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QUIÑENCO S.A. ANNOUNCES CONSOLIDATED RESULTS FOR THE YEAR AND FOURTH QUARTER OF 2018

(Santiago, Chile, March 27, 2018) Quiñenco S.A., a leading Chilean business conglomerate, announced today its consolidated financial results under IFRS, for the year and fourth quarter ended December 31, 2018.

Consolidated financial results are presented in accordance with IFRS and the regulations established by the Commission for the Financial Market (CMF, formerly Superintendency of Securities and Insurance). All figures are presented in nominal Chilean pesos, unless stated otherwise. Figures in US$ have been converted from Chilean pesos (Ch$) at the observed exchange rate on December 31, 2018 (Ch$694.77 = US$1.00), unless indicated otherwise, and are only provided for the reader's convenience.

2018 HIGHLIGHTS

Net income of **Ch$180,430 million** in 2018, **up 65.9%** from 2017. Growth strongly influenced by two non-recurring events: accounting loss reported by CSAV in 2017 due to its dilution in Hapag-Lloyd following the merger with UASC, and gain reported by CCU in 2018 related to the early termination of the Budweiser license in Argentina.

In the industrial sector revenues up 17.5% to Ch$2,798,851 million and EBITDA reaches Ch$127,005 million, increasing 16.1%, both boosted by Enex and SM SAAM.

Nexans' net income dropped to 14 million euros, mainly due to lower operating performance, mostly of the high voltage & projects segment, and an unfavorable core exposure effect.

In the banking sector, Banco de Chile's results were boosted by growth in operating revenues, offsetting higher operating expenses, loan loss provisions and income tax expense.

Earnings per share amounted to Ch$108.51 in 2018.

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GROUP HIGHLIGHTS – FOURTH QUARTER 2018 AND SUBSEQUENT EVENTS

Enex acquires Road Ranger travel centers in USA

On November 19, 2018, Quiñenco's fully-owned subsidiary Enex acquired Road Ranger, the fourth largest network of highway travel centers in the USA, after receiving the necessary approvals from the antitrust regulatory authorities, among others. The total price paid by Enex was US$289,090,902. Road Ranger has 38 travel centers located on the main highways that connect the state of Texas and the Midwest, including Illinois, Iowa, Missouri, and Wisconsin.

Invexans transfers Nexans shares to Invexans UK

On November 22, 2018, Invexans announced the transfer of its 12,381,054 shares of Nexans to Invexans UK, at a price of €25.834 per share, equivalent to the weighted average of Nexans' shares traded on the Euronext Paris exchange on the same date. Thus, the transaction totaled approximately US$365 million.

SM SAAM signs agreement with Boskalis

On February 11, 2019, SM SAAM announced an agreement with Royal Boskalis Westminster (Boskalis), parent company of SMIT, to acquire its interest in the two joint ventures for the tug boat business in Brazil, Mexico, Panama, and Canada, established in 2014, for a total of US$201 million. SM SAAM is to acquire the 49% stake held by Boskalis in SAAM SMIT Towage Mexico (including the operations in Mexico, Canada and Panama), and the 50% stake held in SAAM SMIT Towage Brazil. Completion of the transaction is subject to approvals from antitrust authorities, among others.

SM SAAM sales minority stake in Terminal Puerto Arica

On February 15, 2019, SM SAAM announced the sale of its 15% stake in Terminal Puerto Arica for a total of US$12 million.

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INFORMATION ON FINANCIAL STATEMENTS AND SEGMENTS

FORMAT OF FINANCIAL STATEMENTS

In accordance with the definition issued by the Financial Market Commission, the line “Gains (losses) of operating activities” includes the following concepts: Gross income, Other operating income, Distribution Costs, Administrative expenses, Other operating expenses, and Other gains (losses). In accordance with this definition, this document refers to Gains (losses) of operating activities or Operating Income in the same manner.

SEGMENT INFORMATION

In accordance with IFRS requirements, financial information is reported for the six segments defined by Quiñenco for this purpose: Manufacturing, Financial, Energy, Transport, Port Services and Other. However, in order to allow a better understanding of the consolidated financial statements, the latter and the subsequent analysis, have been divided in Banking and Non-banking (Industrial) activities, as follows:

- **Industrial Sector**: includes the following Segments and main companies:

i) Manufacturing
- Invexans
- Techpack

ii) Financial
- LQ Inversiones Financieras (LQIF holding)

iii) Energy
- Enex

iv) Transport
- Compañía Sud Americana de Vapores (CSAV)

v) Port Services
- SM SAAM

vi) Other
- Quiñenco and others (includes CCU, Banchile Seguros de Vida (Banchile Vida), SegChile Seguros Generales (SegChile), Quiñenco holding, and eliminations)

The companies composing this sector reported their financial statements in accordance with IFRS. Invexans, Techpack, CSAV and SM SAAM report their financial statements in US dollars, and translate them to Chilean pesos for consolidation purposes.

Invexans’ main asset is its 28.55% stake in Nexans, a French multinational company leader in the world cable industry. As of December 31, 2018, Quiñenco has a 98.7% stake in Invexans.

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As of December 31, 2018, Techpack has a 0.53% stake in Nexans. Thus, as of December 31, 2018, through its subsidiaries Invexans and Techpack, Quiñenco has a 29.08% interest in Nexans.

As of December 31, 2018, Quiñenco's ownership of Techpack is 99.97%.

During the last quarter of 2017 CSAV sold its entire stake in Norgistics Chile to third parties, and determined the closing of the offices of Norgistics in Peru, Mexico and China. Therefore in 2017 and 2018 all of Norgistics' operations have been classified as discontinued activities in the income statement. As of December 2018, Quiñenco´s stake in CSAV is 56.2%.

In 2017 the general insurance company SegChile started its operations. As of December 31, 2018, Quiñenco has a 66.3% interest in SegChile.

On May 24, 2017, Hapag-Lloyd materialized the merger with United Arab Shipping Company Limited (UASC). The shareholders of UASC received shares equivalent to a 28% stake in Hapag-Lloyd. Thus, existing shareholders of Hapag-Lloyd diluted their stakes. CSAV's stake in Hapag-Lloyd was reduced from 31.4% to 22.6%. During the fourth quarter of 2017 and second quarter of 2018, CSAV acquired additional shares of Hapag-Lloyd, reaching a stake of 25.86% as of December 31, 2018.

Banking Sector: includes the following Segments and main companies:

i) Financial

- Banco de Chile
- SM Chile

These companies reported their financial statements partially in accordance with IFRS, as determined by the Superintendency of Banks and Financial Institutions.

ANALYSIS OF CONSOLIDATED RESULTS

Summarized Consolidated Income Statement

Full Year Results

Sector /Segment	Manufacturing		Financial		Energy		Transport		Port Services		Other		Total	
	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Consolidated Net Income (Loss) Industrial Sector	21,917	**(29,113)**	(13,207)	**(13,713)**	8,774	**19,277**	(127,240)	**10,854**	41,219	**37,888**	13,307	**49,176**	(55,231)	**74,369**
Consolidated Net Income Banking Sector	-	-	503,076	**374,771**	-	-	-	-	-	-	590	**537**	503,667	**375,308**
Consolidated Net Income (Loss)	21,917	**(29,113)**	489,869	**361,058**	8,774	**19,277**	(127,240)	**10,854**	41,219	**37,888**	13,897	**49,713**	448,436	**449,677**
Net Income (Loss) Attributable to Non-controlling Interests	(167)	(4)	370,574	239,785	-	-	(56,036)	4,845	21,401	22,555	3,925	2,065	339,696	269,247
Net Income (Loss) Attributable to Controllers' Shareholders*	22,084	(29,109)	119,295	121,273	8,774	19,277	(71,203)	6,009	19,818	15,333	9,972	47,648	108,740	180,430

* Corresponds to the contributions of each business segment to Quiñenco´s net income.

Net Income[1] – Full Year 2018

Quiñenco reported net income of Ch$180,430 million in 2018, increasing 65.9% from 2017. This positive variation is primarily attributable to the accounting loss reported by CSAV arising from its net dilution in Hapag-Lloyd, following the latter's merger with UASC and the additional stake purchased by CSAV during 4Q 2017, which amounted to a loss of approximately Ch$57,200 million in 2017 for Quiñenco. Hapag-Lloyd, in turn, reported improved results, boosted by growth in transported volumes following the merger with UASC. Higher costs related to increased fuel prices were mitigated through synergies achieved in the integration. In addition, CCU reported a significant increase in net income in 2018, primarily attributable to the non-recurring gain on the early termination of the Budweiser license in Argentina, as well as positive operating performance in the International Business and Chile segments. In the energy segment, Enex also posted a strong increase in results, reflecting good operating performance, based on better margins in the service station channel and in lubricants together with higher sales volumes, and lower provisions. Banco de Chile posted a 3.3% increment in net income, mainly due to higher operating revenues, partially offset by greater operating expenses and loan loss provisions, mainly non-recurring, and higher income tax expense. In the manufacturing segment, however, Nexans reported a significant drop in net income, mainly explained by a 30.9% decline in operating income, primarily attributable to lower performance in the high voltage & projects segment, and a loss from the core exposure effect. Techpack's contribution also declined, mostly explained by expenses and a price adjustment related to the transaction with Amcor. SM SAAM posted lower net income, primarily owing to the non-recurring gain from the sale of its minority stake in Tramarsa in 2017, which was largely compensated by strong performance of the port terminals and logistics segments. Finally, results at the corporate level declined due to higher losses from the impact of inflation on indexed liabilities, and to a lesser extent, higher net financial costs.

Earnings per ordinary share amounted to Ch$108.51 in 2018.

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[1] Net income corresponds to Net income attributable to Controllers' shareholders.

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Summarized Consolidated Income Statement

Quarterly Results

Sector /Segment	Manufacturing		Financial		Energy		Transport		Port Services		Other		Total	
	4Q 17	4Q 18	4Q 17	4Q 18	4Q 17	4Q 18	4Q 17	4Q 18	4Q 17	4Q 18	4Q 17	4Q 18	4Q 17	4Q 18
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Consolidated Net Income (Loss) Industrial Sector	6,483	**(24,866)**	(3,776)	**(3,909)**	(4,422)	**4,325**	6,679	**8,737**	4,979	**11,831**	5,794	**4,193**	15,738	**311**
Consolidated Net Income Banking Sector	-	-	124,365	-	-	-	-	-	-	-	130	-	124,496	-
Consolidated Net Income (Loss)	6,483	**(24,866)**	120,589	**(3,909)**	(4,422)	**4,325**	6,679	**8,737**	4,979	**11,831**	5,924	**4,193**	140,233	**311**
Net Income (Loss) Attributable to Non-controlling Interests	(61)	15	91,174	(36,761)	-	-	2,695	3,918	2,400	7,182	742	(641)	96,950	(26,287)
Net Income (Loss) Attributable to Controllers' Shareholders*	6,544	(24,880)	29,416	32,852	(4,422)	4,325	3,985	4,819	2,579	4,649	5,183	4,834	43,284	26,598

* Corresponds to the contributions of each business segment to Quiñenco´s net income.

Net Income – 4Q 2018

Quiñenco reported a net gain of Ch$26,598 million in the fourth quarter of 2018, 38.5% below the gain of Ch$43,284 million reported in the same period in 2017. This variation is primarily explained by a lower contribution from the manufacturing segment, due to Nexans' lower results during the second half of the year, and also lower results at Techpack, mostly due to expenses and price adjustment related to the transaction with Amcor. At the corporate level, results decreased mostly due to higher losses from the effect of inflation on indexed liabilities. However, during the quarter Enex, Banco de Chile, SM SAAM, CCU, and CSAV increased their contributions to consolidated net income.

Enex's results improved in 4Q 2018, mainly owing to provisions established in 4Q 2017 and good operating performance, mainly in the retail channel and convenience stores. Banco de Chile's net income increased mostly due to growth in operating revenues, compensating higher operating and income tax expenses, and to a lesser extent, higher loan loss provisions. SM SAAM's results also increased, reflecting favorable performance of the port terminals and logistics segments. CSAV's contribution increased slightly mainly due to an income tax credit in the current quarter, while CSAV's share in Hapag-Lloyd's quarterly results, adjusted by fair value accounting, decreased.

Earnings per ordinary share amounted to Ch$16.00 in the fourth quarter of 2018.

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Consolidated Income Statement Breakdown

	Quarters				Full Year			
	4Q 17		4Q 18		2017		2018	
	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$
Industrial Sector								
Revenues	**641,323**	**923.1**	**777,338**	**1,118.8**	**2,381,154**	**3,427.3**	**2,798,851**	**4,028.5**
Manufacturing - Invexans & Techpack	5	0.0	26	0.0	9	0.0	31	0.0
Financial - LQIF holding	-	-	-	-	-	-	-	-
Energy - Enex	513.523	739.1	635,939	915.3	1,888,725	2,718.5	2,276,314	3.276.4
Transport - CSAV	17.515	25.2	15,209	21.9	71,476	102.9	58,474	84.2
Port Services - SM SAAM	79.668	114.7	90,131	129.7	303,261	436.5	330,997	476.4
Other - Quiñenco & others	30.612	44.1	36,033	51.9	117,683	169.4	133,035	191.5
Operating income (loss)	**(7,711)**	**(11.1)**	**16,030**	**23.1**	**78,987**	**113.7**	**65,307**	**94.0**
Manufacturing - Invexans & Techpack	(1,771)	(2.5)	(1,186)	(1.7)	(3,093)	(4.5)	(6,692)	(9.6)
Financial - LQIF holding	(1,007)	(1.4)	(463)	(0.7)	(4,026)	(5.8)	(1,697)	(2.4)
Energy - Enex	(7,159)	(10.3)	7,629	11.0	11,296	16.3	28,069	40.4
Transport - CSAV	(917)	(1.3)	(1,142)	(1.6)	948	1.4	2,366	3.4
Port Services - SM SAAM	5,618	8.1	13,213	19.0	76,020	109.4	51,919	74.7
Other - Quiñenco & others	(2,474)	(3.6)	(2,020)	(2.9)	(2,158)	(3.1)	(8,658)	(12.5)
Non-operating income (loss)	**28,967**	**41.7**	**(227)**	**(0.3)**	**(65,240)**	**(93.9)**	**34,322**	**49.4**
Interest income	3,742	5.4	4,521	6.5	14,737	21.2	15,692	22.6
Interest expense	(13,478)	(19.4)	(15,879)	(22.9)	(51,576)	(74.2)	(55,932)	(80.5)
Share of net income/loss from related co,	39,050	56.2	20,897	30.1	(17,498)	(25.2)	110,851	159.6
Foreign exchange gain (loss)	3,983	5.7	(2,308)	(3.3)	3,206	4.6	(10,470)	(15.1)
Indexed units of account restatement	(4,330)	(6.2)	(7,458)	(10.7)	(14,110)	(20.3)	(25,819)	(37.2)
Income tax	(4,658)	(6.7)	(1,167)	(1.7)	(65,053)	(93.6)	(7,585)	(10.9)
Net income (loss) from discontinued operations	(861)	(1.2)	(14,325)	(20.6)	(3,925)	(5.6)	(17,676)	(25.4)
Consolidated Net Income (Loss) Industrial Sector	**15,738**	**22.7**	**311**	**0.4**	**(55,231)**	**(79.5)**	**74,369**	**107.0**
Banking Sector								
Operating revenues	434,440	625.3	506,660	729.2	1,710,443	2,461.9	1,874,738	2,698.4
Provision for loan losses	(59,320)	(85.4)	(61,354)	(88.3)	(234,983)	(338.2)	(281,410)	(405.0)
Operating expenses	(202,636)	(291.7)	(220,451)	(317.3)	(789,656)	(1,136.6)	(848,361)	(1,221.1)
Operating income (loss)	172,485	248.3	224,855	323.6	685,804	987.1	744,966	1,072.2
Non-operating income (loss)	(16,164)	(23.3)	(20,701)	(29.8)	(67,010)	(96.4)	(72,279)	(104.0)
Income tax	(31,825)	(45.8)	(63,385)	(91.2)	(115,128)	(165.7)	(156,609)	(225.4)
Consolidated Net Income (Loss) Banking Sector	**124,496**	**179.2**	**140,770**	**202.6**	**503,667**	**724.9**	**516,078**	**742.8**
Consolidated Net Income	**140,233**	**201.8**	**141,081**	**203.1**	**448,436**	**645.4**	**590,447**	**849.8**
Net Income Attributable to Non-controlling Interests	96,950	139.5	114,483	164.8	339,696	488.9	410,016	590.1
Net Income Attributable to Controllers' Shareholders	**43,284**	**62.3**	**26,598**	**38.3**	**108,740**	**156.5**	**180,430**	**259.7**

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Industrial Sector

Revenues – Full Year 2018

Consolidated revenues totaled Ch$2,798,851 million in 2018, 17.5% above 2017, mainly owing to higher revenues at Enex, and to a lesser extent, at SM SAAM and Banchile Vida, partially compensated by lower revenues from CSAV.

Consolidated sales in 2018 can be broken down as follows: Enex (81.3%), SM SAAM[1] (11.8%), CSAV (2.1%), and others (4.8%).

Revenues – 4Q 2018

Consolidated revenues totaled Ch$777,338 million in the fourth quarter of 2018, 21.2% above those of the same period in 2017, primarily due to higher revenues at Enex, and to a lesser extent, sales growth at SM SAAM[2], and Banchile Vida. These increments were partly offset by lower revenues at CSAV.

Consolidated sales in the fourth quarter of 2018 can be broken down as follows: Enex (81.8%), SM SAAM (11.6%), CSAV (2.0%), and others (4.6%).

Operating Income[3] – Full Year 2018

Operating income in 2018 reached a gain of Ch$65,307 million, 17.3% lower than the gain of Ch$78,987 million reported in 2017. The variation is primarily attributable to lower operating income at SM SAAM, mainly attributable to a non-recurring gain from the sale of its stake in Tramarsa (Peru) in 2017, and to a lesser extent, a greater loss at Quiñenco at the corporate level and a negative variation at Invexans, partially compensated by higher operating income at Enex, a lower loss at LQIF holding, and better results at CSAV.

Operating Income – 4Q 2018

Operating income for the fourth quarter of 2018 reached a gain of Ch$16,030 million, compared to a loss of Ch$7,711 million in the fourth quarter of 2017. The improvement in consolidated operating results is primarily attributable to Enex, and also to SM SAAM.

EBITDA[4] – Full Year 2018

EBITDA amounted to Ch$127,005 million in 2018, up 16.1% from 2017. Higher EBITDA from SM SAAM and Enex was partly offset by lower EBITDA from CSAV.

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[2] It is worth noting that since Techpack, Invexans, CSAV and SM SAAM report in US dollars and translate their financial statements to Chilean pesos for consolidation purposes, variations analyzed in Chilean pesos vary from those in US dollars. For analysis of Techpack, Invexans, CSAV and SM SAAM's results in US dollars, refer to Segment/Operating company analysis.

[3] Operating income includes: Gross income (revenues minus cost of sales), Distribution costs, Administrative expenses, Other operating revenue, Other operating expenses, and Other gains/losses.

[4] EBITDA is calculated as: Operating income minus/plus Other gains/losses plus Depreciation plus Amortization of intangibles.

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EBITDA – 4Q 2018

EBITDA amounted to Ch$34,585 million in 4Q 2018, up 48.5% from the fourth quarter of 2017. This increase is primarily explained by higher EBITDA from SM SAAM, and to a lesser extent, Enex.

Non-Operating Results[5] – Full Year 2018

Non-operating income amounted to a gain of Ch$34,322 million in 2018, compared to a loss of Ch$65,240 million reported in 2017. The main items included in non-operating results are discussed below:

Proportionate share of net income of equity method investments (net) – Full Year 2018

Quiñenco's proportionate share of net income from equity method investments (net), which primarily includes the results from IRSA (CCU), as well as Invexans' and Techpack's share in Nexans' results, CSAV's share in Hapag-Lloyd's results, and SM SAAM's share in its affiliates, reached a gain of Ch$110,851 million, compared to a loss of Ch$17,498 million in 2017.

- Quiñenco's proportionate share of net income from IRSA (CCU) increased by 144.5% to Ch$90,165 million.
- SM SAAM's proportionate share in its affiliates decreased by 21.2% to Ch$11,730 million.
- Invexans' proportionate share in Nexans' net income (adjusted by fair value accounting at Invexans), together with Techpack's share in Nexans' net income, amounted to a loss of Ch$3,947 million in 2018, compared to the gain of Ch$24,419 million reported in 2017.
- CSAV's proportionate share of Hapag-Lloyd's net income (adjusted by fair value accounting at CSAV), amounted to a gain of Ch$10,991 million in 2018. In 2017, the proportionate share (adjusted by fair value accounting at CSAV), including the loss derived from CSAV's net dilution in the German shipping company, amounted to a loss of Ch$94,855 million.

Interest Income – Full Year 2018

Interest income in 2018 amounted to Ch$15,692 million, up by 6.5% from 2017. This variation is primarily explained by higher financial income at SM SAAM and Techpack, partially compensated by lower financial income at Quiñenco.

[5] Non-operating results include the following items: Financial income, Financial costs, Proportionate share of equity method investments, Foreign currency exchange differences, and Indexed units of account restatement.

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Interest Expense – Full Year 2018

Interest expense in 2018 amounted to Ch$55,932 million, up 8.4% with respect to 2017. The variation is mainly explained by higher interest expense at Enex and Quiñenco.

Foreign currency exchange differences – Full Year 2018

In 2018, the gains/losses specific to foreign currency translation differences amounted to a loss of Ch$10,470 million, compared to a gain of Ch$3,206 million reported in 2017, primarily attributable to less favorable results at Techpack, Enex, SM SAAM and CSAV.

Indexed units of account restatement – Full Year 2018

The gain or loss derived from the restatement of assets and liabilities indexed to units such as the Unidad de Fomento or UF (inflation indexed) amounted to a loss of Ch$25,819 million in 2018, 83.0% higher than in 2017, primarily due to a higher rate of inflation in 2018, which had an effect mostly on Quiñenco, and to a lesser extent, on LQIF holding.

Non-Operating Results – 4Q 2018

Non-operating income amounted to a loss of Ch$227 million in the fourth quarter of 2018, compared to a gain of Ch$28,967 million in the same quarter of 2017.

Proportionate share of net income of equity method investments (net) – 4Q 2018

Quiñenco's proportionate share of net income from equity method investments (net), which primarily includes the results from CCU, as well as Invexans' and Techpack's share in the results of Nexans[6], CSAV's share in the results of Hapag-Lloyd, and SM SAAM's share in its affiliates, reached a gain of Ch$20,897 million, compared to a gain of Ch$39,050 million in 4Q 2017.

- Quiñenco's proportionate share of net income from IRSA (CCU) increased by 13.3% to Ch$18,266 million.
- SM SAAM's proportionate share in its affiliates increased by 5.9% to Ch$3,522 million.
- Invexans' proportionate share in Nexans' net income (adjusted by fair value accounting at Invexans), together with Techpack's share in Nexans' net income, decreased to a loss of Ch$8,738 million in 4Q 2018 compared to a gain of Ch$5,686 million in 4Q 2017.
- CSAV's proportionate share of net income from Hapag-Lloyd (adjusted by fair value accounting), decreased 48.3% to a gain of Ch$6,986 million.

Interest Income - 4Q 2018

Interest income for the fourth quarter of 2018 amounted to Ch$4,521 million, 20.8% greater than that obtained in 4Q 2017. This variation corresponds mainly to higher financial income at Techpack, Quiñenco corporate level, SM SAAM, and Enex, partially compensated by lower financial income at CSAV.

[6] Nexans only reports results as of June and December, in accordance with French regulations and IFRS.

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Interest Expense - 4Q 2018

Interest expense for the fourth quarter of 2018 amounted to Ch$15,879 million, 17.8% greater than in 4Q 2017. The variation is mainly explained by higher financial costs at Enex, and to a lesser extent, at Quiñenco and SM SAAM, partially offset by lower expenses at CSAV.

Foreign currency exchange differences – 4Q 2018

In 4Q 2018, the gains (losses) specific to foreign currency translation differences amounted to a loss of Ch$2,308 million, compared to a gain of Ch$3,983 million reported in 4Q 2017, primarily attributable to lower results at Techpack, SM SAAM, Enex, and CSAV.

Indexed units of account restatement – 4Q 2018

The gain or loss derived from the restatement of assets and liabilities indexed to units such as the *Unidad de Fomento* or UF (inflation indexed) amounted to a loss of Ch$7,458 million in the fourth quarter of 2018, compared to a loss of Ch$4,330 million reported in the same period of 2017. The variation is mainly explained by Quiñenco, mainly due to a higher level of debt during the current quarter, along with a higher rate of inflation.

Income Taxes – Full Year 2018

The industrial sector reported income tax expense of Ch$7,585 million, compared to income tax of Ch$65,053 million reported in 2017, primarily due to lower income tax expense at SM SAAM and CSAV, and to a lesser extent, at Quiñenco, partially compensated by higher tax expense at Enex and Invexans.

Income Taxes – 4Q 2018

The industrial sector reported an income tax expense of Ch$1,167 million in 4Q 2018, compared to an expense of Ch$4,658 million reported in 4Q 2017, primarily due to lower tax expense at CSAV, partially offset by higher tax expense at Enex, and to a lesser extent, Invexans.

Discontinued Operations – Full Year 2018

In 2018 the result of discontinued operations amounted to a loss of Ch$17,676 million, compared to a loss of Ch$3,925 million in 2017. Discontinued operations in 2018 mainly correspond to Techpack, including expenses and a negative price adjustment related to the transaction with Amcor (sale of the flexible packaging business), and to a lesser extent, to CSAV’s logistics and freight forwarder activities.

Discontinued Operations – 4Q 2018

In 4Q 2018 the result of discontinued operations amounted to a loss of Ch$14,325 million, compared to a loss of Ch$861 million in 4Q 2017. In 4Q 2018, the loss corresponds mainly to Techpack, including expenses and a negative price adjustment related to the transaction with Amcor, and to a much lesser extent, to CSAV’s discontinued logistics and freight forwarder operations.

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Non-controlling Interests – Full Year 2018

In 2018, at a consolidated level (including both industrial and banking net income), net income attributable to non-controlling interests amounted to Ch$410,016 million. Of the total amount reported in 2018, Ch$258,206 million corresponds to minority shareholders' share of Banco de Chile and SM-Chile's net income. Remaining net income attributable to non-controlling interest is explained by minority shareholders' share of LQIF's and, to a lesser extent, SM SAAM's net income.

Non-controlling Interests – 4Q 2018

In the fourth quarter of 2018, at a consolidated level (including both Industrial and Banking net income), net income attributable to non-controlling interests amounted to Ch$114,483 million. Of the total amount reported in 4Q 2018, Ch$70,080 million corresponds to minority shareholders' share of Banco de Chile and SM Chile's net income. Remaining net income attributable to non-controlling interest is mainly explained by minority shareholders' share of LQIF's net income and, to a lesser extent, SM SAAM's net income.

Banking Sector

Operating Revenues - Full Year 2018

Operating revenues in 2018 amounted to Ch$1,874,738 million, 9.6% above the previous year. Operating revenues correspond almost entirely to Banco de Chile, which also posted an increment of 9.6%, mainly due to a higher contribution of the Bank's net asset position in UFs in 2018, a favorable exchange rate effect on the Bank's USD hedging position, and higher income from demand deposits.

Operating Revenues - 4Q 2018

Operating revenues for the fourth quarter of 2018 amounted to Ch$506,660 million, 16.6% above the fourth quarter of 2017, mainly due to higher non-customer income and steadily growing customer-related income.

Provision for Credit Risk - Full Year 2018

Provisions for loan losses at Banco de Chile amounted to Ch$281,410 million in 2017, 19.8% higher than 2017, mainly due to a non-recurring effect from the implementation of new group-based risk models, which mainly affected the retail segment. In addition, the increase is explained by the impact of exchange rate variations on USD-denominated loan allowances, and loan growth together with a change in mix, since growth was focused in the retail segment.

Provision for Credit Risk - 4Q 2018

Provisions for loan losses at Banco de Chile amounted to Ch$61,354 million in the fourth quarter of 2018, 3.4% higher than the provisions registered in the fourth quarter of 2017, mainly attributable to an exchange rate impact on USD-denominated loan loss allowances, and loan growth, partially offset by a net credit quality improvement, related to both the retail and wholesale segments.

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Operating Expenses - Full Year 2018

Operating expenses increased by 7.4% to Ch$848,361 million, explained primarily by greater personnel expenses, mostly due to bonuses related to collective bargaining processes and higher salaries related to inflation adjustments and agreements with unions. Administrative expenses also increased mainly in technology and external advisories.

Operating Expenses - 4Q 2018

Operating expenses increased 8.8% to Ch$220,451 million in 4Q 2018, primarily reflecting higher operating expenses at Banco de Chile, mainly due to higher personnel and administrative expenses.

Non-operating Results - Full Year 2018

During 2018 non-operating results amounted to a loss of Ch$72,279 million, 7.9% higher than the loss of Ch$67,010 million reported in 2017, primarily explained by higher accrued interest expense of the Subordinated Debt with the Chilean Central Bank, partly compensated by a better result from equity investments.

Non-operating Results - 4Q 2018

During the fourth quarter of 2018 non-operating results amounted to a loss of Ch$20,701 million, 28.1% above the fourth quarter of 2017, primarily explained by higher accrued interest expense of the Subordinated Debt with the Chilean Central Bank.

Consolidated Net Income - Full Year 2018

Consolidated net income for the banking sector amounted to Ch$516,078 million up by 2.5% from 2017, resulting from higher operating revenues, partially offset by higher operating expenses, higher loan loss provisions, and higher tax expense during the year.

Consolidated Net Income - 4Q 2018

Consolidated net income for the banking sector amounted to Ch$140,770 million in 4Q 2018, up 13.1% from the same period in 2017, mainly due to growth in operating revenues, partially offset by increased operating expenses and higher income tax expense.

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CONSOLIDATED BALANCE SHEET ANALYSIS (vis-à-vis the 3rd quarter of 2018)

Condensed Consolidated Balance Sheet

	09-30-2018		12-31-2018	
	MCh$	MUS$	MCh$	MUS$
Current assets industrial sector	1,035,566	1,490.5	**973,991**	1,401.9
Non-current assets industrial sector	4,475,557	6,441.8	**4,835,597**	6,960.0
Assets financial sector	35,084,797	50,498.4	**35,926,495**	51,709.9
Total Assets	**40,595,920**	**58,430.7**	**41,736,083**	**60,071.8**
Current liabilities industrial sector	399,057	574.4	**423,167**	609.1
Long-term liabilities industrial sector	1,649,036	2,373.5	**1,773,394**	2,552.5
Liabilities financial sector	31,646,313	45,549.3	**32,418,479**	46,660.7
Non-controlling interests	3,776,482	5,435.6	**3,907,691**	5,624.4
Shareholders' equity	3,125,030	4,497.9	**3,213,351**	4,625.1
Total Liabilities & Shareholders' equity	**40,595,920**	**58,430.7**	**41,736,083**	**60,071.8**

Current Assets Industrial Sector

Current assets decreased by 5.9% compared to the third quarter of 2018, primarily due to a lower cash balance, mostly explained by Enex's acquisition of Road Ranger travel centers, and to a lesser extent, fixed assets acquired by SM SAAM, partly offset by funds received by Enex from bank loans.

Non Current Assets Industrial Sector

Non current assets increased 8.0% compared to the third quarter of 2018, mainly reflecting a higher balance of equity investments, and higher fixed assets and intangibles related to the acquisition of Road Ranger by Enex. The variation in equity investments is mostly explained by a higher balance at Hapag-Lloyd, mainly reflecting quarterly earnings, and to a lesser extent, at IRSA, due to quarterly earnings net of dividends provisioned.

Assets Banking Sector

Total assets of the banking sector increased by 2.4% compared to the third quarter of 2018. Loans to customers increased 3.2% with respect to September 2018, reflecting 3.6% growth in the retail banking segment and 2.5% growth in the wholesale segment.

Current Liabilities Industrial Sector

Current liabilities increased by 6.0% compared to the third quarter of 2018, primarily due to higher debt at Enex, and a higher provision of dividends payable at Quiñenco, partly offset by a lower current balance of bonds at Quiñenco.

Long-term Liabilities Industrial Sector

Long-term liabilities increased by 7.5% compared to the third quarter of 2018, mainly due to a higher level of debt at Enex, and to a lesser extent, at SM SAAM.

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Liabilities Banking Sector
Liabilities corresponding to the banking sector increased by 2.4% compared to the third quarter of 2018.

Minority Interest
Minority interest increased by 3.5% compared to the third quarter of 2018, mainly explained by higher minority interest at LQIF, SM SAAM, and CSAV.

Equity
Shareholders' equity increased by 2.8% compared to the third quarter of 2018, mainly due to a favorable effect of conversion adjustments, mostly at CSAV and CCU, and period earnings, net of dividends.

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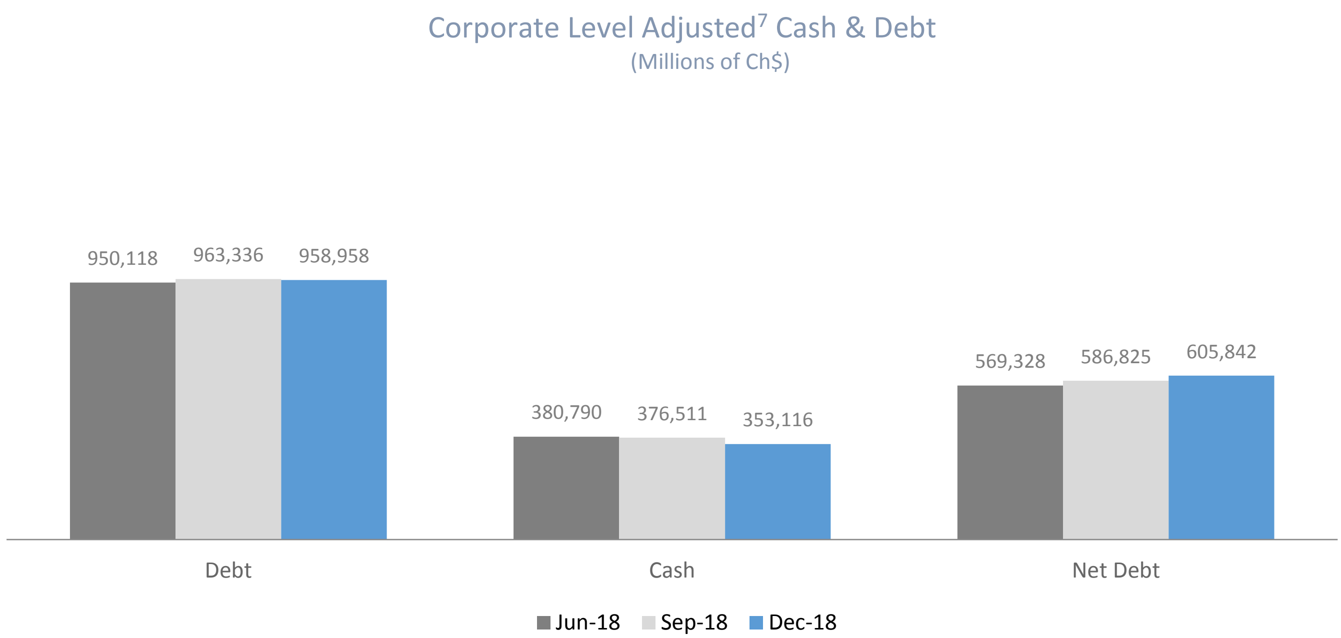
QUIÑENCO CORPORATE LEVEL DEBT AND CASH

As of December 31, 2018	Debt		Cash & Equivalents		Total Net Debt	
	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$
Corporate level	834,208	1,200.7	351,671	506.2	482,537	694.5
Adjusted for:						
50% interest in LQIF	96,832	139.4	1,079	1.6	95,753	137.8
50% interest in IRSA	27,918	40.2	367	0.5	27,551	39.7
Total	**958,958**	**1,380.3**	**353,116**	**508.2**	**605,842**	**872.0**

The debt to total capitalization ratio at the corporate level (unadjusted) was 20.1% as of December 31, 2018.



[7] Adjusted for 50% interest in LQIF holding and IRSA.

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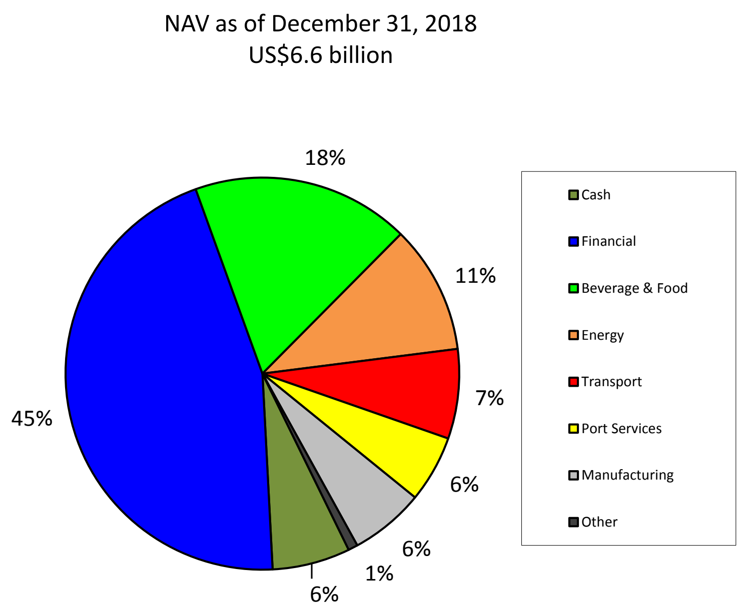
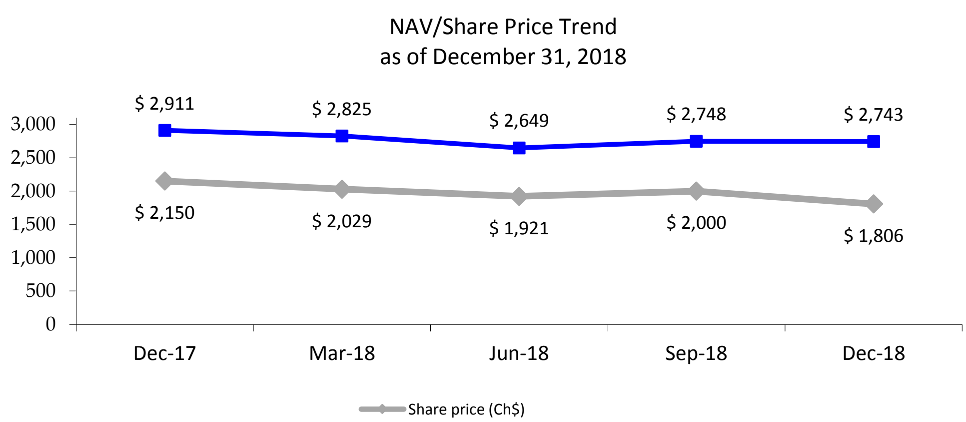
NAV

As of December 31, 2018, the estimated net asset value (NAV) of Quiñenco was US$6.6 billion (Ch$2,743 per share) and market capitalization was US$4.3 billion (Ch$1,806 per share). The discount to NAV is estimated at 34.1% as of the same date.





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SEGMENT / OPERATING COMPANY ANALYSIS

Full Year Results

Sector /Segment	Manufacturing		Financial		Energy		Transport		Port Services		Other		Total	
	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Industrial Sector														
Income (loss) from continued operations before taxes	24,081	(11,406)	(14,659)	(14,833)	9,729	21,534	(96,731)	5,372	77,183	50,681	14,145	48,282	13,747	99,630
Income tax	929	(331)	1,452	1,120	(955)	(2,257)	(29,677)	5,783	(35,964)	(12,793)	(838)	894	(65,053)	(7,585)
Net income from discontinued operations	(3,093)	(17,375)	-	-	-	-	(832)	(301)	-	-	-	-	(3,925)	(17,676)
Consolidated Net income (loss) industrial sector	21,917	(29,113)	(13,207)	(13,713)	8,774	19,277	(127,240)	10,854	41,219	37,888	13,307	49,176	(55,231)	74,369
Banking Sector														
Net income before taxes	-	-	618,204	671,726	-	-	-	-	-	-	590	961	618,794	672,687
Income tax	-	-	(115,128)	(156,609)	-	-	-	-	-	-	-	-	(115,128)	(156,609)
Consolidated Net income banking sector	-	-	503,076	515,117	-	-	-	-	-	-	590	961	503,667	516,078
Consolidated net income (loss)	21,917	(29,113)	489,869	501,404	8,774	19,277	(127,240)	10,854	41,219	37,888	13,897	50,137	448,436	590,447
Net income (loss) attributable to Non-controlling interests	(167)	(4)	370,574	380,131	-	-	(56,036)	4,845	21,401	22,555	3,925	2,489	339,696	410,016
Net Income (loss) Attributable to Controllers' shareholders	22,084	(29,109)	119,295	121,273	8,774	19,277	(71,203)	6,009	19,818	15,333	9,972	47,648	108,740	180,430

Quarterly Results

Sector /Segment	Manufacturing		Financial		Energy		Transport		Port Services		Other		Total	
	4Q 17	4Q 18	4Q 17	4Q 18	4Q 17	4Q 18	4Q 17	4Q 18	4Q 17	4Q 18	4Q 17	4Q 18	4Q 17	4Q 18
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Industrial Sector														
Income (loss) from continued operations before taxes	5,865	(10,583)	(3,965)	(3,946)	(6,927)	5,444	11,511	4,730	8,151	15,217	6,621	4,941	21,256	15,803
Income tax	1,023	(40)	189	37	2,505	(1,119)	(4,377)	4,090	(3,171)	(3,386)	(827)	(748)	(4,658)	(1,167)
Net income from discontinued operations	(406)	(14,242)	-	-	-	-	(455)	(83)	-	-	-	-	(861)	(14,325)
Consolidated Net income (loss) industrial sector	6,483	(24,866)	(3,776)	(3,909)	(4,422)	4,325	6,679	8,737	4,979	11,831	5,794	4,193	15,738	311
Banking Sector														
Net income before taxes	-	-	156,190	203,731	-	-	-	-	-	-	130	424	156,321	204,155
Income tax	-	-	(31,825)	(63,385)	-	-	-	-	-	-	-	-	(31,825)	(63,385)
Consolidated Net income banking sector	-	-	124,365	140,346	-	-	-	-	-	-	130	424	124,496	140,770
Consolidated net income (loss)	6,483	(24,866)	120,589	136,437	(4,422)	4,325	6,679	8,737	4,979	11,831	5,924	4,617	140,233	141,081
Net income (loss) attributable to Non-controlling interests	(61)	15	91,174	103,585	-	-	2,695	3,918	2,400	7,182	742	(217)	96,950	114,483
Net Income (loss) Attributable to Controllers' shareholders	6,544	(24,880)	29,416	32,852	(4,422)	4,325	3,985	4,819	2,579	4,649	5,183	4,834	43,284	26,598

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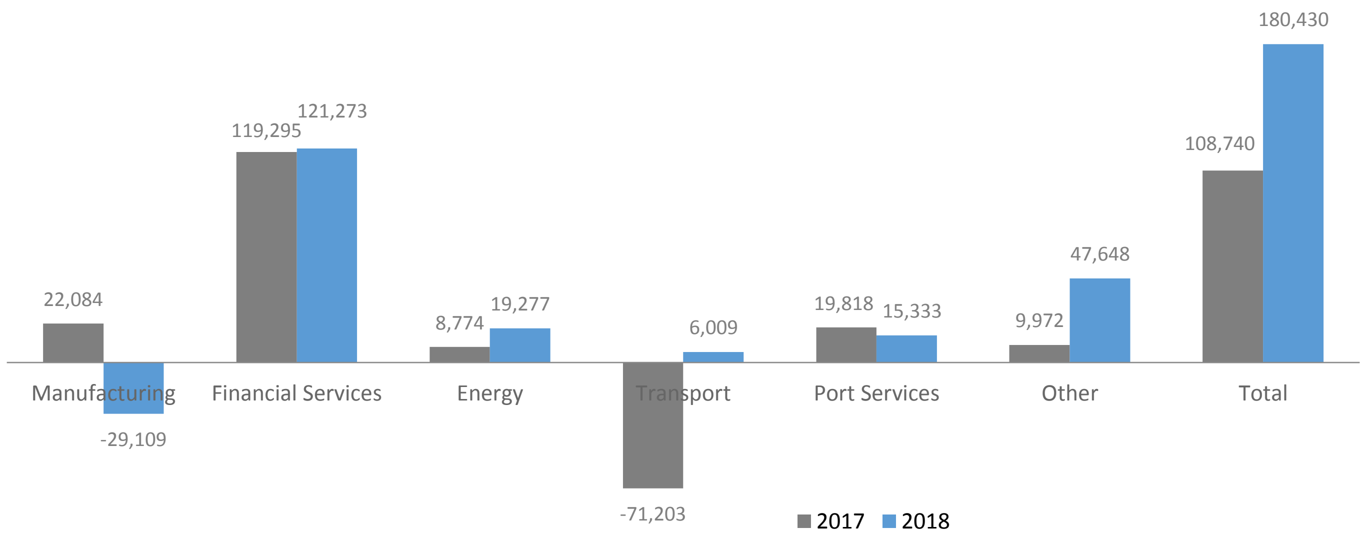
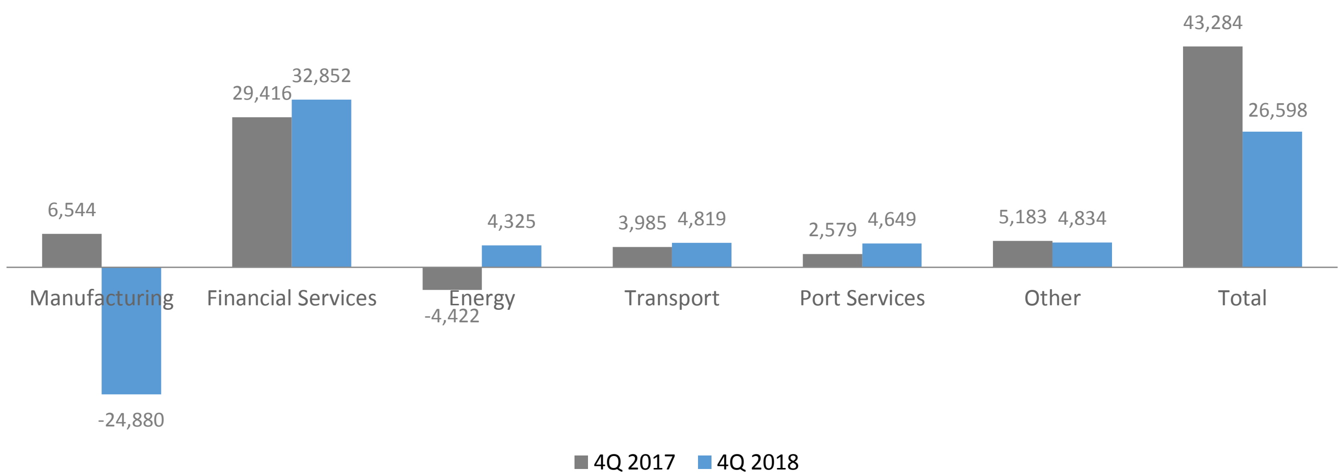
Contribution to Net Income by Segment
(Millions of Ch$)





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MANUFACTURING SEGMENT

The following table details the contribution of the investments in the Manufacturing segment during 2017 and 2018 to Quiñenco's net income:

	Quarters				Full Year			
	4Q 17		4Q 18		2017		2018	
	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$
Invexans	5,319	7.7	(9,156)	(13.2)	23,611	34.0	(9,041)	(13.0)
Techpack	1,224	1.8	(15,724)	(22.6)	(1,527)	(2.2)	(20,068)	(28.9)
Total Manufacturing Segment	**6,544**	**9.4**	**(24,880)**	**(35.8)**	**22,084**	**31.8**	**(29,109)**	**(41.9)**

As of December 31, 2017 and 2018, Quiñenco's ownership of Invexans was 98.7%. As of December 31, 2017 and 2018, Quiñenco's ownership of Techpack was 100.0% and 99.97%, respectively.

INVEXANS

	Quarters			
	4Q 17		4Q 18	
	MCh$	MUS$	MCh$	MUS$
Sales	-	-	21	0.0
Operating income (loss)	(1,230)	(1.8)	(617)	(0.9)
Non-operating income (loss)	5,666	8.2	(8,642)	(12.4)
Net income (loss) controller	5,391	7.8	(9,279)	(13.4)
Total assets			325,933	469.1
Shareholders' equity			309,834	446.0

	Quarters		Full Year	
	4Q 17	4Q 18	2017	2018
	ThUS$	ThUS$	ThUS$	ThUS$
Sales	-	**31**	3	**31**
Operating income (loss)	(1,942)	**(907)**	(1,484)	**(7,779)**
Non-operating income (loss)	8,911	**(12,662)**	36,327	**(5,371)**
Net income (loss) controller	8,471	**(13,596)**	36,316	**(13,380)**
Total assets			536,669	**469,125**
Shareholders' equity			511,053	**445,951**

Invexans reports its financial statements in US dollars, and translates them to Chilean pesos for consolidation purposes based on the US$/Ch$ exchange rate at the end of the period in the case of the Balance Sheet, and the monthly average exchange rate in the case of the Income Statement. Invexans' figures in Chilean pesos are included for reference. However, the following analysis is based on the company's financial statements in US dollars, as filed with the CMF, as shown in the last two columns of the table.

Full Year 2018 Results

Invexans reported an operating loss of US$7,779 thousand, compared to the loss of US$1,484 thousand reported in 2017. This lower result is mainly due to higher administrative expenses, mostly attributable to the establishment of its subsidiary in London in April 2018 and expenses related to the analysis of new business opportunities, and a non-recurring gain in the prior year from the sale of properties located in San Bernardo.

Non-operating income amounted to a loss of US$5,371 thousand, well below the gain of US$36,327 thousand reported in 2017. This decline is primarily explained by Invexans' accounting of its share in Nexans' results for the

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year. In 2018, Nexans reported a gain of €14 million, well below the gain of €125 million reported in 2017. Nexans' operating income dropped by 30.9% to €188 million, while sales posted an organic decrease of 0.8%. This lower performance is mainly attributable to the High Voltage & Projects segment, which reported a 21.3% drop in organic sales and of 42% in EBITDA, reflecting lower sales of both land and sea high voltage, negatively impacting usage rates of its plants in Europe and China. The Telecom & Data segment reported a 1.8% decline in organic sales and a 29% fall in EBITDA, mostly owing to lower margins in LAN cables and systems, although the implementation of cost saving measures reduced the impact during the second semester. The Building & Territories, Industry & Solutions and Other Activities segments, reported organic sales growth, with, however, a slightly lower generation of EBITDA. In terms of non-operating results, Nexans reported a decrease of €79 million in the core exposure effect (a loss of €15 million in 2018 vis-à-vis a gain of €64 million in 2017), and €16 million in greater restructuring costs, partly offset by non-recurring net effects of €10 million (gain on sale of assets and asset impairment losses), and lower finance costs.

Invexans adjusts its proportional share in Nexans' results to reflect the effect of the fair value it determined for the French company. Thus, in all, Invexans reported a loss of US$5,161 thousand for its investment in Nexans during the year, declining from the gain of US$36,421 thousand reported in 2017.

Invexans posted a net loss of US$13,380 thousand in 2018, which compares unfavorably with the gain of US$36,316 thousand reported in 2017, primarily explained by the decrease in Nexans' results explained above, and, to a much lesser extent, by lower operating results.

4Q 2018 Results

In 4Q 2018 Invexans reported a net loss of US$13,596 thousand, comparing unfavorably to the gain of US$8,471 thousand reported in 4Q 2017. The result primarily reflects Invexans' share in Nexans' net income for the second half of 2018, adjusted by fair value accounting, which declined from a gain of US$8,887 thousand to a loss of US$12,545 thousand, reflecting the decline in Nexans' net income during the current period.

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TECHPACK

	Quarters			
	4Q 17		4Q 18	
	MCh$	MUS$	MCh$	MUS$
Sales	5	0.0	5	0.0
Operating income (loss)	(541)	(0.8)	(568)	(0.8)
Net income (loss) from discontinued operations	(406)	(0.6)	(14,242)	(20.5)
Net income (loss) controller	1,117	1.6	(15,554)	(22.4)
Total assets			137,470	197.9
Shareholders' equity			134,408	193.5

	Quarters		Full Year	
	4Q 17	4Q 18	2017	2018
	ThUS$	ThUS$	ThUS$	ThUS$
Sales	8	**7**	12	**16**
Operating income (loss)	(856)	**(836)**	(3,375)	**(2,579)**
Net income (loss) from discontinued operations	(641)	**(20,851)**	(4,714)	**(25,797)**
Net income (loss) controller	1,757	**(22,763)**	(2,954)	**(29,534)**
Total assets			235,985	**197,866**
Shareholders' equity			230,863	**193,457**

Techpack carries its accounting in US dollars, and translates its financial statements to Chilean pesos for consolidation purposes based on the US$/Ch$ exchange rate at the end of the period in the case of the Balance Sheet, and the monthly average exchange rate in the case of the Income Statement. Techpack's figures in Chilean pesos are included for reference. However, the following analysis is based on the company's financial statements in US dollars, as shown in the last two columns of the table.

On May 31, 2016, Techpack sold its entire flexible packaging business to Australian Amcor. Due to this sale, the results of the transaction and of the flexible packaging business have been classified as a discontinued operation in both periods.

Full Year 2018 Results

Techpack's operating income amounted to a loss of US$2,579 thousand in 2018, 23.6% less than the loss reported the prior year, primarily due to lower administrative expenses.

Non-operating income for the year amounted to a loss of US$1,003 thousand, compared to a gain of US$5,097 thousand in 2017, mostly due to losses from exchange rate differences in the current period vis-à-vis gains in 2017, partially compensated by higher financial income and greater gains from the effect of inflation.

The loss from discontinued operations in 2018 amounted to US$25,797 thousand, well above the loss of US$4,714 thousand corresponding to 2017, primarily due to expenses and a price adjustment related to the transaction with Amcor.

4Q 2018 Results

Techpack's net income reached a loss of US$22,763 thousand in 4Q 2018, compared to a gain of US$1,757 thousand in 4Q 2017, primarily due to the loss of US$20,851 thousand of discontinued operations during the quarter, corresponding mostly to expenses and price adjustment related to the transaction with Amcor. To a lesser extent, Techpack also recorded losses from exchange rate differences during the current quarter, partially offset by higher financial income.

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FINANCIAL SEGMENT

The following table details the contribution of the investments in the Financial Segment during 2017 and 2018 to Quiñenco's net income:

	Quarters				Full Year			
	4Q 17		4Q 18		2017		2018	
	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$
LQIF holding	(1,888)	(2.7)	(1,954)	(2.8)	(6,604)	(9.5)	(6,857)	(9.9)
Banking sector	31,304	45.1	34,806	50.1	125,899	181.2	128,129	184.4
Total Financial Segment	**29,416**	**42.3**	**32,852**	**47.3**	**119,295**	**171.7**	**121,273**	**174.6**

As of December 31, 2017 and 2018, Quiñenco's ownership of LQIF was 50.0%. LQIF's economic rights in Banco de Chile were 33.9% as of December 31, 2017 and 34.1% as of December 31, 2018.

LQIF Holding – Full Year 2018

LQIF holding registered a loss of Ch$13,713 million in 2018, 3.8% higher than the loss of Ch$13,207 million in 2017, primarily due to greater losses arising from the effect of inflation on liabilities denominated in UFs (indexed to inflation), due to a higher rate of inflation in 2018, partially compensated by lower amortization of intangibles.

LQIF Holding - 4Q 2018 Results

LQIF holding registered a loss of Ch$3,909 million in 4Q 2018, 3.5% above the loss of Ch$3,776 million reported in 4Q 2017, mainly explained by higher losses from the effect of inflation on financial obligations denominated in UFs, due to a higher variation of 0.76% in the UF in the current quarter, vis-à-vis an increment of 0.53% in 4Q 2017.

Banking Sector

The Banking sector is comprised of Banco de Chile and SM Chile. The most relevant item of the income statement in the case of SM Chile is the interest expense of the Subordinated Debt with the Chilean Central Bank.

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BANCO DE CHILE

	Quarters				Full Year			
	4Q 17		4Q 18		2017		2018	
	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$
Operating revenues	434,296	625.1	**506,216**	728.6	1,709,270	2,460.2	**1,873,283**	2,696.3
Provision for loan losses	(59,319)	(85.4)	**61,353**	88.3	(234,982)	(338.2)	**(281,410)**	(405.0)
Operating expenses	(202,540)	(291.5)	**(220,257)**	(317.0)	(789,298)	(1,136.1)	**(847,724)**	(1,220.2)
Net income controller	142,352	204.9	**161,522**	232.5	576,012	829.1	**594,872**	856.2
Loan portfolio					25,439,535	36,615.8	**27,914,322**	40,177.8
Total assets					32,824,188	47,244.7	**35,926,459**	51,709.9
Shareholders' equity					3,105,714	4,470.1	**3,304,152**	4,755.7
Net financial margin	4.6%		**5.1%**		4.6%		**4.8%**	
Efficiency ratio	46.6%		**43.5%**		46.2%		**45.3%**	
ROAE	18.6%		**19.8%**		19.3%		**18.7%**	
ROAA	1.8%		**1.8%**		1.8%		**1.7%**	

Full Year 2018 Results

Banco de Chile reported net income of Ch$594,872 million in 2018, 3.3% higher than in 2017. Strong growth in operating revenues was partly diminished by increased operating expenses, higher loan loss provisions and a higher income tax expense.

Operating revenues, which include net financial income, fee income and other operating income, increased 9.6% in 2018 to Ch$1,873,283 million, mainly due to the positive impact of higher inflation on the Bank's increased net asset position in UFs, a favorable effect of the exchange rate variation on the Bank's USD hedging position, higher income from demand deposits, mostly due to an 8.5% annual growth in average balances, additional revenues from trading and sales & restructuring (including counterparty value adjustment), higher income from loans based on growth in average balances, focused in the retail banking segment, and increased fee income, mainly attributable to transactional services and from management of mutual funds, stock brokerage and securities brokerage.

Provisions for loan losses amounted to Ch$281,410 million up 19.8% from 2017. This increase is mainly attributable to a non-recurring effect from the implementation of new group-based risk models during the third quarter of the year, which mainly affected the retail segment. The rise is also due to an exchange rate impact on USD-denominated loan loss allowances, explained by the depreciation of the Chilean peso in 2018 compared to its appreciation in 2017, and loan growth along with a change in mix, since growth was focused in the retail banking segment where average loans increased by 7.7%. These effects were partially offset by a net credit quality improvement, in both the retail and wholesale segments, reflecting improved dynamism in the economy that translated into improved risk profiles.

Operating expenses increased 7.4% to Ch$847,724 million compared to 2017, mostly due to higher personnel expenses, primarily explained by higher bonuses related to the completion of collective bargaining processes in 2018, and to a lesser extent, an increment in salaries due to inflation adjustments and agreements reached with the unions.

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Administrative expenses also increased in technology and external advisories, mainly related to the development of strategic projects for the Bank.

Income tax expense in 2018 increased 36.1% to Ch$156,531 million.

As of December 2018, the Bank's loan portfolio posted an annual expansion of 9.7%, placing the Bank as number 2 in total loans. In the retail segment, loans grew 10.3%, boosted by loans granted to upper and middle income individuals. The wholesale segment, in turn, experienced an annual increase of 8.8%, with strong growth in trade finance loans, leasing loans, and commercial credits.

Banco de Chile is the second ranked bank in the country with a market share of 16.9% of total loans (excluding subsidiaries outside Chile), for the period ended December 31, 2018. Its return on average equity reached 18.7%, compared to 12.5% for the local financial system.

4Q 2018 Results

Banco de Chile reported net income of Ch$161,522 million in the fourth quarter of 2018, increasing by 13.5% with respect to the fourth quarter of 2017. This increment is primarily based on 16.6% growth in operating revenues, related to higher non-customer income and steadily growing customer-related income, partly offset by greater operating expenses, income tax expense, and loan loss provisions.

Interest Subordinated Debt – Full year 2018

In 2018 accrued interest expense of the Subordinated Debt with the Chilean Central Bank increased by 8.9% with respect to 2017.

Interest Subordinated Debt – 4Q 2018

In the fourth quarter of 2018 accrued interest expense of the Subordinated Debt with the Chilean Central Bank increased by 17.4%.

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ENERGY SEGMENT

The following table details the contribution of the investments in the Energy Segment during 2017 and 2018 to Quiñenco's net income:

	Quarters				Full Year			
	4Q 17		4Q 18		2017		2018	
	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$
Enex	(4,422)	(6.4)	4,325	6.2	8,774	12.6	19,277	27.7
Total Energy Segment	**(4,422)**	**(6.4)**	**4,325**	**6.2**	**8,774**	**12.6**	**19,277**	**27.7**

As of December 31, 2017 and 2018, Quiñenco controls 100% of the energy segment.

ENEX

	Quarters				Full Year			
	4Q 17		4Q 18		2017		2018	
	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$
Sales	513,523	739.1	**635,939**	915.3	1,888,725	2,718.5	**2,276,314**	3,276.4
Operating income	(7,159)	(10.3)	**7,629**	11.0	11,296	16.3	**28,069**	40.4
Net income controller	(4,422)	(6.4)	**4,325**	6.2	8,774	12.6	**19,277**	27.7
Total assets					857,475	1,234.2	**1,066,109**	1,534.5
Shareholders' equity					567,737	817.2	**584,128**	840.8

Full Year 2018 Results

During 2018 Enex reported sales of Ch$2,276,314 million, up by 20.5% from 2017, primarily due to higher prices of fuels, and also to a 3.4% increase in sales volumes, based on growth in the retail and industrial channels. The total volume of dispatches amounted to 3.9 million cubic meters during the period, 3.4% above 2017, of which 98.0% were fuels.

Gross income during the period reached Ch$221,996 million, growing 13.4% over 2017, mainly reflecting higher margins in fuel sales through service stations and in lubricants, together with the higher sales volume of fuels and lubricants. Operating income posted a significant increase to Ch$28,069 million in 2018, following the rise in gross income, and also due to provisions for legal contingencies established in the previous year. These favorable effects were partially compensated by higher transport expenses, reflecting the higher overall sales volume and upward price adjustments due to increased fuel prices, along with higher operating expenses at sales points and convenience stores, and higher fees related to increased retail sales volumes. In addition, administrative expenses related to the acquisition of the Road Ranger travel centers are included towards the end of the year. EBITDA amounted to Ch$50,301 million in 2018, increasing 9.8% from 2017.

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Non-operating income amounted to a loss of Ch$6,535 million, well above the loss reported in 2017, mostly due to a negative variation in exchange rate differences, and higher financial costs.

Net income for the year amounted to Ch$19,277 million, significantly higher than the Ch$8,774 million reported in 2017, largely explained by the increase in operating income, partially compensated by a lower non-operating result and higher income tax expense in the current year.

4Q 2018 Results

During 4Q 2018 Enex posted a net gain of Ch$4,325 million, compared to a loss of Ch$4,422 million in 4Q 2017. Operating income increased substantially during the quarter mainly due to provisions for legal contingencies established in 4Q 2017, and 19.2% growth in gross income, reflecting improved performance in fuel sales in the retail segment and in convenience stores, as well as the contribution from Road Ranger as of November 2018. Administrative expenses, however, increased from 4Q 2017, primarily due to greater expenses at service stations and convenience stores, as well as expenses related to the acquisition and operation of Road Ranger. EBITDA amounted to Ch$13,778 million, increasing 5.7% over 4Q 2017. Finally, during the quarter Enex reported an income tax expense, compared to a credit in 2017.

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TRANSPORT SEGMENT

The following table details the contribution of the investments in the Transport Segment during 2017 and 2018 to Quiñenco's net income:

	Quarters				Full Year			
	4Q 17		4Q 18		2017		2018	
	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$
CSAV	3,985	5.7	4,819	6.9	(71,203)	(102.5)	6,009	8.6
Total Transport Segment	**3,985**	**5.7**	**4,819**	**6.9**	**(71,203)**	**(102.5)**	**6,009**	**8.6**

As of December 31, 2017 and 2018, Quiñenco's ownership of CSAV was 56.2%. Quiñenco's proportionate share in CSAV's results is adjusted by the fair value accounting of this investment at Quiñenco. During 2017 and 2018 the adjustment was a lower result of Ch$240 million and a lower result of Ch$1,770 million, respectively.

CSAV

	Quarters				Quarters		Full Year	
	4Q 17		4Q 18		4Q 17	4Q 18	2017	2018
	MCh$	MUS$	MCh$	MUS$	ThUS$	ThUS$	ThUS$	ThUS$
Sales	17,515	25.2	**15,209**	21.9	27,786	**22,436**	109,877	**91,436**
Operating income (loss)	(917)	(1.3)	**(1,142)**	(1.6)	(1,634)	**(1,681)**	1,334	**3,700**
Net income (loss) controller	7,108	10.2	**8,737**	12.6	11,274	**12,890**	(188,137)	**18,248**
Total assets			**1,568,705**	2,257.9			2,265,964	**2,257,877**
Shareholders' equity			**1,480,001**	2,130.2			2,117,457	**2,130,203**

CSAV reports its financial statements in US dollars, and translates them to Chilean pesos for consolidation purposes based, in general terms, on the US$/Ch$ exchange rate at the end of the period in the case of the Balance Sheet, and the monthly average exchange rate in the case of the Income Statement. CSAV's figures in Chilean pesos are included for reference. However, the following analysis is based on the company's financial statements in US dollars, as filed with the CMF, as shown in the last two columns of the table. In addition, in 2017 CSAV sold its stake in Norgistics Chile and determined the closure of its other offices. Therefore, all of Norgistics' operations have been classified as discontinued operations in 2017 and 2018 in the income statement.

Full Year 2018 Results

CSAV's consolidated sales in 2018 reached US$91.4 million, down by 16.8% from 2017, mostly reflecting lower revenues in the car carrier business, mainly due to a reduction in transported volumes and lower sales of slots, the latter owing to a change in the operating structure of the Asia service and space optimization in other services. These effects were partially compensated by higher average freight rates. Freight rates with adjustment clauses include the effect of the rise in fuel prices.

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CSAV's gross income amounted to US$4.2 million in 2018, falling 41.5% from 2017, mainly due to the decline in revenues, partly mitigated by lower operating costs, resulting from a lower scale operating structure for the car carrier business and higher usage rates of vessels, partly compensating higher costs of fuel and charter rates. It is worth noting that the average price of fuel increased 30% with respect to 2017. Part of this negative effect is compensated through increased revenues based on adjustment clauses, as explained above.

Operating income reached a gain of US$3.7 million in 2018, compared to a gain of US$1.3 million reported in 2017, mostly due to a non-recurring gain from the sale of fixed assets, compensating the drop in gross income explained above.

Non-operating income amounted to a gain of US$7.9 million in 2018, as compared to a loss of US$143.0 million reported in 2017. This favorable variation is primarily due to the accounting loss generated by CSAV's dilution in Hapag-Lloyd (from 31.4% to 22.6%), following the latter's merger with UASC in May 2017, which amounted to a loss of US$167 million. Although CSAV's share in Hapag-Lloyd's results improved substantially from US$1.6 million in 2017 to US$11.5 million in 2018, a lower positive adjustment for CSAV's fair value accounting of this investment (US$11.3 million in 2017 and US$1.6 million in 2018), led to a net increase of only US$1.1 million. In addition, CSAV acquired an additional 0.4% stake in the German shipping company in the second quarter of 2018, generating a gain of US$0.9 million, whereas the additional stake acquired in the fourth quarter of 2017 had generated a gain of US$15 million. Thus, in all, CSAV's investment in Hapag-Lloyd, including all of the effects explained above, amounted to a gain of US$14.0 million in 2018, compared to the loss of US$139.5 million reported in 2017.

Hapag-Lloyd reported net income of US$43.5 million in 2018, which compares favorably to the gain of US$30 million reported in 2017, based on a positive operating result. Sales grew 20.5% based on a 21.1% increase in transported volumes, boosted by the merger with UASC, slightly offset by a 1.5% decline in average freight rates. On a comparable basis, with UASC included during the whole of 2017, the average freight rate would have increased 2.1%. Higher costs related to increased bunker prices and charter rates were partly mitigated by synergies and cost reduction measures. EBIT amounted to US$524 million in 2018, 12.1% higher than the prior year. EBITDA reached US$1,345 million, 12.2% greater than in 2017 (US$1,199 million), with a margin of 9.9%.

In 2018 CSAV registered an income tax credit of US$7.1 million, compared to an expense of US$45.2 million in 2017, mostly due to the favorable impact of the depreciation of the euro, given the financing structure of the investment in Hapag-Lloyd. Thus, in 2018 CSAV reported a net gain of US$18.2 million, a substantial improvement from the loss of US$188.1 million reported in 2017.

4Q 2018 Results

During the fourth quarter of 2018 CSAV posted a net gain of US$12.9 million, 14.3% above the gain of US$11.3 million reported in the same period in 2017. This variation primarily reflects an income tax credit in the current quarter, as compared to income tax expense in the previous quarter, partially compensated by CSAV's share of Hapag-Lloyd's results for the quarter, adjusted by fair value accounting and including the accounting gain generated by the additional stake which CSAV purchased in Hapag-Lloyd during the fourth quarter of 2017, amounted to a gain of US$10.3 million in 4Q 2018 compared to a gain of US$21.3 million in 4Q 2017.

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PORT SERVICES SEGMENT

The following table details the contribution of the investments in the Port Services Segment during 2017 and 2018 to Quiñenco's net income:

	Quarters				Full Year			
	4Q 17		4Q 18		2017		2018	
	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$
SM SAAM	2,579	3.7	4,649	6.7	19,818	28.5	15,333	22.1
Total Port Services Segment	**2,579**	**3.7**	**4,649**	**6.7**	**19,818**	**28.5**	**15,333**	**22.1**

As of December 31, 2017 and 2018, Quiñenco's ownership of SM SAAM was 52.2%. Quiñenco's proportionate share in SM SAAM's results in 2018 is adjusted by the fair value accounting of this investment at Quiñenco. During 2017 the adjustment was a lower result of Ch$967 million and in 2018 the adjustment was a lower result of Ch$1,045 million.

SM SAAM

	Quarters			
	4Q 17		4Q 18	
	MCh$	MUS$	MCh$	MUS$
Sales	79,668	114.7	90,131	129.7
Operating income	5,618	8.1	13,213	19.0
Net income controller	5,201	7.5	9,798	14.1
Total assets			990,212	1,425.2
Shareholders' equity			536,644	772.4

Quarters		Full Year	
4Q 17	4Q 18	2017	2018
ThUS$	ThUS$	ThUS$	ThUS$
125,711	**132,783**	467,826	**515,987**
8,867	**19,482**	114,800	**80,772**
8,139	**14,446**	59,325	**49,607**
		1,488,128	**1,425,237**
		762,329	**772,406**

SM SAAM reports its financial statements in US dollars, and translates them to Chilean pesos for consolidation purposes based, in general terms, on the US$/Ch$ exchange rate at the end of the period in the case of the Balance Sheet, and the monthly average exchange rate in the case of the Income Statement. SM SAAM's figures in Chilean pesos are included for reference. However, the following analysis is based on the company's financial statements in US dollars, as filed with the CMF, as shown in the last two columns of the table.

Full Year 2018 Results

In 2018 SM SAAM's consolidated sales reached US$516.0 million, up by 10.3% from 2017, mostly due to higher revenues from port terminals, mainly attributable to 18% growth in volumes transferred compared to 2017, led by the foreign ports. To a lesser extent, revenues from tug boats also increased, mostly boosted by special services, as well as increased port maneuvers. Revenues from logistics, however, decreased, owing to the closure of some activities of logistics Chile. Consolidated revenues can be broken down as follows: port terminals (52.6%), tug boats (36.6%), logistics (11.4%), and corporate[8] (-0.6%).

[8] Corporate also includes eliminations and others.

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During 2018 operating income amounted to US$80.8 million, 29.6% lower than 2017, primarily due to a non-recurring gain related to the sale of SM SAAM's 35% stake in Tramarsa (Peru) in 2017. In addition, corporate expenses increased, due to the implementation of a new business model. These negative effects were partly offset by improved performance of port terminals, boosted by foreign ports, and to a lesser extent, by tug boats, due to growth in special services and port maneuvers, and by logistics Chile, reflecting reduced costs and expenses of its new structure. Also, a dividend was received from the port of Arica, included in other gains/losses. SM SAAM's consolidated EBITDA reached US$145.9 million in 2018, up 24.7% from 2017.

Non-operating income for the year amounted to a gain of US$2.3 million, 75.4% below the gain of US$9.2 million reported in 2017. This variation is mainly explained by the sale of Tramarsa in April 2017 (accounted for as an equity investment), and a lower result of tug boats in Brazil, due to a lower level of activity. However, these effects were partially compensated by better results at most of the unconsolidated ports and in the logistics segment, reflecting growth in airport and wood chip services. Also, financial income increased from 2017.

Income tax expense was US$21.2 million in 2018, compared to US$56.1 million the year before, in which the income tax related to the sale of Tramarsa was included. Thus, in all, SM SAAM's net income amounted to US$49.6 million, 16.4% below 2017.

4Q 2018 Results

In the fourth quarter of 2018 SM SAAM's net income amounted to US$14.4 million, up by 77.5% from 4Q 2017. This increment is primarily attributable to positive performance of the port terminals and logistics segments during the quarter, and stable results in tug boats.

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OTHER SEGMENT

The following table details the contribution from investments in the Segment Other during 2017 and 2018 to Quiñenco's net income:

	Quarters				Full Year			
	4Q 17		4Q 18		2017		2018	
	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$
IRSA (CCU) [9]	16,126	23.2	18,266	26.3	36,879	53.1	90,165	129.8
Quiñenco & others	(10,944)	(15.8)	(13,432)	(19.3)	(26,907)	(38.7)	(42,517)	(61.2)
Total Other Segment	**5,183**	**7.5**	**4,834**	**7.0**	**9,972**	**14.4**	**47,648**	**68.6**

As of December 31, 2017 and 2018, Quiñenco's ownership of CCU was 30.0%.

CCU

	Quarters				Full Year			
	4Q 17		4Q 18		2017		2018	
	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$
Sales	510,120	734.2	**550,601**	792.5	1,698,361	2,444.5	**1,783,282**	2,566.7
Operating income	89,117	128.3	**89,741**	129.2	227,177	327.0	**472,751**	680.4
Net income controller	55,443	79.8	**62,698**	90.2	129,607	186.5	**306,891**	441.7
Total assets					1,976,229	2,844.4	**2,405,865**	3,462.8
Shareholders' equity					1,101,077	1,584.8	**1,280,127**	1,842.5

Full Year 2018 Results

CCU reports its results in accordance with the following three business segments: Chile, International Business, and Wine. Chile includes beer, non-alcoholic beverages, and spirits. The International Business segment includes beer, cider, non-alcoholic beverages, and spirits in Argentina, Uruguay, Paraguay, and starting 3Q 2018, Bolivia. Wine includes the commercialization of wine, mainly in the export market. CCU's sales grew by 5.0% in 2018 compared to 2017, mainly as a result of 9.6% growth in consolidated sales volumes, offsetting a 4.2% reduction in average prices in Chilean pesos. In the International Business segment, sales increased 5.1%, based on strong growth of 23.0% in volumes, boosted by Argentina, compensating a 14.5% drop in average prices due to the impact of the depreciation of the Argentine peso with respect to the Chilean peso. The Chile business segment's sales went up by 6.0%, with volumes up by 5.6%, while average prices diminished a slight 0.3%. Sales in the Wine segment increased 1.0%, reflecting 4.1% higher average prices, compensating 3.0% lower volumes.

Operating income increased substantially to Ch$472,751 million in 2018, primarily due to the non-recurring gain of Ch$227,177 million related to the early termination of the Budweiser license in Argentina. The operating segments,

[9] Corresponds to Quiñenco's proportionate share of CCU's net income, prepared in accordance with IFRS.

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in turn, contributed with 2.6% growth in gross income, boosted by the Chile segment, mainly reflecting production efficiencies, partially compensated by the Wine and International Business segments, where both were affected by higher costs. Overall marketing, sales, distribution and administrative (MSD&A) expense increased 1.9%. However, as a percentage of sales, they decreased in the International Business segment, based on efficiencies in logistics and the benefits of scale given by the volume growth, and to a lesser extent, in the Wine segment. In the Chile segment, however, MSD&A expenses went up in relation to sales, due to higher fuel prices. Operating income was also impacted negatively by hyperinflationary accounting in Argentina. Finally, CCU reported a gain in 2018 from hedging contracts compared to losses in the previous period.

CCU reported non-operating losses of Ch$14,540 million, 52.6% lower than the loss reported in 2017, mainly due to higher financial income, reflecting a higher cash balance, and a favorable result in exchange rate differences, partially offset by lower results from equity investments, particularly in Colombia.

Net income in 2018 amounted to Ch$306,891 million, 136.8% higher than in 2017, primarily due to the improvement in operating income, boosted by the non-recurring gain on the early termination of the Budweiser license in Argentina.

4Q 2018 Results

In 4Q 2018 CCU's net income increased 13.1% to Ch$62,698 million. Consolidated sales volumes grew 11.9% whereas average prices declined by 3.5%, thus pushing revenues up by 7.9%. Gross income increased 1.8%, mainly due to the unfavorable effect of the depreciation of the Argentine peso and inflation in Argentina. Marketing, sales, distribution and administrative expenses increased by 7.0%, but improved as a percentage of sales. EBITDA decreased 2.5% to Ch$114,612 million in the quarter, primarily explained by the International Business segment.

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QUIÑENCO and Others

Full Year 2018 Results

The negative variation in Quiñenco and others is mainly explained at the corporate level by higher losses from liabilities indexed to inflation, higher financial costs due to a higher level of debt, and lower financial income due to lower interest rates and mark to market adjustments. Additionally, in 2017 a provision for contingencies was reversed. These variations were partly offset by an improved tax result in the current period. The contribution from Banchile Vida increased by 2.6%.

4Q 2018 Results

The negative variation in Quiñenco and others is mainly explained at the corporate level by higher losses from liabilities indexed to inflation, and to a lesser extent, higher financial costs, partially compensated by increased financial income. The contribution from Banchile Vida increased 14.0% during the quarter, mostly explained by higher operating income.

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All of Quiñenco's Earnings and Press Releases and other relevant information on the Company, including quarterly financial statements, are available for viewing on the Company's website:

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