QUIÑENCO S.A.

For further information contact:
Quiñenco S.A.
Pilar Rodríguez-IRO
(56) 22750-7221
prodriguez@lq.cl

QUIÑENCO S.A. ANNOUNCES CONSOLIDATED RESULTS FOR THE SECOND QUARTER OF 2019

(Santiago, Chile, September 5, 2019) Quiñenco S.A., a leading Chilean business conglomerate, announced today its consolidated financial results under IFRS, for the second quarter ended June 30, 2019.

Consolidated financial results are presented in accordance with IFRS and the regulations established by the Financial Market Commission (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 June 30, 2019 (Ch$679.15 = US$1.00), unless indicated otherwise, and are only provided for the reader's convenience.

2Q 2019 HIGHLIGHTS

Net income of Ch$20,977 million, down by 74.5% from 2Q 2018, primarily due to impact of CCU's non-recurring gain on early termination of the Budweiser license in Argentina in 2Q 2018, and Nexans' lower results during the first half of 2019, mainly due to significant restructuring costs.

Banking sector posted strong results with Banco de Chile's net income up 18.2%, reflecting revenue growth, boosted by the favorable impact of higher inflation and greater fee income, and lower interest on the Subordinated Debt, following full repayment on April 30, 2019.

Continued positive operating performance at Hapag-Lloyd was reflected in CSAV's results. SM SAAM's contribution also increased, based on good results at logistics and lower corporate expenses. Enex posted stable operating and bottom line results.

Quiñenco corporate level results negatively affected by effect of higher inflation on indexed liabilities and higher income tax.

Earnings per share amounted to Ch$12.62 in 2Q 2019.

GROUP HIGHLIGHTS – SECOND QUARTER 2019 AND SUBSEQUENT EVENTS

Quiñenco – Dividend Distribution

At the Annual Shareholders' Meeting held on April 29, 2019, shareholders approved a dividend distribution corresponding to 2018 net income of Ch$43.40505 per share, payable as of May 9, 2019, to those shareholders registered with the company as of May 3, 2019. The total amount of the dividend is Ch$72,172 million, equivalent to 40% of 2018 net income.

SM-Chile completes payment of Subordinated Debt with Chilean Central Bank

On April 30, 2019, SAOS, fully owned subsidiary of SM Chile, completed payment of the total remaining balance of the subordinated debt with the Chilean Central Bank. Payment was completed 17 years in advance of the original maturity, based on Banco de Chile's positive track record in terms of results, allowing a healthy dividend flow to serve the subordinated debt.

SM-Chile and SAOS's Banco de Chile shares distributed

On June 6, 2019, the Banco de Chile shares held by SM-Chile and SAOS were distributed to the series A, B, D and E shareholders of SM-Chile en liquidación, registered as such as of May 31, 2019, in accordance with the provisions in SM-Chile's bylaws.

CCU ends association with Americas Distilling Investments (ADI)

On August 8, 2019, CCU announced its decision to put an end to the association in ADI, owner of the Peruvian company Bodega San Isidro. CCU's subsidiary CPCh, communicated to LDLM Investments LLC, owner of the BarSol brand and shares in ADI, its decision to initiate the sale of its entire stake of 40% in ADI. CPCh will continue to distribute the BarSol brand in Chile, subject to pending terms and conditions. CPCh also voluntarily determined to cease in the use of the brand "Cusqueño Sour", and to replace it with other brands in its portfolio.

QUIÑENCO S.A.
Enrique Foster Sur No. 20, 14th Floor
Santiago / CHILE
Phone (56) 22750-7100
www.quinencogroup.com / www.quinenco.cl

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.

As of January 1, 2019, IFRS 16 (leases) has been adopted, with effects on the Balance sheet and Income Statement. Consequently, right of use of leased assets and the present value of the corresponding liabilities are now included in the balance sheet. In the income statement, amortizations of the rights of use and financial costs are registered instead of leasing expenses. For further detail please refer to the Financial Statements (notes 3 and 19).

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.

QUIÑENCO S.A.
Enrique Foster Sur No. 20, 14th Floor
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Invexans' main asset is its 28.55% stake in Nexans, a French multinational company leader in the world cable industry. As of June 30, 2019, Quiñenco has a 99.2% stake in Invexans.

As of June 30, 2019, Techpack has a 0.53% stake in Nexans. Thus, as of June 30, 2019, through its subsidiaries Invexans and Techpack, Quiñenco has a 29.08% interest in Nexans.

As of June 30, 2019, 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 2018 and 2019 all of Norgistics' operations have been classified as discontinued activities in the income statement. As of June 30, 2019, Quiñenco's stake in CSAV is 56.2%.

In 2017 the general insurance company SegChile started its operations. As of June 30, 2019, Quiñenco has a 66.3% interest in SegChile.

During the second quarter of 2018, CSAV acquired an additional 0.4% stake in the German shipping company Hapag-Lloyd, increasing its stake to 25.86% at year-end 2018. During the first half of 2019 CSAV acquired a further 1.62%, reaching 27.48% ownership as of June 30, 2019.

On June 6, 2019, the Banco de Chile shares held by SM-Chile and SAOS were distributed to the series A, B, D and E shareholders of SM-Chile en liquidación, registered as of May 31, 2019, in accordance with SM-Chile's bylaws. Thus, as of June 30, 2019, LQIF's ownership and economic rights in Banco de Chile are 51.15%.

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.

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Enrique Foster Sur No. 20, 14th Floor
Santiago / CHILE
Phone (56) 22750-7100
www.quinencogroup.com / www.quinenco.cl

ANALYSIS OF CONSOLIDATED RESULTS

Summarized Consolidated Income Statement

Sector /Segment	Manufacturing		Financial		Energy		Transport		Port Services		Other		Total	
	2Q 18	2Q 19	2Q 18	2Q 19	2Q 18	2Q 19	2Q 18	2Q 19	2Q 18	2Q 19	2Q 18	2Q 19	2Q 18	2Q 19
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Consolidated Income (Loss) Industrial Sector	(1,775)	(26,130)	(2,600)	(3,235)	6,197	6,226	(6,718)	4,119	9,537	10,625	43,919	(10,370)	**48,561**	**(18,765)**
Consolidated Income Banking Sector	-	-	143,017	184,756	-	-	-	-	-	-	245	255	**143,263**	**185,011**
Consolidated Net Income (Loss)	**(1,775)**	**(26,130)**	**140,418**	**181,522**	**6,197**	**6,226**	**(6,718)**	**4,119**	**9,537**	**10,625**	**44,165**	**(10,115)**	**191,824**	**166,246**
Net Income (Loss) Attributable to Non-controlling Interests	45	275	105,916	135,981	-	-	(2,936)	1,805	6,086	6,363	417	845	**109,529**	**145,269**
Net Income (Loss) Attributable to Controllers' Shareholders	**(1,821)**	**(26,405)**	**34,501**	**45,541**	**6,197**	**6,226**	**(3,782)**	**2,314**	**3,452**	**4,262**	**43,747**	**(10,960)**	**82,295**	**20,977**

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

Net Income[1] – 2Q 2019

Quiñenco reported a net gain of Ch$20,977 million in the second quarter of 2019, decreasing 74.5% with respect to the same period in 2018. This variation is primarily explained by the impact of CCU's non-recurring gain on the transaction related to the early termination of the Budweiser license in Argentina, during 2Q 2018. Also, the French cable manufacturer Nexans posted losses for the first half of the year, mainly due to the impact of significant restructuring costs, although it achieved 37.8% growth in operating income. However, these effects were partly offset by a higher contribution from the Banking sector, with strong quarterly performance of Banco de Chile with net income up 18.2%, boosted by revenue growth, mostly explained by the favorable impact of higher inflation on the Bank's net asset position in UFs, and growth in fee income. Accrued interest expense of the subordinated debt with the Chilean Central Bank decreased 62.0%, following payment of the total balance in April 2019. CSAV's contribution increased during the quarter, based on continued good operating performance of its main asset, the German shipping company Hapag-Lloyd, reversing the losses reported in 2Q 2018. SM SAAM's contribution, in turn, increased by 23.5%, based on good results of logistics and lower corporate expenses. In the energy segment, Enex posted stable operating income and bottom line results. Sales growth, boosted by the acquisition of Road Ranger and growth in the service stations channel in Chile, was offset by increased selling and administrative expenses, also mostly related to the Road Ranger operations. At the corporate level, Quiñenco reported an unfavorable result from the impact of higher inflation on indexed liabilities, and higher income tax.

Earnings per ordinary share amounted to Ch$12.62 in the second quarter of 2019.

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

QUIÑENCO S.A.
Enrique Foster Sur No. 20, 14th Floor
Santiago / CHILE
Phone (56) 22750-7100
www.quinencogroup.com / www.quinenco.cl

Consolidated Income Statement Breakdown

		2Q 18		2Q 19	
		MCh$	MUS$	MCh$	MUS$
Industrial Sector					
Revenues		**670,167**	**986.8**	**781,524**	**1,276.4**
Manufacturing	- Invexans & Techpack	2	0.0	17	-
Financial	- LQIF holding	-	-	-	940.8
Energy	- Enex	541,433	797.2	638,947	24.1
Transport	- CSAV	15,051	22.2	16,372	125.6
Port Services	- SM SAAM	80,770	118.9	85,328	125.6
Other	- Quiñenco & others	32,911	48.5	40,861	60.2
			-		
Operating income (loss)		**17,389**	**25.6**	**22,330**	**32.9**
Manufacturing	- Invexans & Techpack	(2,871)	(4.2)	(706)	(1.0)
Financial	- LQIF holding	(406)	(0.6)	(649)	(1.0)
Energy	- Enex	9,439	13.9	9,432	13.9
Transport	- CSAV	(860)	(1.3)	(209)	(0.3)
Port Services	- SM SAAM	12,779	18.8	14,321	21.1
Other	- Quiñenco & others	(691)	(1.0)	142	0.2
			-		
Non-operating income (loss)		**22,597**	**33.3**	**(34,440)**	**(57.5)**
Interest income		3,307	4.9	4,627	(26.5)
Interest expense		(13,303)	(19.6)	(17,997)	(12.7)
Share of net income/loss from related co.		44,318	65.3	(8,637)	(0.9)
Foreign exchange gain (loss)		(5,803)	(8.5)	(624)	(17.4)
Indexed units of account restatement		(5,923)	(8.7)	(11,810)	-
			-		
Income tax		9,681	14.3	(6,465)	(9.5)
Net income (loss) from discontinued operations		(1,106)	(1.6)	(190)	(0.3)
Consolidated Net Income (Loss) Industrial Sector		**48,561**	**71.5**	**(18,765)**	**(97.6)**
			-		
Banking Sector			-		
Operating revenues		457,898	674.2	538,522	792.9
Provision for loan losses		(53,810)	(79.2)	(67,959)	(100.1)
Operating expenses		(211,834)	(311.9)	(231,571)	(341.0)
Operating income (loss)		192,254	283.1	238,992	351.9
Non-operating income (loss)		(16,647)	(24.5)	(4,603)	(6.8)
Income tax		(32,344)	(47.6)	(49,378)	(72.7)
Consolidated Net Income (Loss) Banking Sector		**143,263**	**210.9**	**185,011**	**272.4**
Consolidated Net Income		191,824	282.4	166,246	244.8
Net Income Attributable to Non-controlling Interests		109,529	161.3	145,269	213.9
Net Income Attributable to Controller's Shareholders		**82,295**	**121.2**	**20,977**	**30.9**

QUIÑENCO S.A.
Enrique Foster Sur No. 20, 14th Floor
Santiago / CHILE
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www.quinencogroup.com / www.quinenco.cl

Industrial Sector

Revenues – 2Q 2019

Consolidated revenues totaled Ch$781,524 million in the second quarter of 2019, 16.6% above those of the same period in 2018, primarily due to higher revenues at Enex, and to a lesser extent, sales growth at Banchile Vida, SM SAAM[2], and CSAV.

Consolidated sales in the second quarter of 2019 can be broken down as follows: Enex (81.8%), SM SAAM (10.9%), CSAV (2.1%), and others (5.2%).

Operating Income[3] – 2Q 2019

Operating income for the second quarter of 2019 reached a gain of Ch$22,330 million, up 28.4% from the gain of Ch$17,389 million in the second quarter of 2018. The increment in consolidated operating results is primarily attributable to Invexans, SM SAAM, and Banchile Vida.

EBITDA[4] – 2Q 2019

EBITDA amounted to Ch$56,007 million in 2Q 2019, 54.1% up from the second quarter of 2018. The increment is primarily explained by higher EBITDA at Enex, CSAV and SM SAAM. In these three cases EBITDA was favorably affected by the accounting of operating leases per IFRS 16 in 2019.

Non-Operating Results[5] – 2Q 2019

Non-operating income amounted to a loss of Ch$34,440 million in the second quarter of 2019, compared to a gain of Ch$22,597 million in the same quarter of 2018.

Proportionate Share of Net Income of Equity Method Investments (net) – 2Q 2019

Quiñenco's proportionate share of net income from equity method investments (net), which primarily includes the results from CCU, as well as Invexans' share in the results of Nexans[6], CSAV's share in the results of Hapag-Lloyd, and SM SAAM's affiliates, reached a loss of Ch$8,637 million, compared to a gain of Ch$44,318 million in 2Q 2018.

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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.

[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.

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

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Enrique Foster Sur No. 20, 14th Floor
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Quiñenco's proportionate share of net income from IRSA (CCU) decreased 92.7% from Ch$49,437 million to Ch$4,806 million.
SM SAAM's proportionate share in its affiliates increased by 26.7% to Ch$3,126 million.
CSAV's proportionate share of net income from Hapag-Lloyd (adjusted by fair value accounting and including a gain from badwill in 2Q 2018), amounted to a gain of Ch$10,170 million, compared to a loss of Ch$12,767 million in 2Q 2018.

Interest Income - 2Q 2019

Interest income for the second quarter of 2019 amounted to Ch$4,627 million, 39.9% greater than that obtained in 2Q 2018. This variation corresponds mainly to higher financial income at SM SAAM, Techpack and Quiñenco (corporate level).

Interest Expense - 2Q 2019

Interest expense for the second quarter of 2019 amounted to Ch$17,997 million, 35.3% greater than in 2Q 2018. The variation is mainly explained by higher financial costs at Enex, and to a lesser extent, at CSAV and SM SAAM.

Foreign Currency Exchange Differences – 2Q 2019

In 2Q 2019, the gains (losses) specific to foreign currency translation differences amounted to a loss of Ch$624 million, lower than the loss of Ch$5,803 million reported in 2Q 2018, primarily attributable to favorable results at Techpack and Enex.

Indexed Units of Account Restatement – 2Q 2019

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$11,810 million in the second quarter of 2019, compared to a loss of Ch$5,923 million reported in the same period of 2018. The variation is mainly explained by greater losses at Quiñenco (corporate level) and, to a lesser extent, at LQIF holding.

Income Taxes – 2Q 2019

The industrial sector reported an income tax expense of Ch$6,465 million in 2Q 2019, compared to an income tax credit of Ch$9,681 million reported in 2Q 2018, primarily explained by CSAV and Quiñenco (corporate level), partially offset by Enex.

Discontinued Operations – 2Q 2019

In 2Q 2019 the result of discontinued operations amounted to a loss of Ch$190 million, compared to a loss of Ch$1,106 million in 2Q 2018. In both periods the loss corresponds mainly to discontinued operations of Techpack, and to a lesser extent, to discontinued operations at CSAV.

Non-controlling Interests – 2Q 2019

In the second quarter of 2019, at a consolidated level (including both Industrial and Banking net income), net income attributable to non-controlling interests amounted to Ch$145,269 million. Of the total amount reported

QUIÑENCO S.A.
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www.quinencogroup.com / www.quinenco.cl

in 2Q 2019, Ch$90,440 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, of SM SAAM and CSAV's net income.

Banking Sector

Operating Revenues - 2Q 2019

Operating revenues for the second quarter of 2019 amounted to Ch$538,522 million, 17.6% above the second quarter of 2018, mainly due to the favorable impact of higher inflation on the Bank's revenue and higher fee income.

Provision for Credit Risk - 2Q 2019

Provisions for loan losses at Banco de Chile amounted to Ch$67,959 million in the second quarter of 2019, 26.3% greater than the provisions registered in the second quarter of 2018, mainly attributable to higher loan loss provisions in the wholesale segment, due to positive credit behavior in the previous quarter, and also loan growth, which was concentrated in the retail segment.

Operating Expenses - 2Q 2019

Operating expenses went up by 9.3% to Ch$231,571 million in 2Q 2019, primarily reflecting higher personnel expenses, as well as higher expenses in out-sourced services, maintenance, IT and marketing.

Non-operating Results - 2Q 2019

During the second quarter of 2019 non-operating results amounted to a loss of Ch$4,603 million, 72.3% lower than the loss reported in the second quarter of 2018, primarily explained by lower accrued interest expense of the subordinated debt with the Chilean Central Bank, which was fully paid on April 30, 2019.

Consolidated Net Income - 2Q 2019

Consolidated net income for the banking sector amounted to Ch$185,011 million in 2Q 2019, up by 29.1% from the same period in 2018, mainly due to higher revenues and lower non-operating losses, partly offset by higher operating expenses, increased loan loss provisions, and higher income tax expense.

QUIÑENCO S.A.
Enrique Foster Sur No. 20, 14th Floor
Santiago / CHILE
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www.quinencogroup.com / www.quinenco.cl

CONSOLIDATED BALANCE SHEET ANALYSIS (vis-à-vis the 1st quarter of 2019)

Condensed Consolidated Balance Sheet

	03-31-2019		30-06-2019	
	MCh$	**MUS$**	**MCh$**	**MUS$**
Current assets industrial sector	1.126.550	1.658,8	1,074,461	1,582.1
Non-current assets industrial sector	5.040.223	7.421,4	5,037,817	7,417.8
Assets financial sector	36.092.380	53.143,5	37,254,658	54,854.8
Total Assets	**42.259.154**	**62.223,6**	**43,366,937**	**63,854.7**
Current liabilities industrial sector	491.939	724,3	508,272	748.4
Long-term liabilities industrial sector	1.970.122	2.900,9	1,984,613	2,922.2
Liabilities financial sector	32.667.448	48.100,5	33,729,328	49,664.0
Non-controlling interests	3.920.431	5.772,6	3,928,467	5,784.4
Shareholders' equity	3.209.215	4.725,3	3,216,257	4,735.7
Total Liabilities & Shareholders' equity	**42.259.154**	**62.223,6**	**43,366,937**	**63,854.7**

Current Assets Industrial Sector

Current assets decreased by 4.6% compared to the first quarter of 2019, primarily due to lower cash and cash equivalents, mostly attributable to the dividend payments by Quiñenco and by LQIF and SM SAAM to third parties, and partially compensated by higher inventories at Enex.

Non Current Assets Industrial Sector

Non current assets diminished slightly by 0.1% compared to the first quarter of 2019, mainly reflecting a lower balance of long term financial investments, mostly at Banchile Vida, largely compensated by a higher balance of equity investments, primarily explained by Hapag-Lloyd, due to period gains (net of dividends) and conversion adjustments, partially offset by a lower balance at Nexans (period losses and conversion adjustments), and at IRSA, due to dividends, net of the quarterly gain.

Assets Banking Sector

Total assets of the banking sector increased by 3.2% compared to the first quarter of 2019. Loans to customers increased by 2.3% with respect to March 2019, reflecting growth in commercial loans, followed by residential mortgage loans, and partially offset by slightly lower consumer loans.

Current Liabilities Industrial Sector

Current liabilities increased by 3.3% compared to the first quarter of 2019, primarily due to higher debt at CSAV to finance its acquisitions of additional shares in Hapag-Lloyd, and a higher balance of trade payables, mostly at Enex. These increases were partially offset by a lower balance of dividends payable to Quiñenco shareholders.

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Enrique Foster Sur No. 20, 14th Floor
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www.quinencogroup.com / www.quinenco.cl

Long-term Liabilities Industrial Sector

Long-term liabilities increased by 0.7% compared to the first quarter of 2019.

Liabilities Banking Sector

Liabilities corresponding to the banking sector increased by 3.3% compared to the first quarter of 2019.

Minority Interest

Minority interest increased by 0.2% compared to the first quarter of 2019, mostly due to higher minority interest at LQIF.

Equity

Shareholders' equity increased by 0.2% compared to the first quarter of 2019, mainly due to higher other reserves, mostly attributable to positive conversion effects at Invexans, CCU, and to a lesser extent, at CSAV. Period earnings were offset by dividends.

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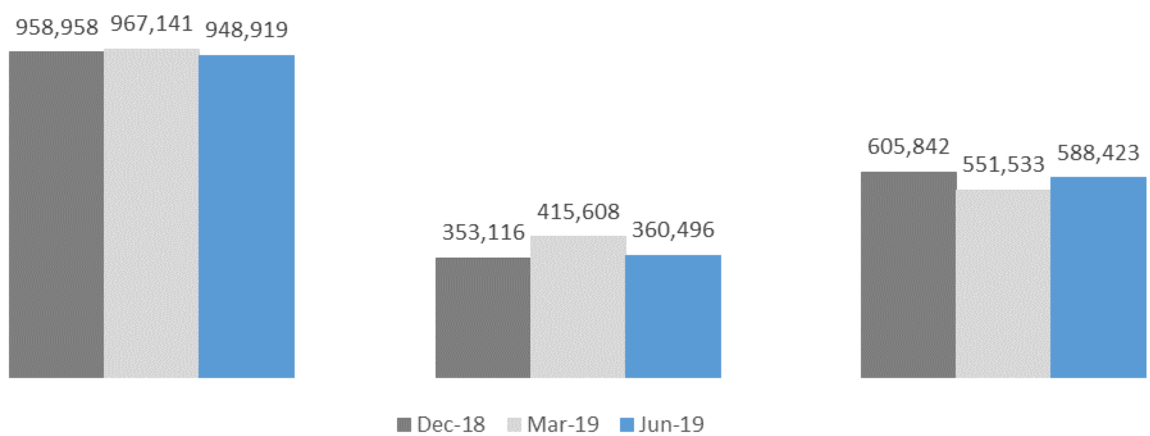
QUIÑENCO CORPORATE LEVEL DEBT AND CASH

As of June 30, 2019	Debt		Cash & Equivalents		Total Net Debt	
	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$
Corporate level	830,666	1,223.1	358,754	528.2	471,912	694.9
Adjusted for:						
50% interest in LQIF	96,100	141.5	1,224	1.8	94,876	139.7
50% interest in IRSA	22,153	32.6	518	0.8	21,635	31.9
Total	**948,919**	**1,397.2**	**360,496**	**530.8**	**588,423**	**866.4**

The debt to total capitalization ratio at the corporate level (unadjusted) was 20.2% as of June 30, 2019.

Corporate Level Adjusted[7] Cash & Debt

(Millions of Ch$)



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

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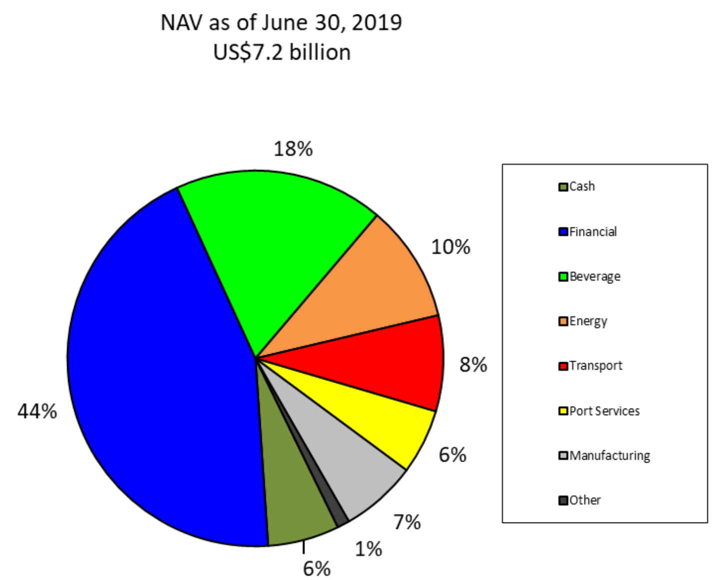
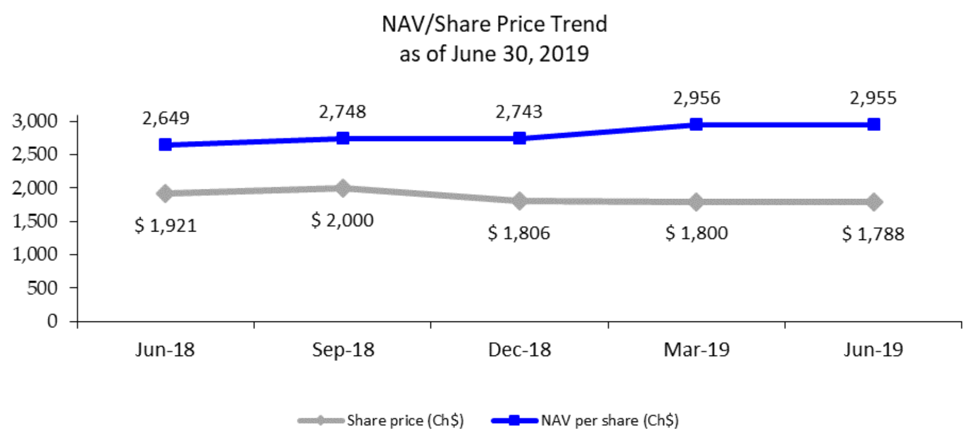
Santiago / CHILE
Phone (56) 22750-7100
www.quinencogroup.com / www.quinenco.cl

NAV

As of June 30, 2019, the estimated net asset value (NAV) of Quiñenco was US$7.2 billion (Ch$2,955 per share) and market capitalization was US$4.4 billion (Ch$1,788 per share). The discount to NAV is estimated at 39.5% as of the same date.





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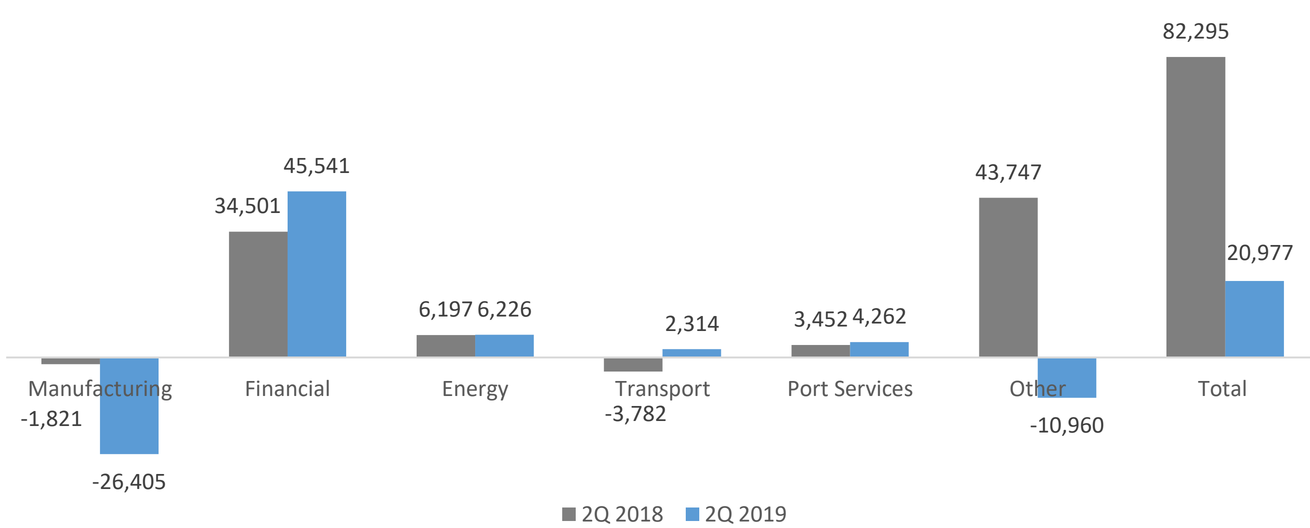
SEGMENT / OPERATING COMPANY ANALYSIS

Sector /Segment	Manufacturing		Financial		Energy		Transport		Port Services		Other		Total	
	2Q 18	2Q 19	2Q 18	2Q 19	2Q 18	2Q 19	2Q 18	2Q 19	2Q 18	2Q 19	2Q 18	2Q 19	2Q 18	2Q 19
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Industrial Sector														
Income (loss) from continued operations before taxes	(589)	(26,042)	(3,611)	(4,895)	6,804	5,449	(14,887)	8,317	12,738	13,705	39,532	(8,644)	**39,986**	**(12,110)**
Income tax	(84)	56	1,011	1,660	(607)	777	8,173	(4,153)	(3,200)	(3,080)	4,387	(1,726)	**9,681**	**(6,465)**
Net loss from discontinued operations	**(1,102)**	**(145)**	**-**	**-**	**-**	**-**	**(4)**	**(45)**	**-**	**-**	**-**	**-**	**(1,106)**	**(190)**
Net income (loss) industrial sector	**(1,775)**	**(26,130)**	**(2,600)**	**(3,235)**	**6,197**	**6,226**	**(6,718)**	**4,119**	**9,537**	**10,625**	**43,919**	**(10,370)**	**48,561**	**(18,765)**
Banking Sector														
Net income before taxes	**-**	**-**	**175,362**	**234,135**	**-**	**-**	**-**	**-**	**-**	**-**	**245**	**255**	**175,607**	**234,389**
Income tax	-	-	(32,344)	(49,378)	-	-	-	-	-	-	-	-	**(32,344)**	**(49,378)**
Net income banking sector	**-**	**-**	**143,017**	**184,756**	**-**	**-**	**-**	**-**	**-**	**-**	**245**	**255**	**143,263**	**185,011**
Consolidated net income (loss)	**(1,775)**	**(26,130)**	**140,418**	**181,522**	**6,197**	**6,226**	**(6,718)**	**4,119**	**9,537**	**10,625**	**44,165**	**(10,115)**	**191,824**	**166,246**
Net income (loss) attributable to Non-controlling interests	45	275	105,916	135,981	-	-	(2,936)	1,805	6,086	6,363	417	845	**109,529**	**145,269**
Net Income (Loss) Attributable to Controller's shareholders	**(1,821)**	**(26,405)**	**34,501**	**45,541**	**6,197**	**6,226**	**(3,782)**	**2,314**	**3,452**	**4,262**	**43,747**	**(10,960)**	**82,295**	**20,977**

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



QUIÑENCO S.A.
Enrique Foster Sur No. 20, 14th Floor
Santiago / CHILE
Phone (56) 22750-7100
www.quinencogroup.com / www.quinenco.cl

MANUFACTURING SEGMENT

The following table details the contribution of the investments in the Manufacturing segment during 2018 and 2019 to Quiñenco's net income:

	2Q 18		2Q 19	
	MCh$	MUS$	MCh$	MUS$
Invexans	2,143	3.2	(26,949)	(39.7)
Techpack	(3,963)	(5.8)	544	0.8
Total Manufacturing Segment	**(1,821)**	**(2.7)**	**(26,405)**	**(38.9)**

As of June 30, 2018 and 2019, Quiñenco's ownership of Invexans was 98.7% and 99.2%, respectively. As of June 30, 2018 and 2019, Quiñenco's ownership of Techpack was 100.00% and 99.97%, respectively.

INVEXANS

	2Q 18		2Q 19		2Q 18	2Q 19
	MCh$	MUS$	MCh$	MUS$	ThUS$	ThUS$
Sales	-	-	13	0.0	-	19
Operating loss	(2,405)	(3.5)	(649)	(1.0)	(3,827)	(948)
Non-operating income (loss)	4,685	6.9	(26,486)	(39.0)	7,366	(38,254)
Net income (loss) controller	**2,171**	**3.2**	**(27,158)**	**(40.0)**	**3,365**	**(39,235)**
Total assets			293,001	431.4		431,423
Shareholders' equity			277,117	408.0		408,035

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.

In accordance with French regulations and IFRS, Nexans does not publish financial statements for the quarters ended in March and September. In view of this, Invexans requested and was granted approval from the CMF to use December and June financial information for March and September, respectively. Therefore, these quarters only reflect exchange rate conversion effects and changes in the stake in Nexans corresponding to that quarter.

QUIÑENCO S.A.
Enrique Foster Sur No. 20, 14th Floor
Santiago / CHILE
Phone (56) 22750-7100
www.quinencogroup.com / www.quinenco.cl

2Q 2019 Results

Invexans reported an operating loss of US$948 thousand, compared to the loss of US$3,827 thousand reported in 2Q 2018, mainly explained by lower expenses related to legal contingencies in the current quarter, and a tax provision established in 2Q 2018.

Non-operating income amounted to a loss of US$38,254 thousand, compared to the gain of US$7,366 thousand reported in 2Q 2018, largely reflecting the lower result reported by its equity investment Nexans, for the first half of 2019. For the first semester of 2019 Nexans posted a loss of €116 million, down from the gain of €40 million as of June 2018, mostly explained by the impact of restructuring costs related to the implementation of its new strategic plan. Operating income, however, increased by 37.8% to €113 million, boosted by organic sales growth of 5%, with growth in all main operating segments, and the favorable effect of cost reduction and transformation plans. The industrial segment reported 35.7% growth in operating income, reflecting good performance in cables for the aeronautical, mining, rail and automotive harnesses sectors in the USA. The telecom & data segment posted a 31.3% increase in operating income, based on growth in infrastructure and submarine telecom cables. Finally, the high voltage & projects segment registered a 12.5% rise in operating income, despite a fall of 6.0% in organic sales, mainly owing to the land high-voltage business. EBITDA reached €195 million for the first half of 2019, up 27.5% from the same period in 2018, including the favorable impact of first time adoption of IFRS 16 of €15 million. In terms of non-operating results, however, the period includes restructuring costs of €182 million, mostly corresponding to provisions of the reorganization plan in Europe, while net financial costs remained stable. Invexans adjusts its share in Nexans' results for fair value accounting, thus it reported for its investment in the French company a loss of US$38,232 thousand for 2Q 2019, comparing negatively with the gain of US$7,384 thousand reported as of June 2018.

Invexans posted a net loss of US$39,235 thousand in 2Q 2019, which compares unfavorably with the gain of US$3,365 thousand reported in 2Q 2018, primarily due to the lower results of its investment in Nexans, explained above.

TECHPACK

	2Q 18		2Q 19		2Q 18	2Q 19
	MCh$	MUS$	MCh$	MUS$	ThUS$	ThUS$
Sales	2	0.0	4	0.0	3	6
Operating income	(465)	(0.7)	(57)	(0.1)	(753)	(68)
Net income (loss) from discontinued operations	(1,102)	(1.6)	(145)	(0.2)	(1,780)	(212)
Net income (loss) Controller	**(3,940)**	**(5.8)**	**1,028**	**1.5**	**(6,315)**	**1,516**
Total assets			136,602	201.1		201,136
Shareholders' equity			134,837	198.5		198,538

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

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Enrique Foster Sur No. 20, 14th Floor
Santiago / CHILE
Phone (56) 22750-7100
www.quinencogroup.com / www.quinenco.cl

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 and expenses related to the transaction have been classified in discontinued operations.

2Q 2019 Results

During the second quarter of 2019, Techpack's operating income amounted to a loss of US$68 thousand, lower than the loss of US$753 thousand reported in 2Q 2018, mostly explained by lower administrative expenses in the current quarter.

Non-operating income for the quarter amounted to a gain of US$1,680 thousand, compared to the loss of US$3,833 thousand reported in 2Q 2018. The variation is primarily explained by lower losses from exchange rate differences during the current quarter.

Discontinued operations reported a loss of US$212 thousand in 2Q 2019, down from the loss of US$1,780 thousand in 2Q 2018, and correspond mainly to maintenance expenses of the discontinued operations.

Thus, net income for 2Q 2019 reached a gain of US$1,516 thousand, which compares favorably with the loss of US$6,315 thousand reported in 2Q 2018, due mostly to a lower loss from discontinued operations, and to a lesser extent, a lower operating loss during the quarter.

FINANCIAL SEGMENT

The following table details the contribution of the investments in the Financial Segment during 2018 and 2019 to Quiñenco's net income:

	2Q 18		2Q 19	
	MCh$	**MUS$**	**MCh$**	**MUS$**
LQIF holding	(1,300)	(1.9)	(1,617)	(2.4)
Banking sector	35,801	52.7	47,158	69.4
Total Financial Segment	**34,501**	**50.8**	**45,541**	**67.1**

As of June 30, 2018 and 2019, Quiñenco's ownership of LQIF was 50.0%. LQIF's economic rights in Banco de Chile were 33.9% as of June 30, 2018 and 51.2% as of June 30, 2019.

QUIÑENCO S.A.
Enrique Foster Sur No. 20, 14th Floor
Santiago / CHILE
Phone (56) 22750-7100
www.quinencogroup.com / www.quinenco.cl

LQIF Holding

LQIF holding registered a loss of Ch$3,235 million, 24.4% greater than the loss of Ch$2,600 million reported in 2Q 2018, mainly explained by a higher loss related to the effect of inflation on inflation indexed liabilities, and to a lesser extent, by higher administrative expenses.

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. On April 30, 2019, following full repayment of the Subordinated Debt, SM-Chile was dissolved and is in the winding up process.

BANCO DE CHILE

	2Q 18		2Q 19	
	MCh$	MUS$	MCh$	MUS$
Operating revenues	457,313	673.4	538,316	792.6
Provision for loan losses	(53,810)	(79.2)	(67,959)	(100.1)
Operating expenses	(211,632)	(311.6)	(231,699)	(341.2)
Net income (loss)	**162,563**	**239.4**	**192,126**	**282.9**
Loan portfolio	26,517,044	39,044.5	28,833,809	42,455.7
Total assets	34,360,845	50,593.9	37,254,665	54,854.8
Shareholders' equity	3,167,693	4,664.2	3,392,650	4,995.4
Net financial margin	4.9%		5.2%	
Efficiency ratio	46.3%		43.0%	
ROAE	20.8%		22.9%	
ROAA	1.9%		2.1%	

2Q 2019 Results

Banco de Chile reported net income of Ch$192,126 million in the second quarter of 2019, increasing by 18.2% with respect to the second quarter of 2018. This increment is primarily explained by revenue growth, partly offset by greater loan loss provisions, higher operating expenses, and higher income tax expense.

Operating revenues, which include net financial income, fee income and other operating income, posted strong growth of 17.7% to Ch$538,316 million in the second quarter of 2019. This increment mainly is attributable to higher revenues due to the favorable impact of higher inflation on the contribution of the Bank's net asset exposure to UFs, with a 1.2% variation in the UF in the current quarter vis-à-vis an increase of 0.7% in 2Q 2018, and higher fee income, boosted by fees from insurance brokerage, including in addition to volume growth, the first time recognition of income related to the 15-year joint venture signed with an international insurance company, transactional services, and mutual funds management. To a lesser extent, the increase in revenues is also explained by higher income from loans, based on 8.7% growth in average loans, higher net financial income from subsidiaries and from the trading and investment portfolio, and a rise in the contribution of demand deposits, following an expansion of 3.3% in average

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Santiago / CHILE
Phone (56) 22750-7100
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balances. These positive variations were partially offset by lower revenues due to the negative impact of the 0.1% appreciation of the Chilean peso in 2Q 2019 compared to its 8.1% depreciation in 2Q 2018, on the Bank's US$ asset position hedging exposure to US$ denominated expenses.

Provisions for loan losses amounted to Ch$67,959 million, increasing 26.3% from 2Q 2018. This increment mostly reflects higher loan loss provisions in the wholesale segment, which registered positive credit behavior in certain clients in 2Q 2018, and also loan growth (volume and mix effects), which was concentrated in the retail segment with growth of 11.2% in average loans.

Operating expenses increased by 9.5% to Ch$231,699 million in 2Q 2019, mainly due to higher personnel expenses, related largely to growth in bonuses and incentives, derived from a low basis of comparison, higher severance payments given organizational restructuring, and higher expenses in salaries and other benefits, resulting from inflation adjustments and benefits negotiated in last year's collective bargaining process. The increase is also explained by higher expenses on out-sourced services, mainly related to the restructuring of the Bank's salesforce, higher maintenance expenses of the ATM network and new service model being deployed, and higher IT and marketing expenses. It is also important to point out that due to the adoption of IFRS 16 (leases) as of January 1, 2019, depreciation and amortization increased during the quarter, mostly compensated by lower rental expenses, included in administrative expenses.

As of June 2019, the Bank's loan portfolio had experienced an annual growth of 8.7% and a quarterly increase of 2.3%. Annual growth reflects the expansion of 11.1% in retail banking loans, boosted by a 10.8% increment in personal banking loans, strongly influenced by growth in residential mortgage and, to a lesser extent, consumer loans, and a 12.4% rise in loans to SMEs. The wholesale segment, in turn, posted a 4.9% annual increase in loans.

Banco de Chile is the second ranked bank in the country with a market share of 16.9% of total loans (excluding operations of subsidiaries abroad) as of June 2019. Its return on average equity (annualized) reached 22.9% in 2Q 2019.

Interest Subordinated Debt

In the second quarter of 2019 accrued interest expense of the Subordinated Debt with the Chilean Central Bank, which only corresponds to April, was 62.0% lower than the second quarter of 2018.

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Enrique Foster Sur No. 20, 14th Floor
Santiago / CHILE
Phone (56) 22750-7100
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ENERGY SEGMENT

The following table details the contribution of the investments in the Energy Segment during 2018 and 2019 to Quiñenco's net income:

	2Q 18		2Q 19	
	MCh$	MUS$	MCh$	MUS$
Enex	6,197	9.1	6,226	9.2
Total Energy Segment	**6,197**	**9.1**	**6,226**	**9.2**

As of June 30, 2018 and 2019, Quiñenco controls 100% of the energy segment.

ENEX

	2Q 18		2Q 19	
	MCh$	MUS$	MCh$	MUS$
Sales	541,433	797.2	638,947	940.8
Operating income	9,439	13.9	9,432	13.9
Net income Controller	**6,197**	**9.1**	**6,226**	**9.2**
Total assets			1,303,637	1,919.5
Shareholders' equity			592,574	872.5

2Q 2019 Results

Enex's consolidated sales during 2Q 2019 reached Ch$638,947 million, up by 18.0% from 2Q 2018, mainly due to the addition of the Road Ranger travel centers towards the end of 2018, together with higher sales in the service station channel in Chile, boosted by higher fuel prices and, to a lesser extent, growth in volumes. In the industrial channel, higher fuel prices were offset by a lower sales volume. The total volume dispatched by Enex during the quarter amounted to 1,077 thousand cubic meters, 8.4% higher than in 2Q 2018, of which 98% corresponds to fuels.

Gross income during the period reached Ch$69,495 million, 28.1% above 2Q 2018, primarily due to the contribution of gross income from the Road Ranger travel centers in the current quarter, and higher gross income from the service station channel in Chile.

Operating income during the quarter reached a gain of Ch$9,432 million, a slight 0.1% below 2Q 2018. The higher gross income was offset by increased selling and administrative expenses, mainly attributable to expenses related to the operation of the Road Ranger travel centers. EBITDA reached Ch$22,055 million in the second quarter of 2019, 46.9% higher than the second quarter of 2018, including the favorable impact of the adoption of IFRS 16 (leases) in 2019.

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Phone (56) 22750-7100
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Non-operating income amounted to a loss of Ch$3,983 million in 2Q 2019, 51.2% greater than the loss of Ch$2,635 million reported in 2Q 2018, mostly explained by higher financial costs, reflecting additional debt taken on to finance the acquisition of the Road Ranger travel centers in November 2018, and also due to higher lease liabilities following adoption of IFRS 16. These greater costs were partially compensated by a favorable variation in exchange rate differences.

Net income for 2Q 2019 amounted to Ch$6,226 million, a slight 0.5% above the second quarter of 2018, primarily reflecting stable operating results. Lower non-operating results were offset by an income tax credit in the current quarter vis-à-vis income tax expense in the second quarter of 2018.

TRANSPORT SEGMENT

The following table details the contribution of the investments in the Transport Segment during 2018 and 2019 to Quiñenco's net income:

	2Q 18		2Q 19	
	MCh$	**MUS$**	**MCh$**	**MUS$**
CSAV	(3,782)	(5.6)	2,314	3.4
Total Transport Segment	**(3,782)**	**(5.6)**	**2,314**	**3.4**

As of June 30, 2018 and 2019, 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 2Q 2018 and 2Q 2019 the adjustment was a lower result of Ch$7 million and a lower result of Ch$14 million, respectively.

CSAV

	2Q 18		2Q 19		2Q 18	2Q 19
	MCh$	**MUS$**	**MCh$**	**MUS$**	**ThUS$**	**ThUS$**
Sales	15,051	22.2	16,372	24.1	24,605	23,977
Operating income (loss)	(860)	(1.3)	(209)	(0.3)	(1,327)	(317)
Net income (loss) Controller	**(6,718)**	**(9.9)**	**4,143**	**6.1**	**(10,691)**	**6,109**
Total assets			1,641,527	2,417.0		2,417,032
Shareholders' equity			1,457,044	2,145.4		2,145,394

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 2017 CSAV sold its stake in Norgistics Chile and decided

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Enrique Foster Sur No. 20, 14th Floor
Santiago / CHILE
Phone (56) 22750-7100
www.quinencogroup.com / www.quinenco.cl

on the closure of its other offices. Therefore, all of Norgistics operations have been classified as discontinued operations in 2018 and 2019 in the income statement.

2Q 2019 Results

CSAV's consolidated sales in 2Q 2019 reached US$24.0 million, decreasing 2.6% with respect to 2Q 2018, mostly due to a lower sales volume in the car carrier business, partly offset by higher average freight rates. Freight rates with adjustment clauses include the effect of the rise in fuel prices. Gross income amounted to a gain of US$0.8 million, decreasing 20.8% from 2Q 2018, mainly due to the negative impact on costs of higher fuel prices and higher charter rates in the car carrier business. Operating income amounted to a loss of US$0.3 million in 2Q 2019, improving from the loss of US$1.3 million reported in 2Q 2018 despite the decrease in gross income, mainly due to a non-recurring gain from the sale of investment properties in the current quarter, and to a lesser extent, lower administrative expenses.

Non-operating income for the quarter amounted to a gain of US$12.5 million, improving substantially in comparison to the loss of US$22.6 million reported in 2Q 2018. This increment is primarily due to CSAV's share in Hapag-Lloyd's results for the quarter, adjusted by CSAV's fair value accounting of this investment, which amounted to a gain of US$14.9 million in 2Q 2019, compared to a loss of US$21.5 million in 2Q 2018. CSAV's additional stake in Hapag-Lloyd acquired during the second quarter of 2018 generated a gain of US$0.9 million.

Hapag-Lloyd reported a net gain of US$51.6 million in the second quarter of 2019, turning around the loss of US$85 million reported in 2Q 2018. Hapag-Lloyd's revenue increased 6.3%, mostly explained by a 5.2% rise in average freight rates and 1.7% growth in transported volumes. Operating expenses went up 2.0%, mainly due to higher fuel prices. Thus, Hapag-Lloyd's EBIT reached a gain of US$197 million in 2Q 2019, well above the US$47 million reported in 2Q 2018. Finance costs increased 23.8%, mostly owing to the adoption of IFRS 16 (leases). EBITDA amounted to US$524 million, increasing by 109% from 2Q 2018, with the EBITDA margin reaching 14.7%. Of this increment in EBITDA, approximately US$132 million are explained by the favorable impact of the adoption of IFRS 16, which implies a non-cash amortization of the right of use of leased assets, instead of the cash lease expenses.

CSAV reported a net gain of US$6.1 million in 2Q 2019, compared to a net loss of US$10.7 million in 2Q 2018, primarily due to CSAV's share in Hapag-Lloyd's improved results for the quarter, slightly offset by income tax expense in the current quarter vis-à-vis an income tax credit in 2Q 2018.

QUIÑENCO S.A.
Enrique Foster Sur No. 20, 14th Floor
Santiago / CHILE
Phone (56) 22750-7100
www.quinencogroup.com / www.quinenco.cl

PORT SERVICES SEGMENT

The following table details the contribution of the investments in the Port Services Segment during 2018 and 2019 to Quiñenco's net income:

	2Q 18		2Q 19	
	MCh$	**MUS$**	**MCh$**	**MUS$**
SM SAAM	3,452	5.1	4,262	6.3
Total Port Services Segment	**3,452**	**5.1**	**4,262**	**6.3**

As of June 30, 2018 and 2019, Quiñenco's ownership of SM SAAM was 52.2%. Quiñenco's proportionate share in SM SAAM's results is adjusted by the fair value accounting of this investment at Quiñenco. During 2Q 2018 and 2Q 2019 the adjustment was a lower result of Ch$250 million and Ch$426 million, respectively.

SM SAAM

	2Q 18		2Q 19		2Q 18	2Q 19
	MCh$	**MUS$**	**MCh$**	**MUS$**	**ThUS$**	**ThUS$**
Sales	80,770	118.9	85,328	125.6	130,071	124,729
Operating income	12,779	18.8	14,321	21.1	20,507	20,909
Net income Controller	**7,359**	**10.8**	**8,981**	**13.2**	**11,873**	**13,104**
Total assets			986,407	1,452.4		1,452,414
Shareholders' equity			532,382	783.9		783,894

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.

2Q 2019 Results

In the second quarter of 2019 SM SAAM's consolidated sales reached US$124.7 million, down by 4.1% from 2Q 2018, primarily explained by lower revenues at logistics Chile and port terminals, and, to a lesser extent, tug boats. Revenues from logistics decreased 24.0% mainly owing to a lower volume related to services for the retail sector. Revenues from port terminals decreased 1.5%, primarily reflecting fewer import and warehousing services. Revenues from tug boats also decreased 1.5%, mostly explained by lower activity in Central America, partly offset by increased special services in North America. Consolidated revenues can be broken down as follows: Ports (53.9%), Tug boats (37.9%), Logistics (8.8%), and Corporate[8] (-0.6%).

Gross income amounted to US$37.4 million in the second quarter of 2019, 2.4% below 2Q 2018, explained mostly by lower gross income at port terminals and, to a lesser extent, at logistics, along with stable gross income at tug boats. During 2Q 2019 operating income amounted to US$20.9 million, up 2.0% from the gain reported in 2Q 2018, reflecting growth in logistics and tug boats, compensating lower performance of port terminals, with efficiencies generated by the implementation of the company's new business model. In addition, at the corporate level, expenses related to the implementation of the new business model decreased. SM SAAM's consolidated EBITDA[9] reached US$40.5 million in 2Q 2019, 8.7% higher than the same period in 2018, primarily attributable to the port terminals and tug boat segments. The increase in EBITDA includes the favorable impact of the adoption of IFRS 16 (leases).

Non-operating income amounted to a gain of US$0.4 million, compared to a gain of only US$1 thousand in 2Q 2018. This increase is mainly explained by higher financial income and improved results of port terminals and airport services in logistics, included in equity investments, partially compensated by greater losses from exchange rate differences in the current quarter.

SM SAAM reported a net gain of US$13.1 million in 2Q 2019, up by 10.4% from 2Q 2018, mainly due to improved results of logistics and lower corporate expenses, as well as lower income tax expense.

[8] Corporate also includes eliminations and others.

[9] Corresponds to EBITDA reported by SM SAAM.

QUIÑENCO S.A.
Enrique Foster Sur No. 20, 14th Floor
Santiago / CHILE
Phone (56) 22750-7100
www.quinencogroup.com / www.quinenco.cl

OTHER SEGMENT

The following table details the contribution from investments in the Segment Other during 2018 and 2019 to Quiñenco's net income:

	2Q 18		2Q 19	
	MCh$	MUS$	MCh$	MUS$
IRSA (CCU)[10]	49,437	72.8	4,806	7.1
Quiñenco & other	(5,690)	(8.4)	(15,766)	(23.2)
Total Segment Others	**43,747**	**64.4**	**(10,960)**	**(16.1)**

As of June 30, 2018 and 2019, Quiñenco's ownership of CCU was 30.0%.

CCU

	2Q 18		2Q 19	
	MCh$	MUS$	MCh$	MUS$
Sales	372,170	548.0	377,362	555.6
Operating income	248,615	366.1	28,219	41.6
Net income (loss)	**165,926**	**244.3**	**18,040**	**26.6**
Total assets			2,197,700	3,236.0
Shareholders' equity			1,288,944	1,897.9

2Q 2019 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, as of 3Q 2018, Bolivia. Wine includes the commercialization of wine, mainly in the export market. CCU's sales in the second quarter of 2019 increased by 1.4% compared to the second quarter of 2018, as a result of 1.4% growth in consolidated sales volumes along with flat average prices in terms of Chilean pesos. The Chile operating segment posted growth of 3.2% in sales reflecting a 2.2% increase in volumes, while average prices were up by 1.0%, reflecting revenue management initiatives that allowed price increases in an industry with many sales promotions. The Wine segment also posted an increase, with sales up 1.0%, based on 2.6% higher average prices, explained by the positive effect of the stronger US$ against the Chilean and Argentine pesos on export revenues, compensating 1.6% lower volumes. The International Business operating segment reported a 2.1% decline in sales despite a 1.5% rise in volumes, mostly attributable to the presence of Bolivia in the current quarter that compensated lower volumes in Argentina, due to a 3.6% decrease in average prices, largely explained by the impact of the depreciation of the Argentine peso against the Chilean peso and the absence of price increases during most of the period.

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

QUIÑENCO S.A.
Enrique Foster Sur No. 20, 14th Floor
Santiago / CHILE
Phone (56) 22750-7100
www.quinencogroup.com / www.quinenco.cl

Gross income diminished by 4.3% to Ch$177,755 million, primarily due to lower gross income in the International Business segment, reflecting the drop in revenues and higher costs, due to the exchange rate pressure on USD-linked costs, as well as the effects of inflation in Argentina. Gross income from the Chile segment increased only a slight 0.4%, mainly due to higher USD denominated costs resulting from the depreciation of the Chilean peso against the US$. The Wine segment, however, posted a 10.7% increase in gross income, boosted mainly by a lower cost of wine compared to last year and higher average prices. The overall gross margin as a percentage of sales decreased from 49.9% in 2Q 2018 to 47.1% in 2Q 2019.

Operating income reached Ch$28,219 million, decreasing 88.6% from 2Q 2018. This significant reduction is primarily explained the non-recurring gain of Ch$213,400 million reported in 2Q 2018 related to the early termination of the Budweiser license in Argentina (included in other operating income). Aside from the transaction, operating results declined mostly reflecting the International Business segment, due to the negative impact of inflation on MSD&A expenses, in addition to the lower gross income explained above. Higher operating results in the Chile and Wine segments mitigated the overall decrease to some extent, based on MSD&A efficiency gains in the Chile segment and the growth in gross income in the Wine segment, explained above. In addition, 2Q 2019 includes accrued income corresponding to the production contract with ABI. EBITDA[11] amounted to Ch$51,879 million in 2Q 2019, decreasing 80.5% from 2Q 2018, primarily due to the gain from the transaction in Argentina in 2Q 2018.

CCU reported a non-operating loss of Ch$10,759 million, which compares unfavorably with the gain of Ch$3,828 million reported in 2Q 2018. This decline is mainly due to the negative impact of hyperinflationary accounting in Argentina, and lower results of equity investments in the current quarter, mostly attributable to the operations in Colombia.

Net income for the second quarter of 2019 amounted to Ch$18,040 million, 89.1% lower than the same quarter in 2018, primarily due to the non-recurring after tax gain of Ch$153,496 million reported in 2Q 2018, generated by the transaction related to the early termination of the Budweiser license in Argentina. Excluding this non-recurring gain, net income during the quarter would have increased by 45.1%, mostly due to an income tax credit in the current quarter, mainly attributable to Argentina, compensating lower operating performance of the International Business segment in the quarter.

[11] EBITDA corresponds to EBITDA reported by CCU.

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QUIÑENCO and Others

The negative variation in Quiñenco and others is mainly explained at the corporate level by higher losses from the unfavorable impact of higher inflation on indexed liabilities, and a lower income tax credit during the quarter. This variation was slightly offset by improved results at Banchile Vida during the quarter, with a 35.1% increase in net income, boosted by positive operating performance.

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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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