historical amount). The Company has petitioned for an additional Ch$77,886,321 (historical amount.)
Through a first instance sentence dated January 31, 2003, confirmed by the Court of Appeals of Rancagua through Resolution dated September 16, 2004, a part

of the demand was accepted and compensation of Ch$52,055,466 (historical value) was accepted, related to the effective equity damage.
The Treasury appealed before the Supreme Court and this appeal is still being processed.

4) Restrictions and limits for the issuance of public offering bonds.
Covenants associated with the issuance of bonds payable are as follows:

a) Maintain assets free of liens or encumbrances for an amount equivalent to at least 1.5 times the total amount of placements of bonds in force with a charge to the line agreed in the contract. This liability will be payable only at the closing dates of the financial statements.

b) The issuer is obliged not to sell, cede or transfer essential assets that endanger the continuance of its current line of business.

c) Send to the representative of bondholders, together with quarterly information indicated in the bond issuance contract on any reduction of its participation in its significant subsidiaries greater than ten per cent of this principal, as well as any reduction that signifies loosing the control of the subsidiary, within five business days following the date of the transaction.

d) Maintain indebtedness ratio not greater than one point four times;

e) Maintain, at all times, during the life of the present bond issuance, minimum equity of five million UF;

f) Maintain at all times coverage ratio of interest expenses of a minimum of two point five times. Coverage ratio for interest expenses will have to be calculated on the period of twelve months prior to the date of the FECU form;

g) Not investing in instruments issued by related parties, not granting loans to these or performing with them any operation under conditions that are less favourable for the issuer in respect to those in the market as provided in article 89 of the Corporations Act. The issuer will also look after compliance with this restriction by its subsidiaries. For these purposes, related parties will be understood as those indicated in Article 100 of Law 18,045;

h) Make the provisions for every contingency that may adversely affect its businesses, its financial situation or its results of operations, which will have to be reflected in the issuer's financial statements, if applicable, in accordance with generally accepted accounting principles in Chile. The issuer will look after compliance with this same condition by its subsidiaries;

i) Contract and maintain insurance policies that reasonably hedge the issuer's operating assets, in accordance with usual practices in the industry where the issuer operates. The issuer will look after compliance with this same condition by its subsidiaries; and,

j) The issuer and any of its subsidiaries will not be able to prepay any existing liability in the event that the issuer is in delinquency or simple delay of the full and timely payment of bonds. The information that accredits compliance with matters dealt with in letters a) to j) of this number and calculations made that validate their compliance will have to be subscribed by the Issuer's Manager of Administration and Finance or any other employee performing this duty and annually by its external auditors, if applicable, and will have to be sent to the representative of bondholders through registered mail or letter with reception stamp within a period of five days from the occurrence of the event that gives rise to it, save for the fact that it relates to information that has to be delivered to the SVS, in which case it will have to be sent in the same term in which it has to be delivered to the SVS. In the event that the information provided to the representative of bondholders in conformity with number two is qualified by the Issuer as confidential, this representative will have to maintain strict reservation of this in respect to third parties.

Causes for Acceleration

a) If the issuer is in delinquency or simple delay of the payment of any installment of principal and/or interests related to bonds.

b) If any statement made by the issuer in instruments granted or subscribed due to the information obligation derived from this agreement was or was found to be illegally incomplete or false.

c) If the issuer breaches any obligation assumed by virtue of the bond issuance agreement and has not resolved this breach within the thirty days subsequent to the date on which it has been requested in written for these purposes by the representative of bondholders through registered mail.

d) If the issuer breaches any of the obligations assumed by virtue of the bond issuance agreement and had not resolved this breach within sixty days following the date in which it has been required for these purposes by the representative of bondholders through registered mail.

e) If the issuer breaches any of the obligations assumed by virtue of the seventh clause of the bond issuance agreement and complementary public deeds that are subscribed in conformity with number four of this clause.

f) If the issuer or any of its significant subsidiaries ceases to pay or recognized in written the impossibility of paying its debts, or makes general cession or abandonment of assets in benefit of its creditors or requested its own bankruptcy.

g) If the issuer or any significant subsidiary is in delinquency or simple delay of the payment of any sum owed to banks or any other creditor from one or more obligations past due or required previously, which, individually, exceeds the amount equivalent to one hundred thousand UF at the date of the respective calculation and the issuer or significant subsidiary, as the case may be, does not remedy this within thirty days following the date of delinquency or simple delay and/or at the date of payment of this obligation it has not been expressly postponed.

h) If any obligation of the issuer or any significant subsidiary is required previously, provided that it is not a prepayment required normally prior to the expiration date stipulated.

i) If in the future, the issuer or any of its subsidiaries grants actual guarantees for new bond issuances or any financial credit, credit operation or other existing credits, except those specified in the issuance agreement.

j) If any governmental authority decrees any action to make requisitions, confiscation, embargo, expropriation, or take possession of, or take custody or control of all or a portion of the Issuer's assets or of any significant subsidiary.

k) In the event of dissolution of the issuer, or in the event of decrease in the term of its duration to a term lower than the final term for amortization and payment of bonds related to the agreement;

l) If the issuer or any significant subsidiary were declared in bankruptcy through legal sentence executed; and,

m) If the issuer sold, ceded or transferred essential assets defined in the first clause of this agreement, except in the case of contributions or transfers of essential assets to subsidiaries, save in the case of prior and written authorization by the representative of bondholders.

As of December 31, 2005, the Company complies with all these covenants.

Direct guarantees

Beneficiary	Debtor		Type of guarantee	Assets Affected		Outstanding balances at financial statement closing date		Guarantee release					
	Name	Relationship		Type	Book value	2004	2005	2006	Assets	2007	Assets	2008	Assets
Chilean customs	–	–	Law N°18.634	–	–	118,456	–	–	–	(2,553)	–	–	–

Indirect guarantees

Beneficiary	Debtor		Type of guarantee	Assets Affected		Outstanding balances at financial statement's closing date		Guarantee release		
	Name	Relation-ship		Type	Book value	2004	2005	2006	2007	2008
Della Toffola Sud. AG Argentina	Trivento Bodegas y Viñedos S.A	Subsidiary	Debt - Supplier	–	–	160,678	85,561	(57,041)	–	–
Velo Spa (Italia)	Trivento Bodegas y Viñedos S.A	Subsidiary	Debt - Supplier	–	–	–	112,162	–	(34,102)	(27,037)
Banco BBVA	Trivento Bodegas y Viñedos S.A	Subsidiary	Debt Banks	–	–	721,833	512,500	–	(512,500)	–
Banco Santander-Santiago	Trivento Bodegas y Viñedos S.A.	Subsidiary	Debt Banks	–	–	3,464,798	3,075,000	–	(3,075,000)	–
Banco Santander-Santiago	Trivento Bodegas y Viñedos	Subsidiary	Debt Banks	–	–	1,154,933	1,025,000	–	(1,025,000)	–
Banco Boston	Trivento Bodegas y Viñedos S.A.	Subsidiary	Debt Banks	–	–	1,154,933	1,025,000	(1,025,000)	–	–
Banco Santander-Santiago	Trivento Bodegas y Viñedos S.A.	Subsidiary	Debt Banks	–	–	617,312	547,863	–	(547,863)	–
Banco Citibank	Concha y Toro U.K. Limited	Subsidiary	Debt Banks	–	–	889,609	704,344	(704,344)	–	–
Banco Santander-Santiago	Trivento Bodegas y Viñedos S.A.	Subsidiary	Debt Banks	–	–	–	358,750	–	(358,750)	–
Banco Santander-Santiago	Trivento Bodegas y Viñedos S.A.	Subsidiary	Debt Banks	–	–	–	768,750	–	(768,750)	–
Banco Bank Boston	Trivento Bodegas y Viñedos S.A	Subsidiary	Debt Banks	–	–	–	461,250	(230,625)	(153,750)	(76,875)
Banco BBVA	Trivento Bodegas y Viñedos S.A	Subsidiary	Debt Banks	–	–	–	854,167	(341,666)	(341,666)	(170,834)
Banco BBVA	Trivento Bodegas y Viñedos S.A	Subsidiary	Debt Banks	–	–	–	170,833	(170,833)	–	–

NOTE 31 - FOREIGN AND DOMESTIC CURRENCY

The following tables include the Company's asset and liability accounts broken out by their currency denominations:

Assets

	Currency	Amount	
		31-12-2004	31-12-2005
Current Assets			
Cash	Ch$	848,928	645,343
Cash	USD	212,608	198,387
Cash	CAD	–	3,713
Cash	EUR	306,836	18,113
Cash	GBP	166,976	440,451
Cash	ARS	328,271	141,127
Trade accounts receivable	Ch$	10,039,531	11,437,748
Trade accounts receivable	USD	22,257,973	19,958,038
Trade accounts receivable	EUR	8,261,647	6,379,646
Trade accounts receivable	GBP	6,877,832	8,367,558
Trade accounts receivable	CAD	2,521,109	1,888,093
Trade accounts receivable	ARS	1,493,381	1,162,891
Notes receivable	Ch$	1,743,079	2,147,425
Notes receivable	ARS	694,091	1,018,117
Other accounts receivable	Ch$	309,433	1,126,533
Other accounts receivable	USD	502,770	32,576
Other accounts receivable	EUR	29,238	1,794
Other accounts receivable	CAD	17,699	16,258
Other accounts receivable	UF	97,001	66,639
Other accounts receivable	GBP	17,839	14,723
Other accounts receivable	ARS	424,936	150,287
Accounts receivable from related companies	Ch$	13,874	128,420
Accounts receivable from related companies	USD	362,542	–
Recoverable taxes	Ch$	1,750,861	3,237,298
Recoverable taxes	USD	1,103,589	1,869,670
Recoverable taxes	UF	18,207	30,149
Recoverable taxes	EUR	–	1,511
Recoverable taxes	GBP	–	234,993
Recoverable taxes	ARS	1,224,105	1,750,332
Inventories	Ch$	17,117,281	67,052,168
Inventories	USD	24,655,601	1,516,624
Inventories	EUR	8,328,110	–
Inventories	GBP	–	2,338
Inventories	ARS	4,529,164	4,773,258
Prepaid expenses	Ch$	8,057,992	8,003,867
Prepaid expenses	USD	653,157	298,072
Prepaid expenses	UF	332,827	369,051
Prepaid expenses	ARS	460,642	620,784
Deferred taxes	Ch$	1,136,614	1,477,158
Deferred taxes	ARS	25,220	60,292
Other current assets	Ch$	(18,321)	2,239
Other current assets	USD	438,425	27,602
Other current assets	CAD	173,064	6,243
Other current assets	EUR	(49,216)	84,652
Other current assets	GBP	189,558	175,642

Assets

	Currency	Amount 31-12-2004	Amount 31-12-2005
Property, Plant and Equipment			
Net property, plant and equipment	Ch$	118,302,790	138,114,539
Net property, plant and equipment	USD	11,706,332	10,925,946
Net property, plant and equipment	GBP	40,297	27,318
Other assets			
Other assets	Ch$	9,096,077	11,688,434
Other assets	USD	374,244	231,437
Other assets	CAD	–	828
Other assets	UF	30,194	16,012
Other assets	GBP	–	487
Other assets	ARS	9,911	19,968
TOTAL ASSETS	Ch$	168,398,139	245,061,172
	USD	62,267,241	35,058,352
	CAD	2,711,872	1,915,135
	EUR	16,876,615	6,485,716
	GBP	7,292,502	9,263,510
	ARS	9,189,721	9,697,056
	UF	478,229	481,851

Current liabilities

		Up to 90 days				91 days to 1 yaer			
		31-12-2004		31-12-2005		31-12-2004		31-12-2005	
	Currency	Amount	Annual average interest rate	Amount	Annual average interest rate	Amount	Annual average interest rate	Amount	Annual average interest rate
Short-term bank debt	Ch$	2.106.119	2,40%	–	0,00%	–		–	0,00%
Short-term bank debt	US$	544.046	1,64%	145.006	LIBOR+0,55%	8.174.559	2,86%	8.079.285	4,78%
Short-term bank debt	UF	2.897.057	0,58%	–	0,00%	–		4.430.652	1,66%
Short-term bank debt	EUR	713.762	0,00%	–	0,00%	–		1.446.672	0,00%
Short-term bank debt	GBP	–	0,00%	885.709	5,02%	1.118.986	5,13%	–	–
Short-term bank debt	ARS	–	0,00%	747.510	0,00%	–	0,00%	–	0,00%
Current maturities of long-term bank debt	UF	1.471.664	1,57%	100.159	4,85%	781.531	0,96%	687.860	1,65%
Current maturities of long-term bank debt	Ch$	91,937	5,22%	89.175	5,22%	4.842.127	2,55%	580	0,00%
Current maturities of long-term bank debt	ARS	1.865.480	0,00%	1.369.664	7,50%	–		2.993.618	8,34%
Current maturities of long-term bank debt	US$	28.673	2,56%	884.844	3,63%	3.665.130	3,20%	4.899.315	3,63%
Current maturities of long-term bank debt	GBP	–	0,00%	224.891	4,83%	278.798	5,15%	220.425	0,00%
Current maturities of long-term bank debt	EUR	–	0,00%	–	0,00%	574.747	3,16%	873.584	3,42%
Bonds payable	UF	–	–	–	0,00%	–	0,00%	292.935	0,00%
Long-term debt with maturities with maturities within one year	UF	71.673	1,47%	48.340	7,09%	222.045	1,47%	145.248	6,93%
Dividends payable	Ch$	1.500.440	0,00%	1.808.735	0,00%	–	0,00%	–	0,00%
Accounts payable	Ch$	12.881.368	0,00%	12.349.126	0,00%	–	0,00%	–	0,00%
Accounts payable	ARS	477.731	0,00%	440.114	0,00%	–	0,00%	–	0,00%
Accounts payable	US$	1.015.196	0,00%	865.462	0,00%	–	0,00%	–	0,00%
Accounts payable	EUR	188.222	0,00%	59.652	0,00%	–	0,00%	–	0,00%
Accounts payable	GBP	301.195	0,00%	407.167	0,00%	–	0,00%	–	0,00%
Accounts payable	UF	–	0,00%	287	0,00%	–	0,00%	–	0,00%
Notes payable	Ch$	9.576	0,00%	15.783	0,00%	–	0,00%	–	0,00%
Notes payable	US$	163.184	0,00%	425.405	0,00%	–	0,00%	–	0,00%

Current liabilities

		Up to 90 days				91 days to 1 yaer			
		31-12-2004		31-12-2005		31-12-2004		31-12-2005	
	Currency	Amount	Annual average interest rate	Amount	Annual average interest rate	Amount	Annual average interest rate	Amount	Annual average interest rate
Notes payable	UF	408.449	0,00%	396.788	0,00%	–	0,00%	–	0,00%
Notes payable	EUR	70.773	0,00%	1.346.432	0,00%	–	0,00%	–	0,00%
Notes payable	ARS	632.308	0,00%	705.968	0,00%	–	0,00%	–	0,00%
Notes and accounts payable to related companies	Ch$	2.189.920	0,00%	1.287.437	0,00%	–	0,00%	–	0,00%
Notes and accounts payable to related companies	US$	869.053	0,00%	–	0,00%	–	0,00%	–	0,00%
Other accounts payable	Ch$	1.883.499	0,00%	334.814	0,00%	–	0,00%	–	0,00%
Other accounts payable	US$	54.596	0,00%	78.987	0,00%	–	0,00%	–	0,00%
Other accounts payable	CAD	2.157	0,00%	34.697	0,00%	–	0,00%	–	0,00%
Other accounts payable	EUR	3.557	0,00%	139.368	0,00%	–	0,00%	–	0,00%
Other accounts payable	UF	–	0,00%	1.530.650	0,00%	–	0,00%	–	0,00%
Other accounts payable	GBP	186	0,00%	11.933	0,00%	–	0,00%	–	0,00%
Accrued expenses	Ch$	4.355.540	0,00%	6.929.293	0,00%	–	0,00%	–	0,00%
Accrued expenses	CAD	460.571	0,00%	363.113	0,00%	–	0,00%	–	0,00%
Accrued expenses	US$	4.130.105	0,00%	4.072.230	0,00%	–	0,00%	–	0,00%
Accrued expenses	GBP	1.920.719	0,00%	2.046.891	0,00%	–	0,00%	–	0,00%
Accrued expenses	EUR	1.358.229	0,00%	1.229.265	0,00%	–	0,00%	–	0,00%
Accrued expenses	UF	10.117	0,00%	23.769	0,00%	–	0,00%	–	0,00%
Accrued expenses	ARS	555.314	0,00%	459.807	0,00%	–	0,00%	–	0,00%
Withholdings	UF	1.218	0,00%	4.508	0,00%	–	0,00%	–	0,00%
Withholdings	Ch$	1.601.818	0,00%	2.211.103	0,00%	–	0,00%	–	0,00%
Withholdings	CAD	–	0,00%	3.216	0,00%	–	0,00%	–	0,00%
Withholdings	US$	446.349	0,00%	537.972	0,00%	–	0,00%	–	0,00%
Withholdings	EUR	27.904	0,00%	46.281	0,00%	–	0,00%	–	0,00%
Withholdings	GBP	130.676	0,00%	346.680	0,00%	–	0,00%	–	0,00%
Withholdings	ARS	209.117	0,00%	254.706	0,00%	–	0,00%	–	0,00%
Income taxes payable	Ch$	566.753	0,00%	–	0,00%	–	0,00%	–	0,00%
Income taxes payable	GBP	27.800	0,00%	–	0,00%	–	0,00%	–	0,00%
Deferred revenues	Ch$	61.817	0,00%	339.912	0,00%	–	0,00%	–	0,00%
Deferred revenues	US$	48.847	0,00%	–	0,00%	–	0,00%	–	0,00%
Deferred revenues	GBP	–	0,00%	3.233	0,00%	–	0,00%	–	0,00%
Other current liabilities	US$	15.636	0,00%	6.348	0,00%	–	0,00%	–	0,00%
Other current liabilities	GBP	3.976	0,00%	6.466	0,00%	–	0,00%	–	0,00%
Other current liabilities	CAD	–	0,00%	2.719	0,00%	–	0,00%	–	0,00%
Other current liabilities	EUR	–	0,00%	8.571	0,00%	–	0,00%	–	0,00%
TOTAL CURRENT LIABILITIES	Ch$	27.248.787	–	25.365.378	–	4.842.127	–	580	–
	US$	7.315.685	–	7.016.254	–	11.839.689	–	12.978.600	–
	UF	4.860.178	–	2.104.501	–	1.003.576	–	5.556.695	–
	EUR	2.362.447	–	2.829.569	–	574.747	–	2.320.256	–
	GBP	2.384.552	–	3.932.970	–	1.397.784	–	220.425	–
	ARS	3.739.950	–	3.977.769	–	–	–	2.993.618	–
	CAD	462.728	–	403.745	–	–	–	–	–

Long-term liabilities as of December 31, 2004

		1 to 3 years		3 to 5 years		5 to 10 years		More than 10 years	
	Currency	Amount	Annual average interest rate	Amount	Annual average interest rate	Amount	Annual average interest rate	Amount	Annual average interest rate
Long-term bank debt	UF	–	–	1,390,386	4.85%	5,785,800	4.85%	–	–
Long-term bank debt	US$	6,929,597	–	–	–	–	–	–	–
Long-term bank debt	EUR	2,249,950	3.16%	–	–	–	–	–	–
Long-term bank debt	Ch$	1,036,000	5.22%	8,288,000	5.22%	–	–	–	–
Long-term bank debt	GBP	278,003	5.15%	–	–	–	–	–	–
Long-term bank debt	ARS	5,341,099	9.60%	–	–	–	–	–	–
Other long-term accounts payable	UF	323,846	1.48%	298,687	1.99%	80,161	1.99%	72,184	5,69%
Long-term accrued expenses	Ch$	–	–	–	–	–	–	694,592	–
Long-term deferred taxes	Ch$	986,331	–	994,027	–	2,771,080	–	–	–
TOTAL LONG-TERM LIABILITIES	UF	323,846	–	1,689,073	–	5,865,961	–	72,184	–
	US$	6,929,597	–	–	–	–	–	–	–
	EUR	2,249,951	–	–	–	–	–	–	–
	Ch$	2,022,331	–	9,282,027	–	2,771,080	–	694,592	–
	GBP	278,003	–	–	–	–	–	–	–
	ARS	5,341,099	–	–	–	–	–	–	–

Long-term liabilities as of December 31, 2005

		1 to 3 years		3 to 5 years		5 to 10 years		More than 10 years	
	Currency	Amount	Annual average interest rate	Amount	Annual average interest rate	Amount	Annual average interest rate	Amount	Annual average interest rate
Long-term bank debt	UF	–	0,00%	4.988.010	4,85%	2.201.914	4,85%	–	0,00%
Long-term bank debt	USD	2.306.250	0,00%	–	0,00%	–	0,00%	–	0,00%
Long-term bank debt	EUR	865.785	3,42%	–	0,00%	–	0,00%	–	0,00%
Long-term bank debt	Peso Chileno	5.500.000	5,22%	3.500.000	5,22%	–	0,00%	–	0,00%
Long-term bank debt	GBP	220.108	4,83%	–	0,00%	–	0,00%	–	0,00%
Long-term bank debt	Peso Argentino	4.180.761	9,60%	–	0,00%	–	0,00%	–	0,00%
Bonds payables	UF	1.057.341	3,90%	4.229.367	3,90%	10.573.418	3,90%	20.089.494	3,90%
Other long-term accounts payable	UF	259.609	5,75%	231.992	5,75%	–		69.676	5,69%
Long-term accrued expenses	Peso Chileno	–	0,00%	–	0,00%	–	0,00%	897.163	0,00%
Long-term deferred taxes	Peso Chileno	1.502.205	0,00%	1.474.325	0,00%	3.954.279	0,00%	–	0,00%
TOTAL LONG-TERM LIABILITIES	UF	1.316.950		9.449.369	–	12.775.332	–	20.159.170	–
	USD	2.306.250		–	–	–	–	–	–
	EUR	865.785		–	–	–	–	–	–
	Peso Chileno	7.002.205		4.974.325	–	3.954.279	–	897.163	–
	GBP	220.108		–	–	–	–	–	–
	Peso Argentino	4.180.761		–	–	–	–	–	–

NOTE 32 - SANCTIONS

As of December 31, 2005, the Company and its subsidiaries, directors and/or administrators have not been subject to fines or sanctions from the Superintendency of Securities and Insurance or any other Chilean regulating agency.

NOTE 33 - SUBSEQUENT EVENTS

Between December 31, 2005 and the date of issuance of these financial statements, there have been no subsequent events that might affect their presentation and/or interpretation.

NOTE 34 - ENVIRONMENT

During 2004 and 2005, the Company invested and disbursed funds destined, directly or indirectly, to the improvement of environmental conditions in compliance with certain local water use regulations. The detail of these disbursements is as follows:

Investments	As of December 31,	
	2004	2005
	ThCh$	ThCh$
Water treatment plants	78,244	60,864

Expenses	As of December 31,	
	2004	2005
	ThCh$	ThCh$
Maintenance and supplies of water treatment plants	264,336	307,089

As of December 31, 2004 and 2005, the net balance of assets designated for the improvement of the environment amounted to ThCh$882,981 and ThCh$930,843, respectively and are presented within machinery and equipment and buildings and infrastructure.

NOTE 35 - PREPAID EXPENSES

The detail of these is as follows:

	As of December 31,	
	2004	2005
	ThCh$	ThCh$
Next harvest expenses	8,334,492	8,427,123
Prepaid rent	128,890	19,962
Prepaid insurance	441,893	433,900
Other prepaid expenses	599,343	410,789
TOTAL	9,504,618	9,291,774

NOTE 36 - SALES

The detail of these is as follows:

	As of December 31,	
	2004	2005
	ThCh $	ThCh $
Sale of wine	186,414,362	193,775,756
Sale of services	2,754,642	2,381,346
Sale of other products	6,139,556	5,209,900
TOTAL SALES	195,308,560	201,367,002

NOTE 37 - SIGNIFICANT EVENTS

March 10, 2005

At the Board of Directors' Meeting of Viña Concha y Toro S. A. dated March 10, 2005, the director agreed to concur to the purchase of assets of Viña Francisco de Aguirre S. A., consisting of farms, plants for wine processing, storage and bottling, machinery, supplies, casks and brands. The total sum of the investment is approximately Ch$10,000,000,000 *(ten thousand million Chilean pesos)*.

March 11, 2005

On March 11, 2005, the Company informed the Chilean Superintendency of Securities and Insurance and the Chilean Stock Exchange of the General Shareholders' Meeting to be held on April 26, 2005. The agenda was as follows:

1. Approval of the annual report, balance sheet, financial statements and the report of the independent auditors for the period beginning on January 1, 2004 and ending on December 31, 2004.
2. Distribution of income and dividend distribution policy.
3. The election of the Board of Directors
4. The appointment of the Company's independent external auditors for 2005.
5. Directors' remunerations.
6. Determine the fees payable to directors who will be a part of the Committee referred to in Article No. 50 bis of Law No. 18,046 and determine the budget for expenses related to the activities performed by this Committee for the year 2005.
7. Determination of the newspaper in which notice of the next shareholders' meeting is to be published.
8. Operations as governed by Article 44 of Law No. 18,046.
9. Any other matters.

March 11, 2005

On March 11, 2005, the Company informed the Chilean Superintendency of Securities and Insurance and Chilean Stock Exchanges of the following dividend policy proposed at the General Ordinary Shareholders' Meeting:

Distribute with a charge to income for the year 2004, a final dividend No. 219 of Ch$6.62 per share which will be paid on May 26, 2005, which is added to those provisional dividends distributed with a charge to income for the year 2004 Nos. 216 and 217 for an amount of Ch$2.00 per share each paid on September 30, 2004 and December 30, 2004, respectively and dividend No. 218 for a sum of Ch$2.00, which will be paid on March 31, 2005.

Maintain as dividend policy 40% of net income. The Board of Directors' intention is to distribute with a charge to income obtained during 2005, three dividends Nos. 220, 221 and 222 for an amount of Ch$2.50 per share each, which will be paid as provisional dividends on September 30, 2005, December 30, 2005 and March 31, 2006, respectively. A fourth dividend will be paid for the amount required to complete 40% of income for the year 2005, which will be paid in May 2006, upon becoming aware of and approving income for the year by the shareholders at the respective General Ordinary Shareholders' Meeting.

In any case, this dividend policy depends on the Company's available cash funds.

April 26, 2005

The Company informed to the Chilean Superintendency of Securities and Insurance and Chilean Stock Exchanges, that on April 26, 2005 Viña Concha y Toro S. A. has perfected the placement of Series C Bonds for an amount of UF2,000,000 *(two million Unidades de Fomento)*, at a term for 21 years, with a charge to the line of bonds to the bearer dematerialized, registered under number 407 in the Securities Registry of the Superintendency of Securities and Insurance dated March 10, 2005.

Bond placement was conducted at an annual rate of 3.9%, achieving collection equivalent to 100% of its par value.

April 27, 2005

The Company informed to the Chilean Superintendency of Securities and Insurance and Chilean Stock Exchanges, that at the Extraordinary Shareholders' Meeting held on April 26, 2005, the Company elected its Board members, as follows:

Chairman: Mr. Alfonso Larraín Santa María

Vice President: Mr. Rafael Guilisasti Gana

Likewise, in compliance with that provided in Circular No. 1526 issued by the Chilean Superintendency of Securities and Insurance, the Company appointed Mr. Sergio de la Cuadra Fabres, Mr. Nils Christian Skibsted Cortés and Mr. Rafael Guilisasti Gana as members of the Board of Directors' Committee referred to in Article No. 50 bis of the Chilean Corporations Act.

Mr. Sergio de la Cuadra Fabres and Mr. Nils Christian Skibsted Cortés were appointed as directors with votes different to those of the Controller or related parties.

April 27, 2005

On April 27, 2005, the Company informed the Chilean Superintendency of Securities and Insurance and Chilean Stock Exchanges that at the Ordinary Shareholders' Meeting of April 26, 2005, the shareholders agreed to the following, among others:

Distribute with a charge to income for the year 2004, a final dividend No. 219 of Ch$6.62 per share which will be paid on May 26, 2005, which is added to those provisional dividends distributed with a charge to income for the year 2004 Nos. 216 and 217 for an amount of Ch$2.00 per share each paid on September 30, 2004 and December 30, 2004, respectively and dividend No. 218 for a sum of Ch$2.00, which was paid on March 31, 2005.

Maintain as dividend policy 40% of net income. The Board of Directors' intention is to distribute with a charge to income obtained during 2005, three dividends Nos. 220, 221 and 222 for an amount of Ch$2.50 per share each, which will be paid as provisional dividends on September 30, 2005, December 30, 2005 and March 31, 2006, respectively. The payment of these dividends depends on the Company's available cash funds. A fourth dividend will be paid for the amount required to complete 40% of income for the year 2005, which will be at the date determined by the shareholders at the General Ordinary Shareholders' Meeting to be held in 2006.

The shareholders elected the new Board of Directors, as follows:

- Alfonso Larraín Santa María.
- Rafael Guilisasti Gana.
- Pablo Guilisasti Gana.
- Mariano Fontecilla de Santiago Concha.
- Francisco Marín Estévez.
- Sergio de la Cuadra Fabres.
- Nils Christian Skibsted Cortés.

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