

Francisco Pérez Mackenna Quiñenco's CEO:
“We intend that our diversification and international expansion will allow us to achieve a 50% presence abroad in the long run”

- **At the Shareholders' Meeting Pérez Mackenna highlighted the results of Quiñenco and its subsidiaries in 2017, and stated that the purpose of internationalizing and diversifying investments is a “fundamental pillar of our development strategy”.**

Santiago, April 27, 2018. Francisco Pérez Mackenna, the Company's Chief Executive Officer, reviewed the main milestones of Quiñenco and its subsidiaries during 2017 at the Shareholders' Meeting carried out this morning, chaired by the Chairman of the Board of Directors, Andrónico Luksic Craig.

In the annual report to shareholders, Pérez Mackenna reported on Quiñenco's net profit of Ch\$108,740 million in 2017, and highlighted the internationalization and diversification strategy carried out by the Company, which should continue over the next few years.

“We are a company committed to Chile's progress, as well as that of all the places where we have presence. Currently we operate in 125 countries across five continents through our main operating subsidiaries and associates. Our goal of internationalizing and diversifying investments, with a significant influence on management is a fundamental pillar of our development strategy in the long run”, stated the CEO.

Mr. Pérez Mackenna, added “currently 30% of our assets are abroad and 70% in Chile, and we intend that our diversification and international expansion will allow us to reach a presence of about 50% abroad in the long run. For this we must continue growing organically in Chile and seek development opportunities worldwide”.

Within this context, he remarked, “in 2017 we advanced with strength in this strategy in several of the industries where we have presence. The merger of the German liner Hapag-Lloyd with United Arab Shipping Company; the entrance of SM SAAM to the port of Caldera in Costa Rica, or the expansion of Guayaquil's terminal are examples of the above. And of course, Invexans' recent decision to create a new company based in London for the development of international businesses”.

Quiñenco's Results

Francisco Pérez Mackenna also pointed out Quiñenco's annual results, stating that 2017 was “a positive year for the Company. Operationally, the companies clearly show consolidation, with favorable results particularly in the international area, with Hapag-Lloyd and Nexans showing positive performance”.

Although net profit in 2017 is 38.5% lower than the previous year, this is the result of the accounting one-time effect after the merger between Hapag-Lloyd and United Arab Shipping Company (UASC) which resulted in Compañía Sud Americana de Vapores (CSAV) –where Quiñenco has a 56.2% interest– diluting its interest in Hapag-Lloyd from 31% to 25.5% at the end of the year.

“This merger allowed Hapag-Lloyd to become the fifth largest shipping company worldwide, showing at the end of the year a favorable result with net income of US\$30 million, thus reverting the US\$107 million loss recorded during the previous Year” announced the CEO.

Also in the international area, the French company Nexans doubled its net profit reaching €125 million, with a 12% increase in operating income. In the manufacturing segment, the subsidiary Inveans recorded net income of Ch\$23,927 million in 2017, significantly higher than that reported the previous year, thus reflecting its participation in Nexans’ positive results.

CCU, on the other hand, recorded a profit of Ch\$129,607 million, with a 9.4% increase as compared to the previous year. “CCU also recorded significant improvements towards the three goals of its Environmental Vision for 2020: as compared to 2010 levels, it reduced water consumption by 39.7%; decreased GHG emissions by 22% and it also reached a 97.6% residue revaluation rate, approaching the 100% goal set in the plan”, Mr. Pérez Mackenna explained.

In the energy segment, although Enex’s gross income was 2% higher than in 2016, the final result amounted to Ch\$8,774 million –56.6% lower than the previous period- affected by higher depreciation of fixed assets together with higher expenses related to service stations and provisions.

Banco de Chile, whose revenues represent about 40% of Quiñenco’s consolidated revenues, increased its profits by 4.3% as compared to the previous year reaching Ch\$576,012 million. In addition, Mr. Pérez Mackenna, pointed out that “Banco de Chile’ market capitalization at the end of 2017 is equivalent to US\$15.9 billion thus positioning it as the financial entity with the greatest value in the country, with a 26% share in profits and a return on average capital close to 20%”.

SM SAAM posted net income of Ch\$39,820 million, growing a 7.6% mainly due to the gain obtained for the sale of its minority share in Tramarsa (Peru).

At the close of his presentation the CEO stated that “Quiñenco has remained true to its value creation system based on the excellence of the management of its investments; focused on a controlled and gradual international expansion; based on experience in business management, and the advantageous position granted by the location of its facilities, the strength of its products and services, and of its distribution networks. We are convinced that perseverance on this road will allow us to better comply with our purpose of entrepreneurship, value creation and contribution to the development of all the communities where we have presence and the people that are a part of them”.

Quiñenco is one of the largest and most diversified business conglomerates in Chile, with consolidated assets of approximately US\$61.8 billion. It participates in leading companies of the financial, beverage and food, manufacturing, energy, transport and port services sectors that in all employ approximately 69 thousand people in Chile and abroad. For further information visit www.quinenco.cl