

## Quiñenco's Net income increased 39.7% during the first quarter of 2017

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**Santiago, May 29, 2017.** Quiñenco recorded net income of Ch\$44,240 million for the first quarter 2017, representing a 39.7% increase as compared to the previous year.

This growth is mainly explained by the positive results of most of the Group's companies, as well as at the holding level. Worth noting is Enex's performance during the quarter, with a 93.3% increase in profits, explained by a greater margin in fuels which offset a 4.8% decrease in sales volumes.

Banco de Chile, in turn, reported a 5.6% increase in operating income reaching Ch\$140,000 million during the quarter, mainly due to greater revenues related to clients, together with lower operating expenses and a decrease in loan loss provisions.

CCU also recorded a 4.5% increase in its net income, and a 7.7% increase in EBITDA, reflecting better performance during the quarter in the Chile and International Business segments. The Wine segment was negatively affected by an unfavorable evolution of the exchange rate and a higher cost of grapes.

In the manufacturing sector, it is worth mentioning that Invexans' main asset, the French multinational Nexans, does not report results for the first quarter. On the other hand, Techpack, which sold its flexible packaging business in May 2016 for a total amount of US\$435 million, agreed last March to a price adjustment for such divestiture, which resulted in a downward adjustment of US\$2 million.

In the transport segment, Compañía Sud Americana de Vapores (CSAV) recorded an improvement in its results, mainly due to a favorable evolution in the car carrier business due to higher volumes and cost savings. Hapag-Lloyd, however, experienced a lower result this quarter due to the unfavorable effect of the higher cost of oil, which was partly offset by a 6.8% increase in transported volumes and the measures taken to increase savings. As regards EBITDA, the US\$140 million obtained by the German shipping company is worth noting, as it represents a 2.7% increase in comparison to the same period in the previous year.

An event that is not reflected in the results as of March 2017, is the merger between Hapag-Lloyd and United Arab Shipping Company (UASC) which was completed a few days ago, after complying with all necessary regulatory approvals and the consent of financial creditors. This significant milestone makes Hapag-Lloyd the fifth largest containership company in the world, with one of the most modern and efficient fleets and yearly expected synergies of US\$435 million. This merger will also translate into a dilution accounting loss for CSAV after having decreased its interest from 31.4% to 22.6%, for an amount that cannot yet be determined. This loss shall be partly offset with CSAV's participation in Hapag-Lloyd's capital increase, after which it will reach a 25% interest.

SM SAAM, in turn, showed a 48.7% decrease in its net income, explained by lower performance of Logistics and ports in Chile, which was mainly offset by the favorable results of port terminals abroad and the acquisition of Puerto Caldera in Costa Rica, in February of the current year. In addition, Quiñenco's interest in SM SAAM increased from 50.8% in March 2016 to 52.2% in March 2017.

Although not reflected in this subsidiary's results during the quarter, worthy of notice is the sale in May this year, for a total of US\$124 million, of SM SAAM's total stake in Tramarsa, a company with

presence in port terminals, tug boats and logistics, mainly in Peru. As announced by SM SAAM, this transaction will generate a non-recurring profit of approximately US\$33 million.

*Quiñenco is one of the largest and most diversified business conglomerates in Chile, with consolidated assets amounting to approximately US\$55 billion. It participates in leading companies of the financial, beverage and food, manufacturing, energy, transport and port services sectors which in all employ approximately 65 thousand people in Chile and abroad. For further information visit [www.quinenco.cl](http://www.quinenco.cl).*