FOR INMEDIATE RELEASE

CCU ANNOUNCES MERGE AGREEMENT

On December 12th, 2008 CCU jointly with the subsidiary Viña San Pedro S.A. ("VSP") subscribed a Merge Agreement with Compañía Chilena de Fósforos ("CCF") and its affiliates Terciados y Elaboración de Maderas S.A. ("TEMSA") and Viña Tarapacá S.A. ("VT"). In the referred agreement the parties concur, among others, in the general basis of the VSP and VT merge, the process stages and the obligations of each party in the transaction materialization all of which was disclosed in a preliminary form on July 15 and July 21 2008. A merged company's shareholder agreement (the Shareholder's Agreement) and a Commitment to Buy/Sell 25% of VT shares were signed together with the Merge Agreement.

Having the negotiations and the due diligence come to an end, the final terms of the transaction are as follows:

1. TRANSACTION DESCRIPTION:

   VSP and VT will merge considering a 60%-40% exchange ratio respectively, by means of the absorption of VT by VSP. Prior to the merge CCU will buy shares representing 25% of VT's equity from TEMSA for USD 33.1 MM as per the signed Commitment to Buy/Sell contract. The committed transaction will take place on the same day of the VSP and VT Shareholders Meetings in which the merge must be approved, prior to the its execution. As a consequence the shareholders of the merged company, considering their present participations, will be: CCU with 47.9%, CCF with 30% and other shareholders with 22.1%.

   The main stipulations in the Shareholders Agreement signed by CCU and CCF are the following:

   a. The name of the merged company will be Viña San Pedro Tarapacá SA ("VSPT").
   b. VSPT will have a Board of 9 members of which CCU will appoint 5 members if its participation is 47.9% or more of the VSPT shares. CCF will have the right to nominate 2 or 3 board members depending on its participation in VSPT.
   c. The Chairmen of the Board will be nominated by CCU and the Vice-chairman by CCF
   d. An Executive Vice-chairman position is considered for a period of 4 years, position that will be hold by Mr. René Araneda Largo.
   e. The CEO will be designated and removed by the Board upon CCU's proposal. CCU has proposed Mr. Javier Bitar Hirmas.
   f. The parties have concurred to the initial VSPT org chart.

g. The Shareholder Agreement will stand for 10 years and will expire in anticipation:
   - If CCU or CCF hold less than 15% of the VSPT shares
   - If there is a change in the parties control
h. The dividend distribution policy will be to pay at least 50% of the payable profit.
i. The following matters will require the vote of at least one board member designated by each party: i) the agreement to propose any VSPT capital increase to the Shareholders Meeting if the Net Financial Debt/EBITDA consolidated ratio is equal or less than 2.5 times; ii) agreements to propose to the Shareholders Meeting capital increases in VSPT not exceeding the equivalent of USD 15 MM in a fiscal year, unless the company had a Net Financial Debt/ EBITDA consolidated ratio higher than 2.5 times but less than 5 times; iii) agreements to propose to the Shareholders Meeting a capital increase for an amount higher than the equivalent of USD 15 MM in a fiscal year, unless the company had a Net Financial Debt /EBITDA consolidated ratio higher than 5 times, or if VSPT had an Interest Cover ratio lower than 2.5 times; iv) Fixed assets investments in VSPT or it's affiliates for accumulated amounts higher than USD 10 MM in a fiscal year or if the Net Financial Debt/EBITDA consolidated ratio was equal or higher than 4 times; v) Sale of Operational assets in excess of USD 10 MM equivalent in a fiscal year; vi) agreements to propose to the Shareholder Meeting merges with other companies that made necessary to agree in a capital increase for the company for an amount higher than USD 10MM or the addition of assets for an amount in excess of the said amount; vii) the engagement of the company in businesses in other lines different from wine-making ,grape growing and/or wine trading; viii) merges, assets acquisitions or investments for an amount higher than USD 50 MM , weather they need or not to hold a Shareholders Meeting; in case of rejection, the CCU designated board members will have the faculty to insist in the transaction in which case, CCF will have the right to exercise a sales option of its shares (Put option); ix) agreement to propose to the Shareholders Meeting modifications to the By-laws with regards to the name of the company, the purpose of the same, the duration of the company, the number of board members, the chairman's settlement vote, the shareholders prying and the profit distribution form.

2. STATUS OF THE TRANSACTION:

The merge is subject to the following acts and fulfillment of the following conditions:

i) The summon of the CCF Board and Shareholders meetings in order to approve the Merge accordingly; ii) the summon of the Board and Shareholders meetings in VSP and VT for them to approve the Merge; iii) that between this date and the date of the Shareholders Meetings, no adverse material change occurs; iv) that certain agreed conditions by the parties are not unfulfilled; and v) VSP or VT had not declared bankruptcy.

The Boards of VSP and VT and the VSP Board Committee will session next week examining the Audited Financial Statements as of September 30th 2008 and the expert's report, which will be the basis for the Shareholders Meetings to approve the Merge, and will summon their respective Shareholders Meetings. The CCF Shareholders Meeting will also be summon in order to comply with art.57 N°4 and 67 N° 9, both from Law N° 18,046.

3. ESTIMATED TIMMING FOR THE TRANSACTION EXECUTION

The parties have agreed in a tentative time schedule which implies to hold the Shareholders Meetings on the first week in December of the current year, legalize the Merge at the latest on the second week in January 2009 and to exchange the shares during the second half of January 2009.

4. EFFECTS OF THE TRANSACTION IN CCU'S RESULTS:

As we have already mentioned in our previous communiqués, among the information appraised by the Board it has been considered that that this transaction would have significant benefits for VSP, coming basically from the synergies of an operation in a large scale which would allow costs and expenses savings, a strengthening of the brand portfolio and a rationalization of the commercial and production processes. All that would bring as a consequence better profitability in the domestic as well as in the exports market wine business. A preliminary estimate of the impact of those effects on the VSP results, based on available public information, is stated in the document "MERGE VIÑA SAN PEDRO-VIÑA TARAPACA", that VSP disclosed as information of interest for the market on July 22, 2008. The Merge will have accounting and financial effects starting on October 1st 2008 and legal inception as of the legalization of the VSP and VT Shareholders Meetings approving the Merge.