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QUIÑENCO S.A. ANNOUNCES CONSOLIDATED RESULTS FOR THE SECOND QUARTER OF 2017

(Santiago, Chile, September 7, 2017) Quiñenco S.A., a leading Chilean business conglomerate, announced today its consolidated financial results under IFRS, for the second quarter ended June 30, 2017.

Consolidated financial results are presented in accordance with IFRS and the regulations established by the Superintendency of Securities and Insurance (SVS). 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, 2017 (Ch$664.29 = US$1.00), unless indicated otherwise, and are only provided for the reader's convenience.

2Q 2017 HIGHLIGHTS

Net loss of Ch$10,870 million strongly influenced by accounting loss reported by CSAV due to the dilution in Hapag-Lloyd following merger with UASC.

Industrial sector operating income reached Ch$56,549 million boosted by non-recurring gain posted by SM SAAM on sale of minority stake in Tramarsa.

Nexans results continue positive trend based on stable operating results in response to strategic initiatives, and favorable core exposure effect. Hapag-Lloyd reported quarterly gain boosted by higher transport volumes and freight rates.

Banco de Chile, CCU and Banchile Vida contributed growing and stable results. Enex posted a decline in net income mainly due to lower margins in fuels.

GROUP HIGHLIGHTS – SECOND QUARTER 2017 AND SUBSEQUENT EVENTS

SM SAAM sells stake in Tramarsa

On April 21, 2017, SM SAAM announced the sale of its 35% stake in Tramarsa to the Romero Group in Peru. Tramarsa has operations in port terminals, tug boats and logistics, primarily in Peru. The transaction involved a total amount of US$124 million. The sale generated a non-recurring after tax gain of US$30.5 million in the second quarter of 2017 for SM SAAM.

Quiñenco dividend distribution

At the Ordinary Shareholders' Meeting held on April 28, 2017, shareholders approved a dividend distribution corresponding to 2016 net income of Ch$31.91723 per share, payable as of May 12, 2017, to those shareholders registered with the company as of May 6, 2017. The total amount of the dividend is Ch$53,071 million, equivalent to 30% of 2016 net income.

CSAV - Hapag-Lloyd and UASC materialize merger

On May 24, 2017, the merger between Hapag-Lloyd and UASC was materialized, following regulatory approvals and consent from financial entities, among other required conditions. Thus, Hapag-Lloyd became the fifth largest container shipping company worldwide, with one of the most modern and efficient fleets. CSAV's stake in Hapag-Lloyd diminished from 31.35% to 22.6%. This dilution generated an accounting loss which, as reported by CSAV, amounted to US$167 million. Hapag-Lloyd estimates annual synergies of US$435 million, fully starting in 2019.

SM SAAM – Reaches 100% ownership in Iquique Terminal Internacional

On June 9, 2017, SM SAAM announced the acquisition of a 15% share in Iquique Terminal Internacional from Grupo de Empresas Navieras for US$11,050,000, thus reaching 100% ownership of this port terminal in Chile.

CCU establishes partnership to develop Pisco category worldwide

On June 15, 2017, CCU announced the acquisition through its subsidiary Compañía Pisquera de Chile of a 40% stake in Americas Distilling Investments LLC. This company, established in the USA, is dedicated to promote pisco, and owns the brand Barsol and productive assets in Peru. The remaining 60% ownership continues being controlled by LDLM Investments LLC, which has more than a decade of experience commercializing pisco in the international markets.

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INFORMATION ON FINANCIAL STATEMENTS AND SEGMENTS

FORMAT OF FINANCIAL STATEMENTS

As of 2012, the Superintendency of Securities and Insurance (SVS) has modified the format of the Income Statement, adding the line "Gains (losses) of operating activities". As defined by the SVS this sub-total 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 28.50% stake in Nexans, a French multinational company leader in the world cable industry. As of June 30, 2017, Quiñenco has a 98.7% stake in Invexans.

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On May 31, 2016, Techpack sold its entire flexible packaging business to Australian packaging company Amcor. Techpack has classified Alusa and its subsidiaries, and the effects of the transaction with Amcor, as discontinued operations in 2016 and 2017. During the last quarter of 2016, Techpack acquired a 0.53% stake in Nexans through the Paris stock exchange. Thus, as of June 30, 2017, through its subsidiaries Invexans and Techpack, Quiñenco has a 29.03% interest in Nexans.

On September 27, 2016, Quiñenco's Board approved a tender offer for Techpack's shares held by minority shareholders, which concluded successfully in November 2016. Following the tender offer and the exercise of withdrawal rights and purchase rights, Quiñenco's ownership of Techpack reached 100.0% as of December 2016.

As of December 2016 Quiñenco's stake in CSAV is 56.0%. On October 19, 2016, CSAV sold its stake in the liquid bulk joint-venture with Odjfell Tankers, which has been classified as a discontinued activity in 2016.

During the first quarter of 2016, Quiñenco acquired an additional 8.3% stake in SM SAAM, reaching 50.8%. Therefore, as of March 2016 financial statements, SM SAAM is a consolidated subsidiary, and is accounted for in the Port Services business segment. During the fourth quarter of 2016, Quiñenco acquired a further 1.5% stake in SM SAAM, reaching a total of 52.2% at year end.

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

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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ANALYSIS OF CONSOLIDATED RESULTS

Summarized Consolidated Income Statement

By Sector /Segment	Manufacturing		Financial		Energy		Transport		Port Services		Other		Total	
	2Q 16	2Q 17	2Q 16	2Q 17	2Q 16	2Q 17	2Q 16	2Q 17	2Q 16	2Q 17	2Q 16	2Q 17	2Q 16	2Q 17
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Consolidated Income (Loss) Industrial Sector	12,997	**16,707**	(4,167)	**(3,218)**	9,085	**1,624**	(21,682)	**(120,476)**	11,373	**25,811**	(4,964)	**(5,902)**	2,641	**(85,453)**
Consolidated Income Banking Sector	-	-	132.709	**141,770**	-	-	-	-	-	-	-	**267**	132,709	**142,037**
Consolidated Net Income (Loss)	12,997	**16,707**	128,542	**138,552**	9,085	**1,624**	(21,682)	**(120,476)**	11,373	**25,811**	(4,964)	**(5,635)**	135,350	**56,584**
Net Income (Loss) Attributable to Non-controlling Interests	3,112	(164)	97,230	105,274	-	-	(9,410)	(52,811)	6,398	13,788	1,168	1,366	98,497	67,454
Net Income (Loss) Attributable to Controllers' Shareholders*	9,884	16,871	31,312	33,278	9,085	1,624	(12,272)	(67,665)	4,975	12,023	(6,132)	(7,002)	36,853	(10,870)

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

Net Income – 2Q 2017

Quiñenco reported a net loss of Ch$10,870 million in the second quarter of 2017, below the gain of Ch$36,853 million reported in the same period in 2016, primarily due to the significant accounting loss reported by CSAV due to its dilution in Hapag-Lloyd following its merger with UASC, which implied a loss of approximately Ch$62,900 million for Quiñenco during the quarter. However, it is worth noting that Hapag-Lloyd reported positive operating and bottom line results in the period. Enex's contribution declined in 2Q 2017, mainly owing to lower margins in fuels. The contribution from Nexans, however, increased by 248.2%, reflecting the strong growth in net income achieved by the French cable company. SM SAAM also posted a significant increment in results, mostly based on a non-recurring gain on the sale of its stake in Tramarsa. The contributions from Banco de Chile, Banchile Vida, and CCU also increased in 2Q 2017, based on sound operating performance. Techpack's earnings diminished in comparison to 2Q 2016, due to the gain on the sale of its flexible packaging business sold in May 2016.

Losses per ordinary share amounted to Ch$6.54 in the second quarter of 2017.

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Consolidated Income Statement Breakdown

	2Q 16		2Q 17	
	MCh$	MUS$	MCh$	MUS$
Industrial Sector				
Revenues	**519,461**	**782.0**	**584,024**	**879.2**
Manufacturing - Invexans & Techpack	34	0.1	3	0.0
Financial - LQIF holding	-	-	-	-
Energy - Enex	407,059	612.8	455,257	685.3
Transport - CSAV	17,202	25.9	21,780	32.8
Port Services - SM SAAM	67,033	100.9	76,466	115.1
Other - Quiñenco & others	28,134	42.4	30,518	45.9
Operating income (loss)	**27,107**	**40.8**	**56,549**	**85.1**
Manufacturing - Invexans & Techpack	(1,184)	(1.8)	(742)	(1.1)
Financial - LQIF holding	(971)	(1.5)	(1,059)	(1.6)
Energy - Enex	11,786	17.7	2,648	4.0
Transport - CSAV	8,414	12.7	1,084	1.6
Port Services - SM SAAM	7,772	11.7	53,721	80.9
Other - Quiñenco & others	1,289	1.9	898	1.4
Non-operating income (loss)	**(18,135)**	**(27.3)**	**(98,236)**	**(147.9)**
Interest income	1,920	2.9	3,749	5.6
Interest expense	(10,730)	(16.2)	(12,584)	(18.9)
Share of net income/loss from related co.	(5,062)	(7.6)	(82,982)	(124.9)
Foreign exchange gain (loss)	1,012	1.5	(418)	(0.6)
Indexed units of account restatement	(5,275)	(7.9)	(6,001)	(9.0)
Income tax	(19,820)	(29.8)	(42,707)	(64.3)
Net income (loss) from discontinued operations	13,489	20.3	(1,059)	(1.6)
Consolidated Net Income (Loss) Industrial Sector	**2,641**	**4.0**	**(85,453)**	**(128.6)**
Banking Sector				
Operating revenues	476,178	716.8	448,769	675.6
Provision for loan losses	(92,929)	(139.9)	(62,105)	(93.5)
Operating expenses	(205,700)	(309.7)	(197,495)	(297.3)
Operating income (loss)	177,549	267.3	189,170	284.8
Non-operating income (loss)	(17,612)	(26.5)	(16,727)	(25.2)
Income tax	(27,228)	(41.0)	(30,406)	(45.8)
Consolidated Net Income Banking Sector	**132,709**	**199.8**	**142,037**	**213.8**
Consolidated Net Income	135,350	203.8	56,584	85.2
Net Income Attributable to Non-controlling Interests	98,497	148.3	67,454	101.5
Net Income Attributable to Controllers' Shareholders	**36,853**	**55.5**	**(10,870)**	**(16.4)**

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Industrial Sector

Revenues – 2Q 2017

Consolidated revenues totaled Ch$584,024 million in the second quarter of 2017, 12.4% above those of the same period in 2016, primarily due to higher revenues at Enex, and to a lesser extent, sales growth at SM SAAM[1], CSAV, and Banchile Vida.

Consolidated sales in the second quarter of 2017 can be broken down as follows: Enex (78.0%), SM SAAM (13.1%), CSAV (3.7%), and others (5.2%).

Operating Income[2] – 2Q 2017

Operating income for the second quarter of 2017 reached a gain of Ch$56,549 million, compared to a gain of Ch$27,107 million in the second quarter of 2016. The important increment in consolidated operating results is primarily attributable to SM SAAM, due to a non-recurring gain on the sale of its stake in Tramarsa, and to a much lesser extent, a positive variation at Techpack, partially offset by lower operating income at Enex, CSAV, Banchile Vida, and Invexans.

EBITDA[3] – 2Q 2017

EBITDA amounted to Ch$26,343 million in 2Q 2017, down 14.1% from the second quarter of 2016. The decline is primarily explained by lower EBITDA from Enex, partially compensated by positive EBITDA at CSAV in the quarter, and growth at SM SAAM.

Non-Operating Results[4] – 2Q 2017

Non-operating income amounted to a loss of Ch$98,236 million in the second quarter of 2017, compared to a loss of Ch$18,135 million in the same quarter of 2016.

Proportionate share of net income of equity method investments (net) – 2Q 2017

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[5] and CSAV's share in the results of Hapag-Lloyd, reached a loss of Ch$82,982 million, compared to a loss of Ch$5,062 million in 2Q 2016.

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[1] 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.

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

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

[4] 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.

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

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Quiñenco's proportionate share of net income from IRSA (CCU) increased by 69.1% to Ch$1,884 million.
Invexans' and Techpack's proportionate share in Nexans' net income increased by 248.3% to Ch$18,733 million in 2Q 2017.
SM SAAM's proportionate share in its affiliates decreased by 48.7% to Ch$3,727 million.
CSAV's proportionate share of net income from Hapag-Lloyd (adjusted by fair value accounting), including the accounting loss from dilution at CSAV, amounted to a loss of Ch$107,523 million, compared to a loss of Ch$19,106 million in 2Q 2016.

Interest Income - 2Q 2017

Interest income for the second quarter of 2017 amounted to Ch$3,749 million, 95.2% greater than that obtained in 2Q 2016. This variation corresponds mainly to higher financial income at Quiñenco, and to a lesser extent at Techpack, reflecting in both cases a higher cash balance.

Interest Expense - 2Q 2017

Interest expense for the second quarter of 2017 amounted to Ch$12,584 million, 17.3% greater than in 2Q 2016. The variation is mainly explained by higher financial costs at Quiñenco and, to a lesser extent, at SM SAAM and CSAV, partially offset by lower expenses at Enex.

Foreign currency exchange differences – 2Q 2017

In 2Q 2017, the gains (losses) specific to foreign currency translation differences amounted to a loss of Ch$418 million, compared to a gain of Ch$1,012 million reported in 2Q 2016, primarily attributable to less favorable results at SM SAAM, Enex, and Techpack, partially compensated by a better result at CSAV.

Indexed units of account restatement – 2Q 2017

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$6,001 million in the second quarter of 2017, compared to a loss of Ch$5,275 million reported in the same period of 2016. The variation is mainly explained by Quiñenco due to a higher level of debt, partially compensated by a lower loss at LQIF holding.

Income Taxes – 2Q 2017

The industrial sector reported an income tax expense of Ch$42,707 million in 2Q 2017, compared to Ch$19,820 million reported in 2Q 2016, primarily due to higher tax expense at SM SAAM, mostly related to the sale of its stake in Tramarsa, and to a lesser extent, higher taxes at CSAV, partly offset by lower taxes at Techpack and Enex.

Discontinued Operations – 2Q 2017

In 2Q 2017 the result of discontinued operations amounted to a loss of Ch$1,059 million, compared to a gain of Ch$13,489 million in 2Q 2016. In 2Q 2016, the gain corresponds mainly to the gain on the sale of Techpack's flexible packaging business to Amcor, and, to a lesser extent, to CSAV's liquid bulk business's results (sold towards the end of 2016) during the quarter. In 2Q 2017 the loss corresponds mainly to taxes and expenses related to the sale of Techpack's flexible packaging business to Amcor.

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Non-controlling Interests – 2Q 2017

In the second quarter of 2017, at a consolidated level (including both Industrial and Banking net income), net income attributable to non-controlling interests amounted to Ch$67,454 million. Of the total amount reported in 2Q 2017, Ch$72,087 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 much lesser extent, of SM SAAM's net income, partially offset by minority shareholders' share of CSAV's net loss.

Banking Sector

Operating Revenues - 2Q 2017

Operating revenues for the second quarter of 2017 amounted to Ch$448,769 million, 5.8% below the second quarter of 2016, mainly due to lower operating revenues at Banco de Chile, primarily explained by gains recorded in 2Q 2016 due to the sale of AFS instruments. This was partly offset by higher income from loans, and growth in fee income, as well as more convenient funding.

Provision for Credit Risk - 2Q 2017

Provisions for loan losses at Banco de Chile amounted to Ch$62,103 million in the second quarter of 2017, 33.2% lower than the provisions registered in the second quarter of 2016, mainly due to higher additional allowances established in 2Q 2016. This effect was partly offset by growth in average loans, particularly in the retail segment, and lower loan loss provisions in 2Q 2016 due to both a regulatory change and a net credit quality improvement in the wholesale segment.

Operating Expenses - 2Q 2017

Operating expenses decreased by 4.0% to Ch$197,495 million in 2Q 2017, primarily explained by a reduction of 4.0% in Banco de Chile's operating expenses to Ch$197,402 million, mostly related to lower other operating expenses, mainly attributable to non-credit related allowances set in 2Q 2016, and lower administrative expenses.

Non-operating Results - 2Q 2017

During the second quarter of 2017 non-operating results amounted to a loss of Ch$16,727 million, 5.0% below the second quarter of 2016, primarily explained by lower accrued interest expense of the Subordinated Debt with the Chilean Central Bank, mainly owing to the lower rate of inflation registered during the second quarter of 2017.

Consolidated Net Income - 2Q 2017

Consolidated net income for the banking sector amounted to Ch$142,037 million in 2Q 2017, up by 7.0% from the same period in 2016, mainly due to fewer loan loss provisions and lower operating expenses, partially compensated by a decline in operating revenues.

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CONSOLIDATED BALANCE SHEET ANALYSIS (vis-à-vis the 1st quarter of 2017)

Condensed Consolidated Balance Sheet

	03-31-2017		30-06-2017	
	MCh$	MUS$	MCh$	MUS$
Current assets industrial sector	1,041,346	1,567.6	**957,632**	1,441.6
Non-current assets industrial sector	4,349,512	6,547.6	**4,227,938**	6,364.6
Assets financial sector	31,832,661	47,919.8	**32,277,340**	48,589.2
Total Assets	**37,223,519**	**56,035.0**	**37,462,911**	**56,395.4**
Current liabilities industrial sector	385,604	580.5	**356,819**	537.1
Long-term liabilities industrial sector	1,423,523	2,142.9	**1,382,425**	2,081.1
Liabilities financial sector	28,909,971	43,520.1	**29,231,660**	44,004.4
Non-controlling interests	3,472,665	5,227.6	**3,463,943**	5,214.5
Shareholders' equity	3,031,756	4,563.9	**3,028,063**	4,558.3
Total Liabilities & Shareholders' equity	**37,223,519**	**56,035.0**	**37,462,911**	**56,395.4**

Current Assets Industrial Sector

Current assets decreased by 8.0% compared to the first quarter of 2017, primarily due to a lower cash balance, reflecting the dividends paid by Quiñenco, and by LQIF and SM SAAM to third parties, and investments in fixed assets carried out by Enex and SM SAAM, partially compensated by the funds received by SM SAAM from the sale of its stake in Tramarsa (Peru).

Non Current Assets Industrial Sector

Non current assets decreased by 2.8% compared to the first quarter of 2017, mainly reflecting a lower balance of equity investments. This decrease is mostly explained by a lower balance at Hapag-Lloyd, partially offset by a higher balance at Nexans and IRSA.

Assets Banking Sector

Total assets of the banking sector increased by 1.4% compared to the first quarter of 2017. Loans to customers increased by 0.9% with respect to March 2017, reflecting growth in residential mortgage loans and commercial loans, compensating a decrease in consumer loans.

Current Liabilities Industrial Sector

Current liabilities decreased by 7.5% compared to the first quarter of 2017, primarily due to lower provisions for dividends payable at Quiñenco, partially offset by a higher balance of bank loans at Enex, and higher tax payable at SM SAAM, following the sale of its stake in Tramarsa.

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Long-term Liabilities Industrial Sector

Long-term liabilities decreased by 2.9% compared to the first quarter of 2017, mainly due to debt maturing within a year now classified as short term debt, mostly corresponding to Enex.

Liabilities Banking Sector

Liabilities corresponding to the banking sector increased by 1.1% compared to the first quarter of 2017.

Minority Interest

Minority interest decreased by a slight 0.3% compared to the first quarter of 2017.

Equity

Shareholders' equity decreased by a slight 0.1% compared to the first quarter of 2017.

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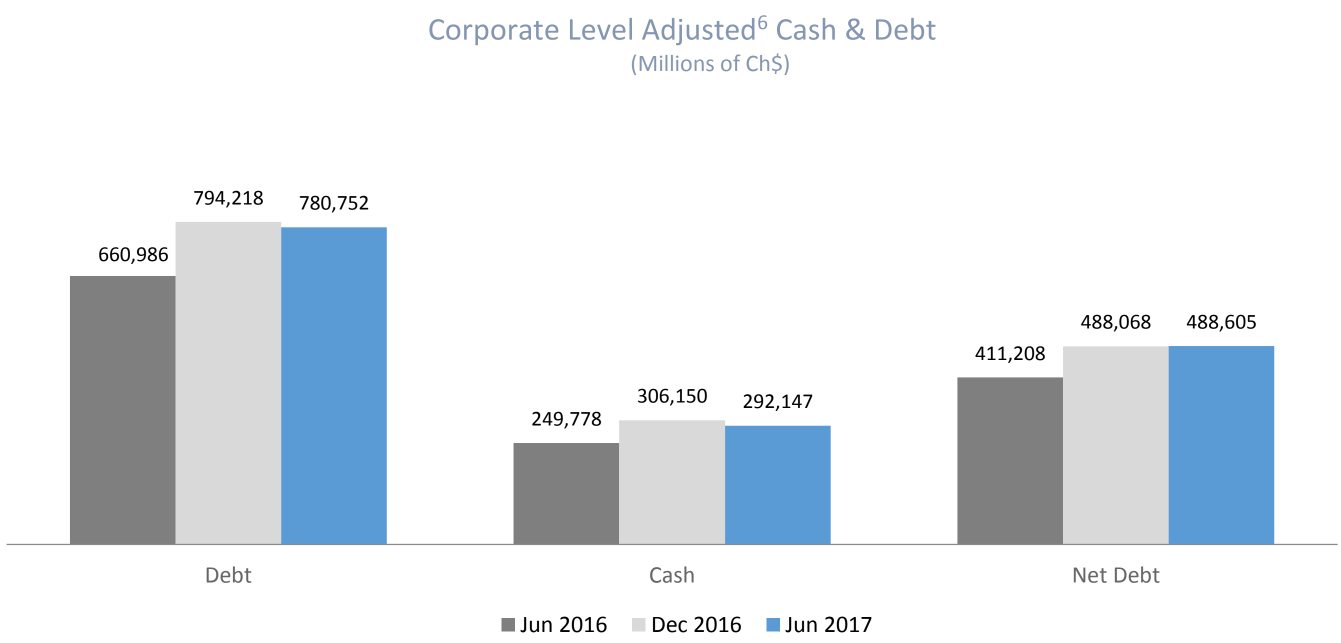
QUIÑENCO CORPORATE LEVEL DEBT AND CASH

As of June 30, 2017	Debt		Cash & Equivalents		Total Net Debt	
	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$
Corporate level	657,466	989.7	288,148	433.8	369,317	556.0
Adjusted for:						
50% interest in LQIF	91,532	137.8	3,464	5.2	88,068	132.6
50% interest in IRSA	31,754	47.8	535	0.8	31,220	47.0
Total	**780,752**	**1,175.3**	**292,147**	**439.8**	**488,605**	**735.5**

The debt to total capitalization ratio at the corporate level (unadjusted) was 17.7% as of June 30, 2017.



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

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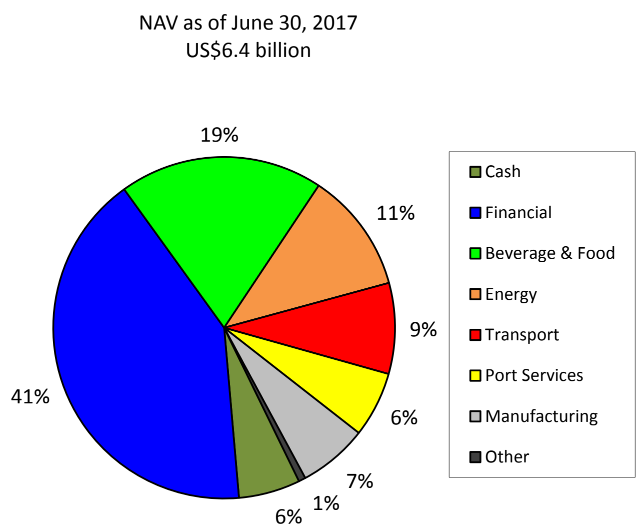
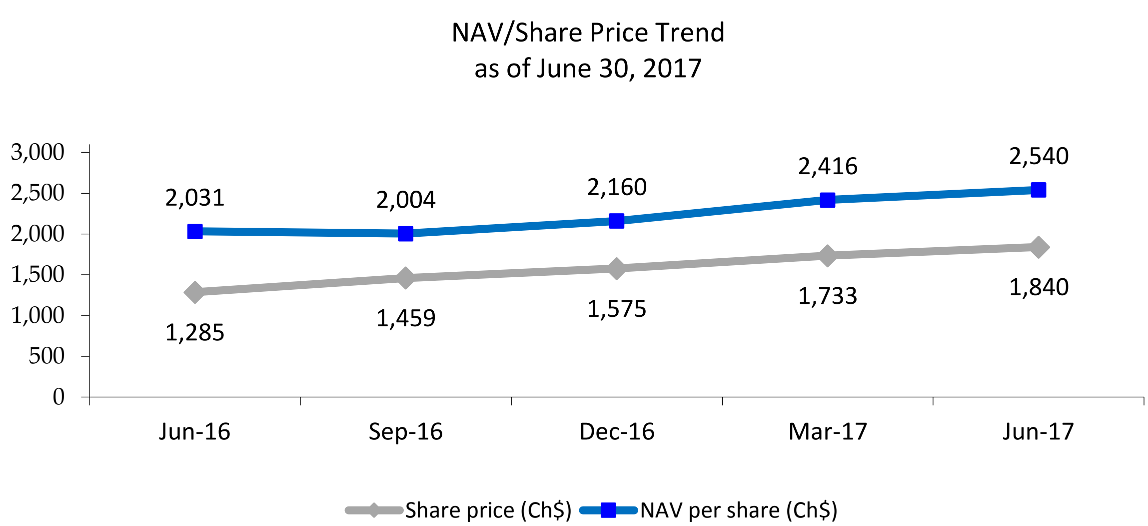
NAV

As of June 30, 2017, the estimated net asset value (NAV) of Quiñenco was US$6.4 billion (Ch$2,540 per share) and market capitalization was US$4.6 billion (Ch$1,840 per share). The discount to NAV is estimated at 27.6% as of the same date.





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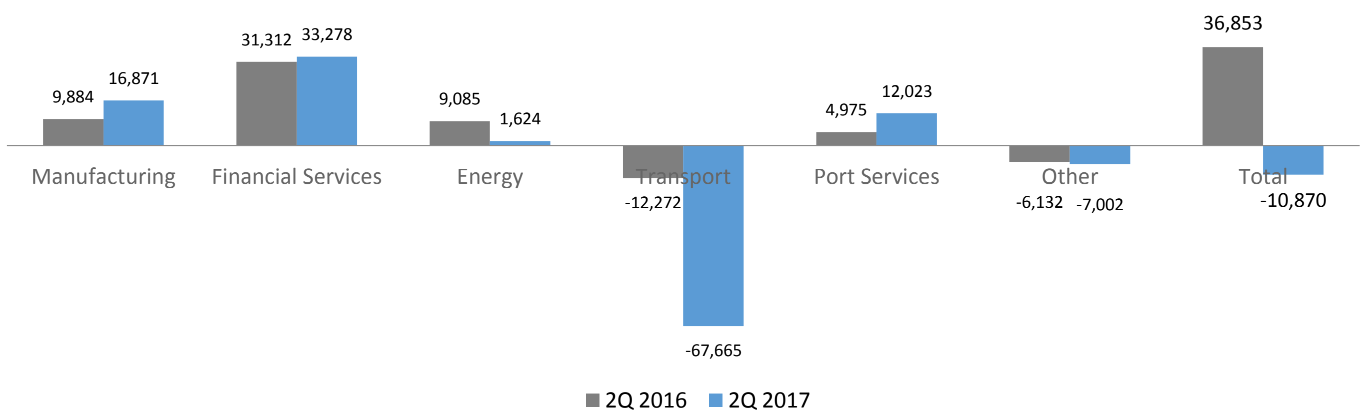
SEGMENT / OPERATING COMPANY ANALYSIS

Sector /Segment	Manufacturing		Financial		Energy		Transport		Port Services		Other		Total	
	2Q 16	2Q 17	2Q 16	2Q 17	2Q 16	2Q 17	2Q 16	2Q 17	2Q 16	2Q 17	2Q 16	2Q 17	2Q 16	2Q 17
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Industrial Sector														
Income (loss) from continued operations before taxes	4,384	**17,879**	(4,336)	**(4,136)**	10,383	**1,833**	(11,356)	**(107,010)**	13,675	**54,739**	(3,777)	**(4,993)**	8,973	**(41,687)**
Income tax	(4,032)	**(112)**	169	**918**	(1,299)	**(209)**	(11,170)	**(13,466)**	(2,302)	**(28,928)**	(1,187)	**(909)**	(19,820)	**(42,707)**
Net income from discontinued operations	12,644	**(1,059)**	-	**-**	-	**-**	845	**-**	-	**-**	-	**-**	13,489	**(1,059)**
Consolidated Net income (loss) industrial sector	12,997	**16,707**	(4,167)	**(3,218)**	9,085	**1,624**	(21,682)	**(120,476)**	11,373	**25,811**	(4,964)	**(5,902)**	2,641	**(85,453)**
Banking Sector														
Income before taxes	-	**-**	159,937	**172,176**	-	**-**	-	**-**	-	**-**	-	**267**	159,937	**172,443**
Income tax	-	**-**	(27,228)	**(30,406)**	-	**-**	-	**-**	-	**-**	-	**-**	(27,228)	**(30,406)**
Consolidated Net income banking sector	-	**-**	132,709	**141,770**	-	**-**	-	**-**	-	**-**	-	**267**	132,709	**142,037**
Consolidated net income (loss)	12,997	**16,707**	128,542	**138,552**	9,085	**1,624**	(21,682)	**(120,476)**	11,373	**25,811**	(4,964)	**(5,635)**	135,350	**56,584**
Net income (loss) attributable to Non-controlling interests	3,112	**(164)**	97,230	**105,274**	-	**-**	(9,410)	**(52,811)**	6,398	**13,788**	1,168	**1,366**	98,497	**67,454**
Net Income (Loss) Attributable to Controllers' shareholders	**9,884**	**16,871**	**31,312**	**33,278**	**9,085**	**1,624**	**(12,272)**	**(67,665)**	**4,975**	**12,023**	**(6,132)**	**(7,002)**	**36,853**	**(10,870)**

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 2016 and 2017 to Quiñenco's net income:

	2Q 16		2Q 17	
	MCh$	MUS$	MCh$	MUS$
Invexans	5,297	8.0	17,672	26.6
Techpack	4,587	6.9	(801)	(1.2)
Total Manufacturing Segment	**9,884**	**14.9**	**16,871**	**25.4**

As of June 30, 2016 and 2017, Quiñenco's ownership of Invexans was 98.6% and 98.7%, respectively. As of June 30, 2016 and 2017, Quiñenco's ownership of Techpack was 65.9% and 100.0%, respectively.

INVEXANS

	2Q 16		2Q 17		2Q 16	2Q 17
	MCh$	MUS$	MCh$	MUS$	ThUS$	ThUS$
Sales	9	0.0	-	-	13	**-**
Operating income (loss)	91	0.1	(306)	(0.5)	125	**(459)**
Non-operating income (loss)	5,308	8.0	18,231	27.4	7,793	**27,407**
Net income (loss) controller	5,372	8.1	17,909	27.0	7,878	**26,923**
Total assets			342,044	514.9		**514,901**
Shareholders' equity			321,823	484.5		**484,463**

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 SVS, 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 SVS 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.

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2Q 2017 Results

Invexans reported an operating loss of US$459 thousand, down from the gain of US$125 thousand reported in 2Q 2016, mainly due to a gain of US$512 thousand on the sale of property available for sale reported during 2Q 2016.

Non-operating income amounted to a gain of US$27,407 thousand, compared to a gain of US$7,793 thousand in 2Q 2016. This favorable variation is primarily explained by Invexans' accounting of its share in Nexans' results for the semester, as Nexans does not publish results as of March. As of June 2017 Nexans reported a gain of €91 million, a significant improvement over the gain of €30 million reported in the first half of 2016. Nexans' operating income grew by 4% to €140 million, reflecting the positive impact of the company's restructuring and efficiency plans, along with a 2.4% increase in organic sales, boosted by strong growth of submarine high voltage operations, despite a 32% drop in activities of the oil and gas sector. Thus, the Transmission, Distribution and Operators division posted positive operating performance, with 8.7% growth in organic sales and a 25% rise in operating income, based on strong sales growth in the high voltage submarine segment and increasing demand for telecom cables, which compensated a contraction of the distribution market in all geographic areas, with the exception of Asia-Pacific and North America. The Distributors and Installers division, in turn, reported a decrease of 3.2% in organic sales, mainly due to particularly good performance of LAN cables in the USA and China in the first half of 2016, and a slow recovery of sales of energy cables to the construction market in Europe. With respect to the second half of 2016, however, there has been improvement. The Industrial division reported a slight decline of 0.7% in organic sales. The activities related to the oil and gas sector continued with a negative trend, falling 39.9% in organic terms, whereas sales of car harnesses grew 2.5% and the wind farm, aeronautical and robotics segments continued with two digit growth, thus enabling stable operating results for the division as a whole. At the non-operating level, Nexans reported a favorable variation of €65 million due to the core exposure effect (a gain of €40 million in 1H 2017 vis-à-vis a loss of €25 million in 1H 2016).

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 gain of US$27,534 thousand for its investment in Nexans during the quarter, improving from the gain of US$7,898 thousand reported in 2Q 2016.

Invexans posted a net gain of US$26,923 thousand in 2Q 2017, a substantial increase over the gain of US$7,878 thousand reported in 2Q 2016, primarily explained by improved results at Nexans.

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TECHPACK

	2Q 16		2Q 17		2Q 16	2Q 17
	MCh$	MUS$	MCh$	MUS$	ThUS$	ThUS$
Sales	25	0.0	3	0.0	36	**4**
Operating income (loss)	(1,275)	(1.9)	(436)	(0.7)	(1,871)	**(659)**
Net income (loss) from discontinued operations	12,642	19.0	(1,059)	(1.6)	18,628	**(1,596)**
Net income (loss) controller	6,959	10.5	(1,149)	(1.7)	10,266	**(1,734)**
Total assets			154,728	232.9		**232,922**
Shareholders' equity			151,243	227.7		**227,676**

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 filed with the SVS, 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.

2Q 2017 Results

During the second quarter of 2017, Techpack's operating income amounted to a loss of US$659 thousand, down by 64.8% from 2Q 2016, mostly explained by lower administrative expenses, reflecting the company's new structure after the sale of its flexible packaging business in May 2016, and, to a lesser extent, a gain on the sale of a property in Santiago.

Non-operating income for the quarter amounted to a gain of US$585 thousand, higher than the gain of US$388 thousand reported in 2Q 2016, primarily attributable to greater financial income, based on a higher balance of cash during the quarter, partially offset by lower gains from exchange rate differences.

Income tax for the quarter amounted to US$143 thousand, compared to an expense of US$5,892 thousand in 2Q 2016, the latter mostly related to the sale of Techpack's flexible packaging business in May 2016. Discontinued operations, in turn, reported a loss of US$1,596 thousand in 2Q 2017, compared to a gain of US$18,628 thousand in 2Q 2016. The result in 2Q 2016 primarily reflects the gain of approximately US$$20 million from the sale of the flexible packaging business to Amcor. In the current quarter, the loss corresponds mostly to taxes and expenses related to this transaction, as well as costs involved in the maintenance of the discontinued brass mills operations. Thus, net income for 2Q 2017 reached a loss of US$1,734 thousand, compared to the gain US$10,266 thousand reported in 2Q 2016.

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FINANCIAL SEGMENT

The following table details the contribution of the investments in the Financial Segment during 2016 and 2017 to Quiñenco's net income:

	2Q 16		2Q 17	
	MCh$	MUS$	MCh$	MUS$
LQIF holding	(2,084)	(3.1)	(1,609)	(2.4)
Banking sector	33,395	50.3	34,887	52.5
Total Financial Segment	**31,312**	**47.1**	**33,278**	**50.1**

As of June 30, 2016 and 2017, Quiñenco's ownership of LQIF was 50.0%. LQIF's economic rights in Banco de Chile were 33.2% as of June 30, 2016 and 33.4% as of June 30, 2017.

LQIF Holding

LQIF holding registered a loss of Ch$3,218 million, 22.8% below the loss of Ch$4,167 million reported in 2Q 2016, mainly explained by a higher income tax credit during the current quarter, and a lower loss from the effect of inflation on financial obligations denominated in UFs, due to a lower rate of inflation in 2Q 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

	2Q 16		2Q 17	
	MCh$	MUS$	MCh$	MUS$
Operating revenues	475,579	715.9	**448,176**	674.7
Provision for loan losses	(92,929)	(139.9)	**(62,103)**	(93.5)
Operating expenses	(205,630)	(309.5)	**(197,402)**	(297.2)
Net income controller	150,985	227.3	**159,818**	240.6
Loan portfolio	24,698,316	37,180.0	**25,635,977**	38,591.5
Total assets	31,007,979	46,678.4	**32,277,333**	48,589.2
Shareholders' equity	2,790,999	4,201.5	**2,983,831**	4,491.8
Net financial margin	5.5%		**4.8%**	
Efficiency ratio	43.2%		**44.1%**	
ROAE	21.7%		**21.7%**	
ROAA	2.0%		**2.0%**	

2Q 2017 Results

Banco de Chile reported net income of Ch$159,818 million in the second quarter of 2017, increasing by 5.9% with respect to the second quarter of 2016. This result is primarily explained by lower provisions for loan losses and a decrease in operating expenses, partially offset by lower operating income, although customer-related income continued its positive growth trend.

Operating revenues, which include net financial income, fee income and other operating income, decreased by 5.8% to Ch$448,176 million in the second quarter of 2017. This decline is mainly attributable to the sale of Available for Sale (AFS) instruments during 2Q 2016 that resulted in the recognition of unrealized mark-to-market gains. This was partially compensated by higher income from loans, resulting from average loan balances increasing by 3.6%, boosted by an 8.7% expansion in retail banking loans, and a 9.8% increment in fee income, mainly generated by transactional services. There was also a positive impact from the credit value adjustment for derivatives, more convenient funding resulting from a strengthened capital base and repricing of short term liabilities amid a scenario of lower interest rates, and a favorable exchange rate effect on the Bank's USD asset position that hedges its exposure to USD-denominated loan loss allowances and cross border risk allowances, which more than offset a lower contribution from the Bank's net asset exposure to UFs, due to a somewhat lower variation in the UF in 2Q 2017 (0.73%) compared to 2Q 2016 (0.93%).

Provisions for loan losses amounted to Ch$62,103 million, 33.2% below 2Q 2016. This positive variation is mainly explained by the establishment of additional allowances in 2Q 2016 amounting to Ch$52.1 billion, based on the less optimistic outlook for the local economy and volatility in international markets at the time. This favorable impact was partially compensated by amendments to the regulatory framework that led to lower loan loss provisions in 2Q 2016, a net credit quality improvement in the wholesale segment also in 2Q 2016, higher loan loss provisions in the current quarter explained by 3.6% growth in average loans, focused in the retail banking segment, and an unfavorable impact of exchange rate variations on USD-denominated loan loss allowances.

Operating expenses diminished by 4.0% to Ch$197,402 million, mainly due to lower other operating expenses, mostly attributable to non-credit related allowances set in 2Q 2016, and a decrease in administrative expenses. Personnel expenses, on the other hand, increased a slight 0.8%.

As of June 2017, the Bank's loan portfolio had experienced an annual growth of 3.8% and a slight quarterly increase of 0.9%. Annual growth reflects the expansion of 8.7% in retail banking loans, boosted by an 8.5% increment in loans from middle and upper income individuals, mostly reflecting mortgage loans, and a 12.4% rise in loans to SMEs, offsetting a decline of 1.3% in loans managed by the consumer finance division. The wholesale segment, in turn, registered a 2.5% decrease in loans.

Banco de Chile is the second ranked bank in the country with a market share of 17.8% of total loans (excluding operations of subsidiaries abroad) as of June 2017. Its return on average equity (annualized) reached 21.7% in 2Q 2017.

Interest Subordinated Debt

In the second quarter of 2017 accrued interest expense of the Subordinated Debt with the Chilean Central Bank was 2.8% lower than the second quarter of 2016, mainly due to the effect of a lower rate of inflation in 2Q 2017 as compared to the same period in 2016.

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ENERGY SEGMENT

The following table details the contribution of the investments in the Energy Segment during 2016 and 2017 to Quiñenco's net income:

	2Q 16		2Q 17	
	MCh$	MUS$	MCh$	MUS$
Enex	9,085	13.7	1,624	2.4
Total Energy Segment	**9,085**	**13.7**	**1,624**	**2.4**

As of June 30, 2016 and 2017, Quiñenco controls 100% of the energy segment.

ENEX

	2Q 16		2Q 17	
	MCh$	MUS$	MCh$	MUS$
Sales	407,059	612.8	**455,257**	685.3
Operating income	11,786	17.7	**2,648**	4.0
Net income Controller	9,085	13.7	**1,624**	2.4
Total assets			**771,691**	1,161.7
Shareholders' equity			**571,818**	860.8

2Q 2017 Results

Enex's consolidated sales during 2Q 2017 reached Ch$455,257 million, up by 11.8% from 2Q 2016, mainly due to higher fuel prices and higher sales volumes in service stations, compensating lower sales volumes in the industrial channel. The total volume dispatched by Enex during the quarter amounted to 917 thousand cubic meters, 1.4% higher than in 2Q 2016, of which 97.5% corresponds to fuels.

Gross income during the period reached Ch$45,336 million, 9.2% below 2Q 2016, primarily due to lower margins in fuels as compared to 2Q 2016, mostly resulting from the effect of selling inventory at historical cost given declining international reference prices, partially offset by the growth in sales volume through service stations and improved margins in lubricants. Operating income during the quarter reached a gain of Ch$2,648 million, down by 77.5% from 2Q 2016, largely due to the decrease in gross income explained above, together with higher selling and administrative expenses, mostly explained by greater depreciation and higher costs related to service stations and convenience stores. EBITDA reached Ch$7,560 million in the second quarter of 2017, 47.3% lower than the second quarter of 2016.

Non-operating income amounted to a loss of Ch$815 million, compared to the loss of Ch$1,403 million reported in 2Q 2016, mostly explained by lower net financial costs, partially offset by lower exchange rate gains in 2Q 2017 vis-à-vis 2Q 2016. Net income for 2Q 2017 amounted to Ch$1,624 million, 82.1% below net income reported in 2Q 2016, primarily reflecting lower operating results during the quarter, partially offset by lower income tax expense.

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TRANSPORT SEGMENT

The following table details the contribution of the investments in the Transport Segment during 2016 and 2017 to Quiñenco's net income:

	2Q 16		2Q 17	
	MCh$	MUS$	MCh$	MUS$
CSAV	(12,272)	(18.5)	(67,665)	(101.9)
Total Transport Segment	**(12,272)**	**(18.5)**	**(67,665)**	**(101.9)**

As of June 30, 2016 and 2017, Quiñenco's ownership of CSAV was 56.0%. Quiñenco's proportionate share in CSAV's results is adjusted by the fair value accounting of this investment at Quiñenco. During 2Q 2016 and 2Q 2017 the adjustment was a lower result of Ch$26 million and Ch$224 million, respectively.

CSAV

	2Q 16		2Q 17		2Q 16	2Q 17
	MCh$	MUS$	MCh$	MUS$	ThUS$	ThUS$
Sales	17,202	25.9	**21,780**	32.8	30,119	**32,820**
Operating income (loss)	8,414	12.7	**1,084**	1.6	13,149	**1,596**
Net income (loss) controller	(21,877)	(32.9)	**(120,492)**	(181.4)	(32,299)	**(179,114)**
Total assets			**1,307,023**	1,967.5		**1,967,549**
Shareholders' equity			**1,202,944**	1,810.9		**1,810,872**

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 SVS, as shown in the last two columns of the table. Since CSAV sold its stake in the liquid bulk business, in 2016 it classified this business as a discontinued operation.

2Q 2017 Results

CSAV's consolidated sales in 2Q 2017 reached US$32.8 million, increasing by 9.0% with respect to 2Q 2016. This variation is primarily explained by higher revenue from the car carrier business, mostly boosted by growth in sales volumes that have compensated falling average freight rates. Gross income, however, decreased 40.3% to US$1.7 million, mainly reflecting the lower average rates.

Operating income amounted to a gain of US$1.6 million in 2Q 2017, compared to a gain of US$13.2 million reported in 2Q 2016, primarily reflecting the reversal of a provision related to a claim made by the NYSA-ILA pension fund for

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longshoremen at the ports of New York and New Jersey in the USA, which was resolved favorably for CSAV in 2Q 2016, and to a lesser extent, the decline in gross income.

Non-operating income for the quarter amounted to a loss of US$160.7 million, substantially greater than the loss of US$29.2 million reported in 2Q 2016. This unfavorable 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$167.2 million, partially compensated by CSAV's share in Hapag-Lloyd's results for the second quarter, adjusted by CSAV's fair value accounting of this investment, which amounted to a gain of US$7.4 million. Hapag-Lloyd reported net income of US$16 million in the second quarter of 2016, which compares favorably with the loss of US$111 million reported in 2Q 2016, based on a positive operating result, reflecting 7.8% growth in Hapag-Lloyd's transport volume, 6.7% higher average freight rates, and the addition of UASC starting May 24, 2017. EBITDA reached US$253 million, up 204.8% from the same period in 2016, with an EBITDA margin of 9.6%. It is also worth noting that the merger with UASC generated a non-recurring gain of US$52.3 million (related to badwill), as well as transaction and integration costs amounting to US$73 million during the quarter.

CSAV reported a net loss of US$179.1 million in 2Q 2017, compared to a loss of US$32.3 million in 2Q 2016, primarily due to the accounting loss related to its dilution in Hapag-Lloyd following the merger with UASC in 2Q 2017, and to a lesser extent, to the reversal of the NYSA-ILA provision in 2Q 2016, slightly offset by improved performance of Hapag-Lloyd during the current quarter.

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PORT SERVICES SEGMENT

The following table details the contribution of the investments in the Port Segment during 2016 and 2017 to Quiñenco's net income:

	2Q 16		2Q 17	
	MCh$	MUS$	MCh$	MUS$
SM SAAM	4,975	7.5	12,023	18.1
Total Port Services Segment	**4,975**	**7.5**	**12,023**	**18.1**

As of June 30, 2016 and 2017, Quiñenco's ownership of SM SAAM was 50.8% and 52.2%, respectively. Quiñenco's proportionate share in SM SAAM's results in 2017 is adjusted by the fair value accounting of this investment at Quiñenco. During 2Q 2017 the adjustment was a lower result of Ch$390 million.

SM SAAM

	2Q 16		2Q 17		2Q 16	2Q 17
	MCh$	MUS$	MCh$	MUS$	ThUS$	ThUS$
Sales	67,033	100.9	76,466	115.1	98,927	**115,143**
Operating income	7,772	11.7	53,721	80.9	11,483	**80,187**
Net income controller	9,803	14.8	23,781	35.8	14,459	**35,489**
Total assets			965,144	1,452.9		**1,452,895**
Shareholders' equity			502,446	756.4		**756,366**

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 SVS, as shown in the last two columns of the table.

2Q 2017 Results

In the second quarter of 2017 SM SAAM's consolidated sales reached US$115.1 million, up by 16.4% from 2Q 2016, primarily explained by higher revenues from port terminals, partially offset by lower revenues from logistics Chile and tug boats. Revenues from port terminals increased 96.1%, primarily reflecting the addition of Puerto Caldera in Costa Rica in February 2017, and to a lesser extent, growth in the other consolidated ports, particularly at the port of Guayaquil (TPG), reflecting higher volumes transferred. Revenues from logistics, however, decreased 24.1% mainly owing to the restructuring process of the division, in line with its business strategy, consisting of Supply Chain focused on transport services, storage and special services to specific industries. Revenues from tug boats diminished 8.9% mostly attributable to lower revenues from Mexico, due to fewer offshore contracts, and also from Uruguay, due to

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less special services. Consolidated revenues can be broken down as follows: Tug boats (38.3%), Ports (46.3%), and Logistics and others (15.4%).

Gross income amounted to US$30.4 million, 12.6% higher than 2Q 2016, explained mostly by higher gross income of port terminals, partially compensated by lower gross income of tug boats and, to a much lesser extent, of logistics. During 2Q 2017 operating income amounted to US$80.2 million, substantially greater than the gain of US$11.5 million reported in 2Q 2016, primarily explained by the non-recurring gain of US$70.2 million (before taxes) on the sale of SM SAAM's stake in Tramarsa (Peru), in April 2017. Although to a lesser extent, operating income was also boosted by the growth in gross income, explained largely by the addition of Puerto Caldera and good performance of the port of Guayaquil. SM SAAM's consolidated EBITDA[7] reached US$29.6 million in 2Q 2017, 23.0% higher than the same period in 2016, mainly attributable to the port terminals segment, which more than offset lower EBITDA from the tug boat segment.

Non-operating income for the quarter amounted to a gain of US$1.5 million, 83.1% lower than the gain reported in 2Q 2016. This variation is mainly explained by a lower contribution from equity investments, primarily reflecting the sale of Tramarsa in April 2017, therefore the quarter includes only one month of activities in Peru. Also, the ports of San Antonio and San Vicente in Chile reported lower results due to a reduced level of activity and greater competitiveness, as did tug boats in Brazil, mainly due to higher costs.

SM SAAM reported a net gain of US$35.5 million in 2Q 2017, up by 145.4% from 2Q 2016, mainly due to the non-recurring gain of US$30.5 million after taxes from the sale of SM SAAM's minority stake in Tramarsa (a 35% share), and to a much lesser extent, the favorable impact from the addition of Puerto Caldera in Costa Rica, more than offsetting lower results of logistics and tug boats during the quarter.

[7] Corresponds to EBITDA reported by SM SAAM.

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OTHER SEGMENT

The following table details the contribution from investments in the Segment Other during 2016 and 2017 to Quiñenco's net income:

	2Q 16		2Q 17	
	MCh$	MUS$	MCh$	MUS$
IRSA (CCU) [8]	1,114	1.7	1,884	2.8
Quiñenco & other	(7,246)	(10.9)	(8,886)	(13.4)
Total Other Segment	**(6,132)**	**(9.2)**	**(7,002)**	**(10.5)**

As of June 30, 2016 and 2017, Quiñenco's ownership of CCU was 30.0%.

CCU

	2Q 16		2Q 17	
	MCh$	MUS$	MCh$	MUS$
Sales	307,905	463.5	**345,043**	519.4
Operating income	13,311	20.0	**20,988**	31.6
Net income controller	6,281	9.5	**8,455**	12.7
Total assets			**1,824,027**	2,745.8
Shareholders' equity			**1,093,174**	1,645.6

2Q 2017 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 and Paraguay. Wine includes the commercialization of wine, mainly in the export market. CCU's sales in the second quarter of 2017 grew by 12.1% compared to the second quarter of 2016, as a result of 7.1% growth in consolidated sales volumes, driven by the International Business and Chile operating segments, and 4.6% higher average prices in terms of Chilean pesos. Sales growth was led by the International Business operating segment, with a 42.8% increment, given a 12.9% rise in average prices and a strong 26.5% increase in volumes, mostly resulting from higher sales volumes in Argentina, as well as in Paraguay and Uruguay. The Chile segment posted 6.9% growth in sales reflecting 4.1% higher volumes and a 2.7% increase in average prices. The Wine segment reported a slight decline of 0.7% in sales, due to 3.2% lower sales volumes, partly offset by 2.6% higher average prices.

Gross income rose by 15.7% to Ch$175,513 million, boosted by higher gross income in the International Business and Chile segments, reflecting the increment in sales and costs increasing fairly in line with volume growth, compensating

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

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lower gross income from the Wine segment, mostly due to a higher cost of wine following two consecutive weak harvests. The gross margin as a percentage of sales increased from 49.3% in 2Q 2016 to 50.9% in 2Q 2017.

Operating income reached Ch$20,988 million, increasing 57.7% from 2Q 2016, primarily explained by the increase in gross income explained above, partially offset by higher marketing, selling, distribution and administrative expenses, mainly due to inflation in Argentina. However, as a percentage of sales these expenses decreased in the International business and Chile segments in response to additional efficiencies achieved by the initiatives of the ExCCelencia CCU plan. EBITDA amounted to Ch$44,367 million in 2Q 2017, increasing 28.7% from 2Q 2016.

CCU reported non-operating losses of Ch$7,769 million, greater than the loss of Ch$6,083 million in 2Q 2016. The variation is mainly explained by greater losses of equity investments, mostly in Colombia, and to a lesser extent, higher net financial costs, partially compensated by lower losses from the effect of inflation on indexed liabilities.

Net income for the second quarter of 2017 amounted to Ch$8,455 million, 34.6% higher than the same quarter in 2016, primarily due to the improved operating performance, which more than offset lower non-operating results and income tax expense in the current quarter compared to a credit in the second quarter of 2016.

QUIÑENCO and Others

The lower result of Quiñenco and others is mainly explained at the corporate level, where greater losses from the effect of inflation on a higher balance of liabilities in UFs and higher financial costs were partially offset by increased financial income, reflecting the rise in the average cash balance, and by a decrease of 12.2% in Banchile Vida's net income for the quarter, mainly due to lower 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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