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QUIÑENCO S.A. ANNOUNCES CONSOLIDATED RESULTS FOR THE YEAR AND FOURTH QUARTER OF 2017

(Santiago, Chile, March 29, 2017) Quiñenco S.A., a leading Chilean business conglomerate, announced today its consolidated financial results under IFRS, for the fourth quarter ended September 30, 2017.

Consolidated financial results are presented in accordance with IFRS and the regulations established by the Commission for the Financial Market (CMF, formerly Superintendency of Securities and Insurance). All figures are presented in nominal Chilean pesos, unless stated otherwise. Figures in US$ have been converted from Chilean pesos (Ch$) at the observed exchange rate on December 31, 2017 (Ch$614.75 = US$1.00), unless indicated otherwise, and are only provided for the reader's convenience.

2017 HIGHLIGHTS

Net income of Ch$108,740 million in 2017, 38.5% below 2016, strongly influenced by accounting loss reported by CSAV due to its dilution in Hapag-Lloyd following the merger with UASC.

Nexans doubled its net income reaching 125 million euros, based on 12% growth in operating income, boosted by strong performance of the high voltage submarine segment, and a favorable core exposure effect. Hapag-Lloyd posted net income of US$30 million, reversing the loss of US$107 million in 2016, mainly based on growth in transported volumes.

Net income at Enex declined mainly due to greater operating expenses, mainly depreciation of fixed assets. SM SAAM's results primarily reflect the non-recurring gain on the sale of its stake in Tramarsa, while CCU's higher contribution reflects growth in the International Business and Chile segments, compensating lower results in the Wine segment.

In the banking sector, Banco de Chile's results were boosted by lower loan loss provisions and growth in customer-related income.

Earnings per share amounted to Ch$65.40 in 2017.

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GROUP HIGHLIGHTS – FOURTH QUARTER 2017 AND SUBSEQUENT EVENTS

CSAV reaches 25% stake in Hapag-Lloyd

CSAV acquired 6.4 million new shares during the capital increase of Hapag-Lloyd completed during October 2017, thus reaching a 24.7% share. Hapag-Lloyd successfully raised €352 million during its follow on. As agreed during the merger process, CSAV acquired additional shares from Kühne Maritime, thus reaching a 25% stake in Hapag-Lloyd, with a total investment, including the capital increase, of approximately €222 million. At year-end, CSAV had reached a 25.5% stake in Hapag-Lloyd, through additional purchases.

CSAV carries out capital increase to finance subscription in HL follow on

On November 22, 2017, CSAV completed its capital increase raising US$294 million to fund its participation in Hapag-Lloyd's capital increase. All 6,100 million new shares were placed at a price of Ch$30.55 per share. Quiñenco participated in the process, increasing its stake in CSAV slightly to 56.17%.

CCU signs agreement with AB InBev terminating Budweiser license in Argentina

On September 6, 2017, CCU announced an agreement with AB InBev regarding the anticipated termination of the distribution license for Budweiser in Argentina. CCU is to receive up to US$400 million, corresponding to: i) US$306 million in a single payment; ii) US$28 million annually for a three year commercial transition; and iii) US$10 million corresponding to a manufacturing contract. The transaction was approved by the antitrust authority in Argentina during March 2018.

CCU carries out Tender Offer for VSPT

During December 2017, CCU announced the acquisition of one billion shares of Viña San Pedro Tarapacá (VSPT). Since ownership surpassed the 2/3 threshold, in compliance with current regulation CCU launched a tender offer for VSPT shares, at a price of Ch$7.8 per share. Once finalized in January 2018, CCU reached 83.01% ownership in VSPT.

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INFORMATION ON FINANCIAL STATEMENTS AND SEGMENTS

FORMAT OF FINANCIAL STATEMENTS

As of 2012, the Superintendency of Securities and Insurance (SVS), now Commission for the Financial Market, modified the format of the Income Statement, adding the line "Gains (losses) of operating activities". As defined by the CMF 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 28.52% stake in Nexans, a French multinational company leader in the world cable industry. As of December 31, 2017, Quiñenco has a 98.7% stake in Invexans.

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 December 31, 2017, through its subsidiaries Invexans and Techpack, Quiñenco has a 29.05% 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 and purchase rights, Quiñenco's ownership of Techpack reached 100.0% as of December 2017.

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 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. Therefores in 2016 and 2017 all of Norgistics operations have been classified has discontinued activities in the income statement. During the fourth quarter of 2017, Quiñenco acquired an additional 0.2% stake in CSAV, reaching 56.2%.

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 December 31, 2017, Quiñenco has a 66.3% interest in SegChile.

On May 24, 2017, Hapag-Lloyd materialized the merger with United Arab Shipping Company Limited (UASC). The shareholders of UASC received shares equivalent to a 28% stake in Hapag-Lloyd. Thus, existing shareholders of Hapag-Lloyd diluted their stakes. CSAV's stake in Hapag-Lloyd was reduced from 31.4% to 22.6%. During the fourth quarter of 2017, CSAV acquired additional shares of Hapag-Lloyd, reaching a stake of 25.5% at year-end.

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

Full Year Results

Sector /Segment	Manufacturing		Financial		Energy		Transport		Port Services		Other		Total	
	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Consolidated Net Income (Loss) Industrial Sector	14,968	**21,917**	(15,815)	**(13,207)**	20,227	**8,774**	(17,198)	**(127,240)**	37,738	**42,114**	29,648	**13,307**	69,568	**(54,335)**
Consolidated Net Income Banking Sector	-	-	479,342	**503,076**	-	-	-	-	-	-	-	**590**	479,342	**503,667**
Consolidated Net Income (Loss)	14,968	**21,917**	463,527	**489,869**	20,227	**8,774**	(17,198)	**(127,240)**	37,738	**42,114**	29,648	**13,897**	548,910	**449,332**
Net Income (Loss) Attributable to Non-controlling Interests	3,091	(167)	351,690	370,574	-	-	(7,184)	(56,036)	20,699	22,296	3,712	3,925	372,008	340,592
Net Income (Loss) Attributable to Controllers' Shareholders*	11,877	22,084	111,837	119,295	20,227	8,774	(10,014)	(71,203)	17,039	19,818	25,936	9,972	176,902	108,740

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

Net Income – Full Year 2017

Quiñenco reported net income of Ch$108,740 million in 2017, 38.5% below 2016, primarily attributable to the accounting loss reported by CSAV arising from its net dilution in Hapag-Lloyd, following the latter's merger with UASC and the additional stake purchased by CSAV during 4Q 2017, which amounted to a loss of approximately Ch$57.200 million for Quiñenco. This effect was partly compensated by CSAV's share in Hapag-Lloyd's results for the year, which improved substantially based on growth in transported volumes, boosted by the merger with UASC, and a slight recovery in freight rates. In the energy segment, gross income at Enex increased, due to higher sales volumes and improved margins in lubricants. However net income was negatively affected by higher depreciation of fixed assets, and higher expenses related to sales points and provisions. In the manufacturing segment, Nexans doubled its net income in 2017 reaching €125 million, due to 12% growth in operating income, boosted by the high voltage submarine business, and also due to a positive core exposure effect. Techpack's contribution declined, mostly explained by the non-recurring gain on the sale of its flexible packaging business reported in 2016. Banco de Chile posted a 4.3% increment in net income, mainly due to lower loan loss provisions, partially offset by a decline in operating revenues, although customer-related income continued its positive growth trend, and by higher income tax expense. CCU reported a 9.4% rise in net income, reflecting favorable performance of the International Business and Chile segments, which compensated lower results of the Wine segment. SM SAAM also posted higher net income, primarily owing to the non-recurring gain from the sale of its minority stake in Tramarsa, and also to positive performance of the port terminals segment, compensating lower results from tug boats and logistics. Finally, results at the corporate level declined due to the non-recurring gain from the revaluation of Quiñenco's investment in SM SAAM, due to the change in its accounting from equity investment to consolidated subsidiary, reported in 2016, and higher financial costs in the current quarter, partially compensated by higher financial income, better tax results, and lower contingency provisions.

Earnings per ordinary share amounted to Ch$65.40 in 2017.

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Summarized Consolidated Income Statement

Quarterly Results

Sector /Segment	Manufacturing		Financial		Energy		Transport		Port Services		Other		Total	
	4Q 16	4Q 17	4Q 16	4Q 17	4Q 16	4Q 17	4Q 16	4Q 17	4Q 16	4Q 17	4Q 16	4Q 17	4Q 16	4Q 17
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Consolidated Net Income (Loss) Industrial Sector	3,726	**6,483**	(3,732)	**(3,776)**	1,094	**(4,422)**	20,357	**6,679**	2,870	**4,597**	32,184	**5,793**	56,498	**15,354**
Consolidated Net Income Banking Sector	-	**-**	105,999	**124,365**	-	**-**	-	**-**	-	**-**	-	**130**	105,999	**124,496**
Consolidated Net Income (Loss)	3,726	**6,483**	102,267	**120,589**	1,094	**(4,422)**	20,357	**6,679**	2,870	**4,597**	32,184	**5,924**	162,497	**139,850**
Net Income (Loss) Attributable to Non-controlling Interests	(110)	(61)	77,708	91,174	-	-	8,963	2,694	1,105	2,018	1,229	741	88,895	96,566
Net Income (Loss) Attributable to Controllers' Shareholders*	3,836	6,544	24,558	29,416	1,094	(4,422)	11,394	3,985	1,765	2,579	30,955	5,183	73,602	43,284

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

Net Income – 4Q 2017

Quiñenco reported a net gain of Ch$43,284 million in the fourth quarter of 2017, 41.2% below the gain of Ch$73,602 million reported in the same period in 2016. This variation is primarily explained by a lower contribution at the corporate level, due to a non-recurring gain reported in 4Q 2016 derived from the revaluation of Quiñenco's investment in SM SAAM, and to a lesser extent from CSAV and Enex. Banco de Chile, Invexans, Techpack, SM SAAM and CCU, however, increased their contributions to consolidated net income during the quarter.

CSAV's contribution declined mainly due to higher income tax expense during the quarter, while CSAV's share in Hapag-Lloyd's quarterly results remained stable. Enex's results decreased in 4Q 2017, mainly owing to higher expenses, primarily corresponding to provisions and depreciation of fixed assets, offsetting growth in gross income. Banco de Chile's net income increased mostly due to lower loan loss provisions, together with growth in revenues, compensating higher operating and income tax expenses. Invexans' contribution also increased, reflecting Nexans' profits for the second half of the year. SM SAAM's results, however, were lower, mainly due to the absence of Tramarsa in the current quarter, despite strong growth in operating income based on the addition of Puerto Caldera in Costa Rica and positive performance of the port of Guayaquil.

Earnings per ordinary share amounted to Ch$26.03 in the fourth quarter of 2017.

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Consolidated Income Statement Breakdown

	Quarters				Full Year			
	4Q 16		4Q 17		2016		2017	
	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$
Industrial Sector								
Revenues	**562,871**	**915.6**	**633,691**	**1,030.8**	**2,146,958**	**3,492.4**	**2,381,154**	**3,873.4**
Manufacturing - Invexans & Techpack	2	0.0	5	0.0	57	0.1	9	0.0
Financial - LQIF holding	-	-	-	-	-	-	-	-
Energy - Enex	453,966	738.5	513,523	835.3	1,691,434	2,751.4	1,888,725	3,072.3
Transport - CSAV	10,743	17.5	9,882	16.1	73,934	120.3	71,476	116.3
Port Services - SM SAAM	66,718	108.5	79,668	129.6	266,522	433.5	303,261	493.3
Other - Quiñenco & others	31,441	51.1	30,612	49.8	115,011	187.1	117,683	191.4
Operating income (loss)	**17,072**	**27.8**	**(6,634)**	**(10.8)**	**66,674**	**108.5**	**79,609**	**129.5**
Manufacturing - Invexans & Techpack	(1,903)	(3.1)	(1,783)	(2.9)	(5,479)	(8.9)	(3,106)	(5.1)
Financial - LQIF holding	(1,094)	(1.8)	(1,007)	(1.6)	(4,115)	(6.7)	(4,026)	(6.5)
Energy - Enex	(7)	(0.0)	(7,159)	(11.6)	27,110	44.1	11,296	18.4
Transport - CSAV	907	1.5	(383)	(0.6)	5,165	8.4	948	1.5
Port Services - SM SAAM	4,074	6.6	6.161	10.0	26,830	43.6	76,642	124.7
Other - Quiñenco & others	15,093	24.6	(2,462)	(4.0)	17,162	27.9	(2,146)	(3.5)
Non-operating income (loss)	**30,022**	**48.8**	**27,497**	**44.7**	**17,353**	**28.2**	**(64,856)**	**(105.5)**
Interest income	3,038	4.9	3,742	6.1	9,521	15.5	14,737	24.0
Interest expense	(11,258)	(18.3)	(13,282)	(21.6)	(44,323)	(72.1)	(50,705)	(82.5)
Share of net income/loss from related co.	41,780	68.0	38,743	63.0	67,373	109.6	(17,804)	(29.0)
Foreign exchange gain (loss)	(87)	(0.1)	2,624	4.3	2,169	3.5	3,026	4.9
Indexed units of account restatement	(3,450)	(5.6)	(4,330)	(7.0)	(17,387)	(28.3)	(14,110)	(23.0)
Income tax	9,332	15.2	(4,271)	(6.9)	(29,253)	(47.6)	(65,163)	(106.0)
Net income (loss) from discontinued operations	73	0.1	(1,238)	(2.0)	14,794	24.1	(3,925)	(6.4)
Consolidated Net Income (Loss) Industrial Sector	**56,498**	**91.9**	**15,354**	**25.0**	**69,568**	**113.2**	**(54,335)**	**(88.4)**
Banking Sector								
Operating revenues	420,360	683.8	434,440	706.7	1,735,946	2,823.8	1,710,443	2,782.3
Provision for loan losses	(87,280)	(142.0)	(59,320)	(96.5)	(309,733)	(503.8)	(234,983)	(382.2)
Operating expenses	(191,139)	(310.9)	(202,636)	(329.6)	(788,787)	(1,283.1)	(789,656)	(1,284.5)
Operating income (loss)	141,941	230.9	172,485	280.6	637,425	1,036.9	685,804	1,115.6
Non-operating income (loss)	(16,740)	(27.2)	(16,164)	(26.3)	(68,936)	(112.1)	(67,010)	(109.0)
Income tax	(19,202)	(31.2)	(31,825)	(51.8)	(89,147)	(145.0)	(115,128)	(187.3)
Consolidated Net Income (Loss) Banking Sector	**105,999**	**172.4**	**124,496**	**202.5**	**479,342**	**779.7**	**503,667**	**819.3**
Consolidated Net Income	**162,497**	**264.3**	**139,850**	**227.5**	**548,910**	**892.9**	**449,332**	**730.9**
Net Income Attributable to Non-controlling Interests	88,895	144.6	96,566	157.1	372,008	605.1	340,592	554.0
Net Income Attributable to Controllers' Shareholders	**73,602**	**119.7**	**43,284**	**70.4**	**176,902**	**287.8**	**108,740**	**176.9**

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Industrial Sector

Revenues – Full Year 2017

Consolidated revenues totaled Ch$2,381,154 million in 2017, 10.9% above 2016, mainly owing to higher revenues at Enex, and to a lesser extent, at SM SAAM and Banchile Vida, partially compensated by lower revenues from CSAV.

Consolidated sales in 2017 can be broken down as follows: Enex (79.3%), SM SAAM[1] (12.7%), CSAV (3.0%), and others (5.0%).

Revenues – 4Q 2017

Consolidated revenues totaled Ch$663,691 million in the fourth quarter of 2017, 12.6% 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]. These increments were partly offset by lower revenues at CSAV and Banchile Vida.

Consolidated sales in the fourth quarter of 2017 can be broken down as follows: Enex (81.0%), SM SAAM (12.6%), CSAV (1.6%), and others (4.8%).

Operating Income[2] – Full Year 2017

Operating income in 2017 reached a gain of Ch$79,609 million, 19.4% higher than the gain of Ch$66,674 million reported in 2016. The variation is primarily attributable to higher operating income at SM SAAM, mainly attributable to a non-recurring gain from the sale of its stake in Tramarsa (Peru), and to a lesser extent, better results at Techpack, partially compensated by lower operating income at the corporate level and at Enex, as well as CSAV and Banchile Vida, although to a lesser extent.

Operating Income – 4Q 2017

Operating income for the fourth quarter of 2017 reached a loss of Ch$6,634 million, compared to a gain of Ch$17,072 million in the fourth quarter of 2016. The decline in consolidated operating results is primarily attributable to the corporate level, due to the gain reported in 2016 from the revaluation of its investment in SM SAAM caused by the change in the accounting from equity investment to consolidated subsidiary, and also to lower results at Enex, Banchile Vida, and CSAV, partially offset by improved operating results from SM SAAM and, to a lesser extent, Techpack.

[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.

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EBITDA[3] – Full Year 2017

EBITDA amounted to Ch$110,002 million in 2017, up a slight 0.6% from 2016. Higher EBITDA from SM SAAM and CSAV was mostly offset by lower EBITDA from Enex and Banchile Vida.

EBITDA – 4Q 2017

EBITDA amounted to Ch$22,614 million in 4Q 2017, down 24.8% from the fourth quarter of 2016. The decline is primarily explained by lower EBITDA from Banchile Vida and CSAV, partially compensated by higher EBITDA from Enex, and, to a lesser extent, SM SAAM.

Non-Operating Results[4] – Full Year 2017

Non-operating income amounted to a loss of Ch$64,856 million in 2017, compared to a gain of Ch$17,353 million reported in 2016. The main items included in non-operating results are discussed below:

Proportionate share of net income of equity method investments (net) – Full Year 2017

Quiñenco's proportionate share of net income from equity method investments (net), which primarily includes the results from IRSA (CCU), as well as Invexans' share in Nexans' results, CSAV's share in Hapag-Lloyd's results, and SM SAAM's share in its affiliates, reached a loss of Ch$17,804 million, compared to a gain of Ch$67,373 million in 2016.

- Quiñenco's proportionate share of net income from IRSA (CCU) increased by 11.7% to Ch$36,879 million.
- SM SAAM's proportionate share in its affiliates decreased by 49.1% to Ch$14,582 million.
- Invexans' proportionate share in Nexans' net income (adjusted by fair value accounting at Invexans), together with Techpack's share in Nexans' net income, amounted to a gain of Ch$24,419 million in 2017, compared to the gain of Ch$10,530 million reported in 2016.
- CSAV's proportionate share of Hapag-Lloyd's net income (adjusted by fair value accounting at CSAV), including the loss derived from CSAV's net dilution in the German shipping company, amounted to a loss of Ch$94,855 million in 2017. In 2016, the proportionate share (adjusted by fair value accounting at CSAV), amounted to a loss of Ch$5,335 million.

Interest Income – Full Year 2017

Interest income in 2017 amounted to Ch$14,737 million, up by 54.8% from 2016. This variation is primarily explained by higher financial income at Quiñenco, and to a lesser extent, at Techpack and SM SAAM, mostly due to a lower average cash balance.

Interest Expense – Full Year 2017

Interest expense in 2017 amounted to Ch$50,705 million, up 14.4% with respect to 2016. The variation is mainly explained by higher interest expense at Quiñenco, and to a lesser extent, at SM SAAM and CSAV, partially compensated by lower financial expenses at Enex.

[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.

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Foreign currency exchange differences – Full Year 2017

In 2017, the gains/losses specific to foreign currency translation differences amounted to a gain of Ch$3,026 million, compared to a gain of Ch$2,169 million reported in 2016, primarily attributable to higher gains at Enex, Techpack, CSAV, and to a lesser extent, Invexans, partially compensated by an unfavorable variation at SM SAAM.

Indexed units of account restatement – Full Year 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$14,110 million in 2017, 18.8% lower than in 2016, primarily due to a lower rate of inflation in 2017, which had an effect mostly on LQIF holding and Quiñenco.

Non-Operating Results – 4Q 2017

Non-operating income amounted to a gain of Ch$27,497 million in the fourth quarter of 2017, compared to a gain of Ch$30,022 million in the same quarter of 2016.

Proportionate share of net income of equity method investments (net) – 4Q 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], CSAV's share in the results of Hapag-Lloyd, and SM SAAM's share in its affiliates, reached a gain of Ch$38,743 million, compared to a gain of Ch$41,780 million in 4Q 2016.

- Quiñenco's proportionate share of net income from IRSA (CCU) increased by a slight 0.3% to Ch$16,126 million.
- SM SAAM's proportionate share in its affiliates decreased by 55.2% to Ch$3,020 million.
- Invexans' proportionate share in Nexans' net income (adjusted by fair value accounting at Invexans), together with Techpack's share in Nexans' net income, increased 10.4% to a gain of Ch$5,686 million in 2017.
- CSAV's proportionate share of net income from Hapag-Lloyd (adjusted by fair value accounting), amounted to a gain of Ch$13,513 million, compared to a gain of Ch$13,472 million in 4Q 2016.

Interest Income - 4Q 2017

Interest income for the fourth quarter of 2017 amounted to Ch$3,742 million, 23.2% greater than that obtained in 4Q 2016. This variation corresponds mainly to higher financial income at SM SAAM, and to a lesser extent, at Techpack and CSAV.

Interest Expense - 4Q 2017

Interest expense for the fourth quarter of 2017 amounted to Ch$13,282 million, 18.0% greater than in 4Q 2016. The variation is mainly explained by higher financial costs at Quiñenco and SM SAAM, and to a lesser extent, at CSAV, partially offset by lower expenses at Enex.

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

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Foreign currency exchange differences – 4Q 2017

In 4Q 2017, the gains (losses) specific to foreign currency translation differences amounted to a gain of Ch$2,624 million, compared to a loss of Ch$87 million reported in 4Q 2016, primarily attributable to better results at Techpack and Enex, and to a lesser extent, at SM SAAM and CSAV.

Indexed units of account restatement – 4Q 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$4,330 million in the fourth quarter of 2017, compared to a loss of Ch$3,450 million reported in the same period of 2016. The variation is mainly explained by Quiñenco, due to the unfavorable effect of higher inflation together with a higher level of debt during the current quarter.

Income Taxes – Full Year 2017

The industrial sector reported income tax expense of Ch$65,163 million, compared to income tax of Ch$29,253 million reported in 2016, primarily due to higher income tax expense at SM SAAM and CSAV, to a small extent offset by lower tax expense at Techpack, Quiñenco, Invexans, and LQIF holding.

Income Taxes – 4Q 2017

The industrial sector reported an income tax expense of Ch$4,271 million in 4Q 2017, compared to a tax credit of Ch$9,332 million reported in 4Q 2016, primarily due to higher tax expense at CSAV and, to a much lesser extent, at SM SAAM, partially compensated by lower taxes at Invexans.

Discontinued Operations – Full Year 2017

In 2017 the result of discontinued operations amounted to a loss of Ch$3,925 million, compared to a gain of Ch$14,794 million in 2016. Discontinued operations in 2017 mainly correspond to Techpack, including the downward price adjustment, taxes and expenses related to the sale of the flexible packaging business, and also to CSAV's logistics and freight forwarder activities. Discontinued operations in 2016 primarily correspond to Techpack's gain on the sale of its flexible packaging business to Amcor, and to a much lesser extent, to CSAV's liquid bulk business sold in October 2016, and the logistics and freight forwarder activities sold or discontinued in 2017.

Discontinued Operations – 4Q 2017

In 4Q 2017 the result of discontinued operations amounted to a loss of Ch$1,238 million, compared to a gain of Ch$73 million in 4Q 2016. In 4Q 2017, the loss corresponds mainly to discontinued operations of CSAV's logistics and freight forwarder operations, and of Techpack, mainly corresponding to maintenance expenses of brass mills. In 4Q 2016, losses from CSAV's discontinued activities were compensated by a gain at Techpack´s discontinued operations.

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Non-controlling Interests – Full Year 2017

In 2017, at a consolidated level (including both industrial and banking net income), net income attributable to non-controlling interests amounted to Ch$340,592 million. Of the total amount reported in 2017, Ch$251,278 million corresponds to minority shareholders' share of Banco de Chile and SM-Chile's net income. Remaining net income attributable to non-controlling interest is explained by minority shareholders' share of LQIF's and, to a lesser extent, SM SAAM's net income, partially compensated by minority shareholders' share in CSAV's losses.

Non-controlling Interests – 4Q 2017

In the fourth quarter of 2017, at a consolidated level (including both Industrial and Banking net income), net income attributable to non-controlling interests amounted to Ch$96,566 million. Of the total amount reported in 4Q 2017, Ch$61,758 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.

Banking Sector

Operating Revenues - Full Year 2017

Operating revenues in 2017 amounted to Ch$1,710,443 million, 1.5% below the previous year. Operating revenues correspond almost entirely to Banco de Chile, which also posted a decline of 1.5%, mainly due to non-recurring income from available for sale securities in 2016, and a lower contribution of the Bank's net asset position in UFs in 2017, given a lower rate of inflation, and a lower result from the management and trading of available for sale securities. These negative effects were partially compensated by growth in customer related income, mostly boosted by higher lending spreads, along with loan growth, and higher fee income.

Operating Revenues - 4Q 2017

Operating revenues for the fourth quarter of 2017 amounted to Ch$434,440 million, 3.3% above the fourth quarter of 2016, mainly due to the favorable effect of higher inflation during the current quarter, higher income from loans and greater fee income, partially offset by lower revenues related to the Bank's net US$ asset position that hedges US$-denominated loan loss allowances.

Provision for Credit Risk - Full Year 2017

Provisions for loan losses at Banco de Chile amounted to Ch$234,982 million in 2017, 24.1% lower than 2016, mainly due to additional countercyclical provisions established in 2016, based on the Bank's expectations of the economic outlook, and also a net credit quality improvement, mostly explained by the wholesale segment.

Provision for Credit Risk - 4Q 2017

Provisions for loan losses at Banco de Chile amounted to Ch$59,320 million in the fourth quarter of 2017, 32.0% lower than the provisions registered in the fourth quarter of 2016, mainly attributable to a net credit quality improvement, mainly related to the retail segment that posted higher credit risk expenses in 4Q 2016.

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Operating Expenses - Full Year 2017

Operating expenses increased by a slight 0.1% to Ch$789,656 million, explained primarily by greater administrative expenses, other operating expenses, and higher depreciation and amortizations, mostly compensated by reduced personnel expenses, at Banco de Chile.

Operating Expenses - 4Q 2017

Operating expenses increased 6.0% to Ch$202,636 million in 4Q 2017, primarily reflecting higher operating expenses at Banco de Chile, mainly due to higher costs of leasing operations and of assets received in lieu of payment, as well as increased administrative expenses. These effects were partly offset by lower personnel expenses during the quarter.

Non-operating Results - Full Year 2017

During 2017 non-operating results amounted to a loss of Ch$67,010 million, 2.8% less than the loss of Ch$68,936 million reported in 2016, primarily explained by a better result from equity investments, and to a lesser extent, by lower accrued interest expense of the Subordinated Debt with the Chilean Central Bank, resulting mainly from the effect of lower inflation during the period on said expenses.

Non-operating Results - 4Q 2017

During the fourth quarter of 2017 non-operating results amounted to a loss of Ch$16,164 million, 3.4% below the fourth quarter of 2016, primarily explained by higher income attributable to equity investments.

Consolidated Net Income - Full Year 2017

Consolidated net income for the banking sector amounted to Ch$503,667 million up by 5.1% from 2016, resulting from lower loan loss provisions, partially offset by lower operating revenues and higher tax expense during the year.

Consolidated Net Income - 4Q 2017

Consolidated net income for the banking sector amounted to Ch$124,496 million in 4Q 2017, up by 17.5% from the same period in 2016, mainly due to lower loan loss provisions and higher operating revenues, partially offset by increased operating expenses and a 65.7% rise in income tax expense.

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CONSOLIDATED BALANCE SHEET ANALYSIS (vis-à-vis the 3rd quarter of 2017)

Condensed Consolidated Balance Sheet

	09-30-2017		12-31-2017	
	MCh$	MUS$	MCh$	MUS$
Current assets industrial sector	968,543	1,575.5	**876,109**	1,425.1
Non-current assets industrial sector	4,165,645	6,776.2	**4,282,128**	6,965.6
Assets financial sector	31,943,030	51,961.0	**32,824,184**	53,394.4
Total Assets	**37,077,218**	**60,312.7**	**37,982,420**	**61,785.1**
Current liabilities industrial sector	369,407	600.9	**432,364**	703.3
Long-term liabilities industrial sector	1,404,002	2,283.9	**1,381,914**	2,247.9
Liabilities financial sector	28,828,402	46,894.5	**29,615,351**	48,174.6
Non-controlling interests	3,481,257	5,662.9	**3,589,077**	5,838.3
Shareholders' equity	2,994,150	4,870.5	**2,963,713**	4,821.0
Total Liabilities & Shareholders' equity	**37,077,218**	**60,312.7**	**37,982,420**	**61,785.1**

Current Assets Industrial Sector

Current assets decreased by 9.5% compared to the third quarter of 2017, primarily due to a lower cash balance, mostly explained by CSAV's investment in Hapag-Lloyd's capital increase, which was partly offset by the funds received by CSAV from third parties in its capital increase during the same quarter. This reduction was partly offset by a higher balance of trade receivables at Enex.

Non Current Assets Industrial Sector

Non current assets increased by 2.8% compared to the third quarter of 2017, mainly reflecting a higher balance of equity investments. This increment is mostly explained by a higher balance at Hapag-Lloyd, mainly reflecting the capital increase carried out during the quarter, in addition to quarterly earnings.

Assets Banking Sector

Total assets of the banking sector increased by 2.8% compared to the third quarter of 2017. Loans to customers remained stable with respect to September 2017, reflecting lower commercial loans, partially compensated by growth in residential mortgage loans and consumer loans.

Current Liabilities Industrial Sector

Current liabilities increased by 17.0% compared to the third quarter of 2017, primarily due to higher trade payables at Enex, and a higher provision of dividends payable at Quiñenco.

Long-term Liabilities Industrial Sector

Long-term liabilities decreased by 1.6% compared to the third quarter of 2017, mainly due to a lower level of long term debt at Quiñenco and SM SAAM.

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Liabilities Banking Sector

Liabilities corresponding to the banking sector increased by 2.7% compared to the third quarter of 2017.

Minority Interest

Minority interest increased by 3.1% compared to the third quarter of 2017, mainly explained by higher minority interest at CSAV following its capital increase during the fourth quarter.

Equity

Shareholders' equity decreased by 1.0% compared to the third quarter of 2017, mainly due to a negative effect of conversion adjustments, partially compensated by period earnings, net of dividends.

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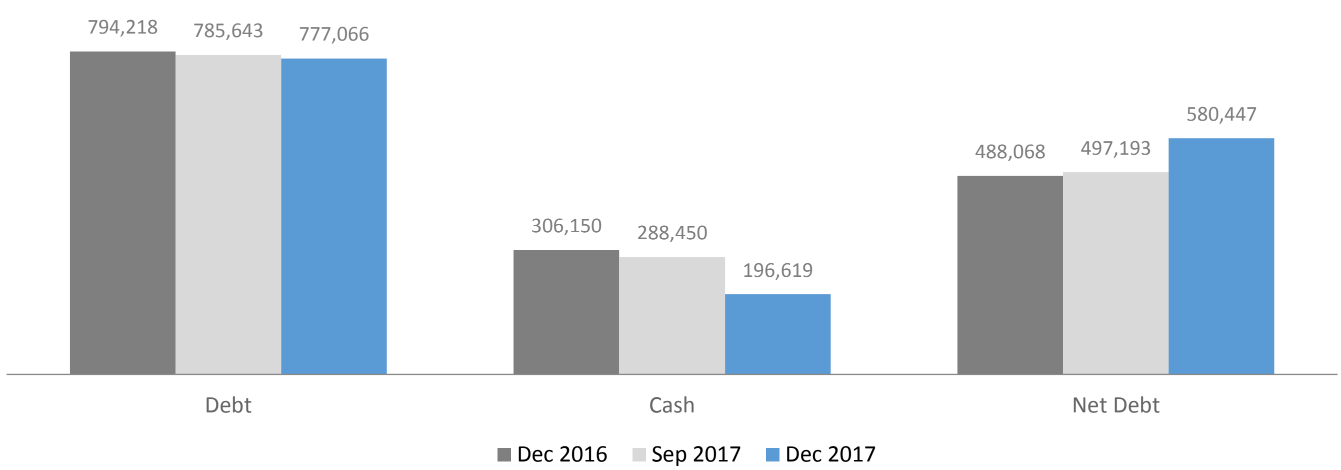
QUIÑENCO CORPORATE LEVEL DEBT AND CASH

As of December 31, 2017	Debt		Cash & Equivalents		Total Net Debt	
	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$
Corporate level	650,515	1,058.2	195,680	318.3	454,836	739.9
Adjusted for:						
50% interest in LQIF	93,982	152.9	407	0.7	93,575	152.2
50% interest in IRSA	32,568	53.0	532	0.9	32,036	52.1
Total	**777,066**	**1,264.0**	**196,619**	**319.8**	**580,447**	**944.2**

The debt to total capitalization ratio at the corporate level (unadjusted) was 17.6% as of December 31, 2017.

Corporate Level Adjusted[6] Cash & Debt

(Millions of Ch$)



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

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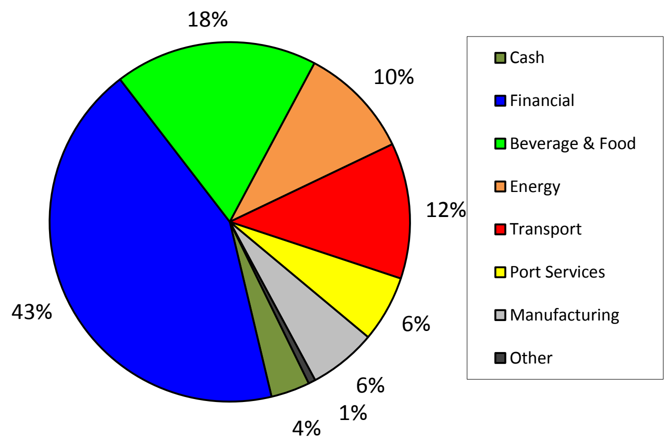
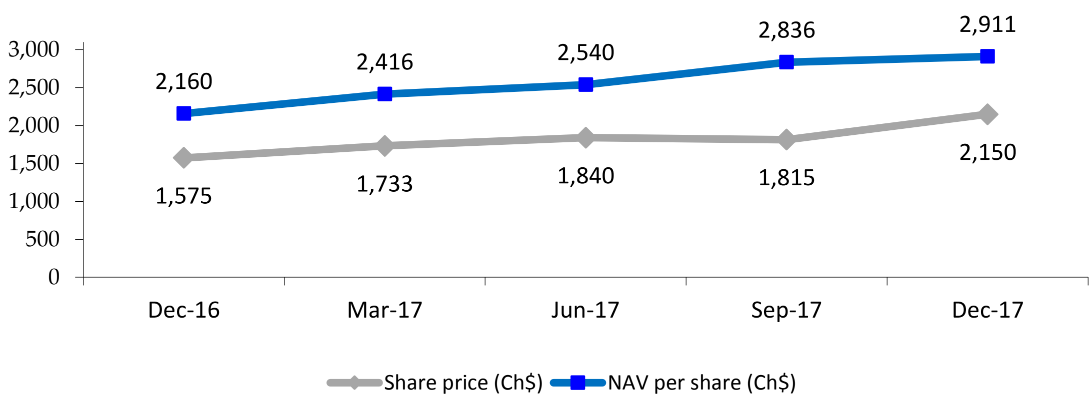
NAV

As of December 31, 2017, the estimated net asset value (NAV) of Quiñenco was US$7.9 billion (Ch$2,911 per share) and market capitalization was US$5.8 billion (Ch$2,150 per share). The discount to NAV is estimated at 26.1% as of the same date.

NAV as of December 31, 2017
US$7.9 billion



NAV/Share Price Trend
as of December 31, 2017



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SEGMENT / OPERATING COMPANY ANALYSIS

Full Year Results

Sector /Segment	Manufacturing		Financial		Energy		Transport		Port Services		Other		Total	
	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Industrial Sector														
Income (loss) from continued operations before taxes	5,463	**24,081**	(16,478)	**(14,659)**	21,196	**9,729**	(4,057)	**(96,731)**	45,567	**78,188**	32,336	**14,145**	84,027	**14,753**
Income tax	(4,372)	**929**	663	**1,452**	(969)	**(955)**	(14,057)	**(29,677)**	(7,829)	**(36,074)**	(2,688)	**(838)**	(29,253)	**(65,163)**
Net income from discontinued operations	13,878	**(3,093)**	-	**-**	-	**-**	916	**(832)**	-	**-**	-	**-**	14,794	**(3,925)**
Consolidated Net income (loss) industrial sector	14,968	**21,917**	(15,815)	**(13,207)**	20,227	**8,774**	(17,198)	**(127,240)**	37,738	**42,114**	29,648	**13,307**	69,568	**(54,335)**
Banking Sector														
Net income before taxes	-	**-**	568,489	**618,204**	-	**-**	-	**-**	-	**-**	-	**590**	568,489	**618,794**
Income tax	-	**-**	(89,147)	**(115,128)**	-	**-**	-	**-**	-	**-**	-	**-**	(89,147)	**(115,128)**
Consolidated Net income banking sector	-	**-**	479,342	**503,076**	-	**-**	-	**-**	-	**-**	-	**590**	479,342	**503,667**
Consolidated net income (loss)	14,968	**21,917**	463,527	**489,869**	20,227	**8,774**	(17,198)	**(127,240)**	37,738	**42,114**	29,648	**13,897**	548,910	**449,332**
Net income (loss) attributable to Non-controlling interests	3,091	**(167)**	351,690	**370,574**	-	**-**	(7,184)	**(56,036)**	20,699	**22,296**	3,712	**3,925**	372,008	**340,592**
Net Income (loss) Attributable to Controllers' shareholders	**11,877**	**22,084**	**111,837**	**119,295**	**20,227**	**8,774**	**(10,014)**	**(71,203)**	**17,039**	**19,818**	**25,936**	**9,972**	**176,902**	**108,740**

Quarterly Results

Sector /Segment	Manufacturing		Financial		Energy		Transport		Port Services		Other		Total	
	4Q 16	4Q 17	4Q 16	4Q 17	4Q 16	4Q 17	4Q 16	4Q 17	4Q 16	4Q 17	4Q 16	4Q 17	4Q 16	4Q 17
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Industrial Sector														
Income (loss) from continued operations before taxes	3,249	**5,865**	(3,902)	**(3,965)**	(993)	**(6,927)**	12,580	**11,947**	4,536	**7,322**	31,624	**6,621**	47,094	**20,863**
Income tax	(84)	**1,023**	170	**189**	2,087	**2,505**	8,265	**(4,436)**	(1,666)	**(2,725)**	560	**(828)**	9,332	**(4,271)**
Net income from discontinued operations	562	**(406)**	-	**-**	-	**-**	(489)	**(832)**	-	**-**	-	**-**	73	**(1,238)**
Consolidated Net income (loss) industrial sector	3,726	**6,483**	(3,732)	**(3,776)**	1,094	**(4,422)**	20,357	**6,679**	2,870	**4,597**	32,184	**5,793**	56,498	**15,354**
Banking Sector														
Net income before taxes	-	**-**	125,201	**156,190**	-	**-**	-	**-**	-	**-**	-	**130**	125,201	**156,321**
Income tax	-	**-**	(19,202)	**(31,825)**	-	**-**	-	**-**	-	**-**	-	**-**	(19,202)	**(31,825)**
Consolidated Net income banking sector	-	**-**	105,999	**124,365**	-	**-**	-	**-**	-	**-**	-	**130**	105,999	**124,496**
Consolidated net income (loss)	3,726	**6,483**	102,267	**120,589**	1,094	**(4,422)**	20,357	**6,679**	2,870	**4,597**	32,184	**5,924**	162,497	**139,850**
Net income (loss) attributable to Non-controlling interests	(110)	**(61)**	77,708	**91,174**	-	**-**	8,963	**2,694**	1,105	**2,018**	1,229	**741**	88,895	**96,566**
Net Income (loss) Attributable to Controllers' shareholders	**3,836**	**6,544**	**24,558**	**29,416**	**1,094**	**(4,422)**	**11,394**	**3,985**	**1,765**	**2,579**	**30,955**	**5,183**	**73,602**	**43,284**

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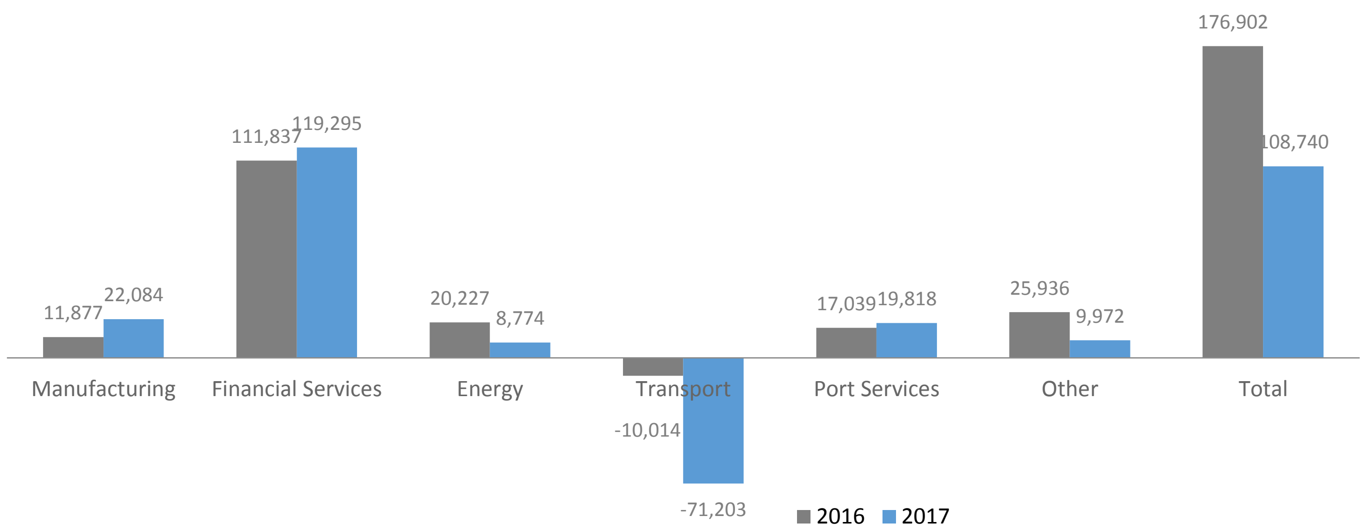
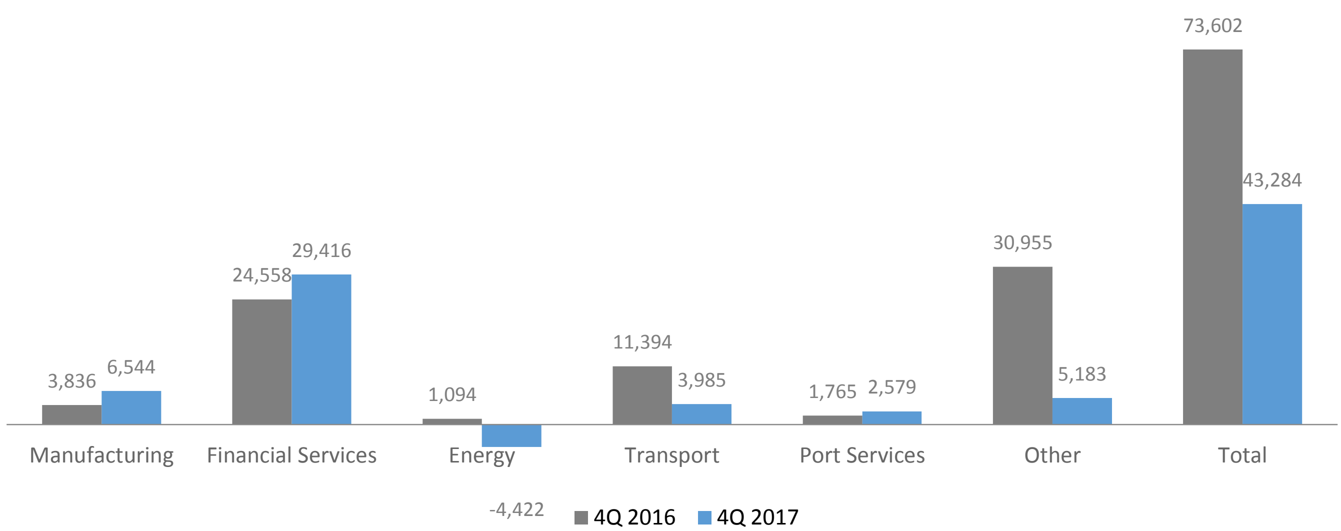
Contribution to Net Income by Segment
(Millions of Ch$)





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MANUFACTURING SEGMENT

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

	Quarters				Full Year			
	4Q 16		4Q 17		2016		2017	
	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$
Invexans	3,694	6.0	5,319	8.7	8,946	14.6	23,611	38.4
Techpack	142	0.2	1,224	2.0	2,931	4.8	(1,527)	(2.5)
Total Manufacturing Segment	**3,836**	**6.2**	**6,544**	**10.6**	**11,877**	**19.3**	**22,084**	**35.9**

As of December 31, 2016 and 2017, Quiñenco's ownership of Invexans was 98.6% and 98.7%, respectively. As of December 31, 2016 and 2017, Quiñenco's ownership of Techpack was 100.0%.

INVEXANS

	Quarters			
	4Q 16		4Q 17	
	MCh$	MUS$	MCh$	MUS$
Sales	0	0.0	-	-
Operating income (loss)	(1,158)	(1.9)	(1,230)	(2.0)
Non-operating income (loss)	5,016	8.2	5,666	9.2
Net income (loss) controller	3,744	6.1	5,391	8.8
Total assets			329,916	536.7
Shareholders' equity			314,169	511.1

	Quarters		Full Year	
	4Q 16	4Q 17	2016	2017
	ThUS$	ThUS$	ThUS$	ThUS$
Sales	-	-	60	**3**
Operating income (loss)	(1,738)	**(1,942)**	(1,416)	**(1,484)**
Non-operating income (loss)	7,520	**8,911**	15,092	**36,327**
Net income (loss) controller	5,611	**8,471**	13,464	**36,316**
Total assets			468,246	**536,669**
Shareholders' equity			437,206	**511,053**

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

Full Year 2017 Results

Invexans' revenues, which correspond mainly to income from leases and services, amounted to US$3 thousand in 2017, well below the previous period, mainly due to a lower number of properties for rent.

Operating income reached a loss of US$1,484 thousand, compared to the loss of US$1,416 thousand reported in 2016. This lower result is mainly due to higher expenses related to legal contingencies in Brazil and provisions, mostly offset by a gain of US$2,239 thousand from the sale of properties located in San Bernardo.

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Non-operating income amounted to a gain of US$36,327 thousand, compared to a gain of US$15,092 thousand in the previous year, primarily due to Invexans' accounting of its proportional investment in Nexans. During 2017 Nexans reported a net gain of €125 million, comparing favorably to the gain of €61 million reported in 2016. Nexans' operating income increased 12% reaching €272 million, with 5.1% growth in organic sales, boosted by strong growth of 45% in high voltage submarine sales. Thus, the Transmission, Distribution and Operators division reported positive performance, with 13% growth in organic sales and a 27% increment in operating income, based on the growth in high voltage submarine operations mentioned above, and a high demand for telecommunications cables, compensating a decrease in the distribution segment, despite showing some recovery during the second half of the year. The Distributors and Installers division reported a 0.9% increase in organic sales, reflecting contrasting trends between power cables and LAN cables. Power cables for the construction market picked up with 3.5% growth in organic sales in all regions, with the exception of South America. Sales of LAN cables, however, fell 6.9%, particularly in North America, continuing their downward trend despite sales picking up in Europe, Asia-Pacific, South America and the Middle East-Africa regions during the second semester. The Industrial division reported a decline of 1.6% in its organic sales. Automotive harnesses grew 2%, whereas sales of other industrial cables fell 4%, due to a drop of 30% in cables for the oil and gas sector, particularly in Asia.

At a non-operating level, Nexans reported a positive core exposure effect of €64 million in 2017, compared to a loss of €6 million in 2016. Invexans adjusts its proportional share in Nexans' results in accordance with the fair value determined for this investment. Thus, in all, Invexans reported a gain of US$36,421 thousand for its investment in the French company, compared to a gain of US$15,478 thousand reported in 2016.

In 2017 Invexans reported an income tax credit of US$1,473 thousand, comparing favorably to the income tax expense of US$212 thousand reported in 2016. Thus, net income for 2017 amounted to a gain of US$36,316 thousand, a significant improvement over the gain of US$13,464 thousand reported in 2016.

4Q 2017 Results

In 4Q 2017 Invexans reported a net gain of US$8,471 thousand, 51.0% greater than the gain reported in 2016. The result primarily reflects Invexans' share in Nexans' net income for the second half of 2017, which improved from a gain of US$7,580 thousand to a gain of US$8,887 thousand, reflecting the positive evolution of Nexans' net income during the period.

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TECHPACK

	Quarters				Quarters		Full Year	
	4Q 16		4Q 17		4Q 16	4Q 17	2016	2017
	MCh$	MUS$	MCh$	MUS$	ThUS$	ThUS$	ThUS$	ThUS$
Sales	2	0.0	5	0.0	4	**8**	21	**12**
Operating income (loss)	(745)	(1.2)	(553)	(0.9)	(1,117)	**(856)**	(6,669)	**(3,375)**
Net income (loss) from discontinued operations	562	0.9	(394)	(0.6)	844	**(641)**	20,362	**(4,714)**
Net income (loss) controller	55	0.1	1,117	1.8	85	**1,757**	6,284	**(2,954)**
Total assets			145,072	236.0			252,952	**235,985**
Shareholders' equity			141,923	230.9			230,863	**230,863**

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 CMF, 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 2016 and 2017.

Full Year 2017 Results

Techpack's operating income amounted to a loss of US$3,375 thousand in 2017, 49.4% less than the loss reported the prior year, primarily due to lower administrative expenses, reflecting a smaller administrative structure and operation following the sale of its productive assets in May 2016. Also, during 2017 Techpack reported a non-recurring gain related to the sale of properties located in San Miguel and Huechuraba, compared to negative non-recurring expenses in the prior period.

Non-operating income for the year amounted to a gain of US$5,097 thousand, compared to a gain of US$1,144 thousand in 2016, mostly due to higher financial income, based on a higher cash level, and a higher gain from exchange rate differences.

The gain from discontinued operations in 2017 amounted to US$4,714 thousand, substantially lower than the gain of US$20,362 thousand corresponding to 2016, primarily due to the after tax gain generated by the sale of Techpack's flexible packaging business to Australian Amcor in May 2016. In 2017, the loss includes the downward price adjustment, taxes and fees related to this transaction, as well as maintenance costs of the brass mills discontinued operations.

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4Q 2017 Results

Techpack's net income reached a gain of US$1,757 thousand in 4Q 2017, compared to a gain of US$85 thousand in 4Q 2016, primarily due to gains from exchange rate differences during the current quarter, and higher financial income, based on a higher cash balance. Discontinued operations, however, posted a loss of US$641 thousand in 4Q 2017 compared to a gain of US$844 thousand in 4Q 2016, mainly due to maintenance costs related to the discontinued brass mills operations.

FINANCIAL SEGMENT

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

	Quarters				Full Year			
	4Q 16		4Q 17		2016		2017	
	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$
LQIF holding	(1,866)	(3.0)	(1,888)	(3.1)	(7,908)	(12.9)	(6,604)	(10.7)
Banking sector	26,424	43.0	31,304	50.9	119,745	194.8	125,899	204.8
Total Financial Segment	**24,558**	**39.9**	**29,416**	**47.8**	**111,837**	**181.9**	**119,295**	**194.1**

As of December 31, 2016 and 2017, Quiñenco's ownership of LQIF was 50.0%. LQIF's economic rights in Banco de Chile were 33.4% as of December 31, 2016 and 33.9% as of December 31, 2017.

LQIF Holding – Full Year 2017

LQIF holding registered a loss of Ch$13,207 million in 2017, 16.5% lower than the loss of Ch$15,815 million in 2016, primarily due to lower losses arising from the effect of inflation on liabilities denominated in UFs (indexed to inflation), due to a lower rate of inflation in 2017, and a higher income tax credit.

LQIF Holding - 4Q 2017 Results

LQIF holding registered a loss of Ch$3,776 million, 1.2% above the loss of Ch$3,732 million reported in 4Q 2016, mainly explained by a less favorable result from the effect of inflation on financial obligations denominated in UFs, due to a higher variation of 0.53% in the UF in the current quarter, vis-à-vis an increment of 0.47% in 4Q 2016.

Banking Sector

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

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BANCO DE CHILE

	Quarters				Full Year			
	4Q 16		4Q 17		2016		2017	
	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$
Operating revenues	420,210	683.5	**434,296**	706.5	1,734,794	2,822.0	**1,709,270**	2,780.4
Provision for loan losses	(87,281)	(142.0)	**(59,319)**	(96.5)	(309,735)	(503.8)	**(234,982)**	(382.2)
Operating expenses	(190,863)	(310.5)	**(202,540)**	(329.5)	(788,283)	(1,282.3)	**(789,298)**	(1,283.9)
Net income controller	124,034	201.8	**142,352**	231.6	552,249	898.3	**576,012**	937.0
Loan portfolio					25,385,534	41,294.1	**25,439,535**	41,381.9
Total assets					31,533,683	51,295.1	**32,824,188**	53,394.4
Shareholders' equity					2,887,410	4,696.9	**3,105,714**	5,052.0
Net financial margin	4.7%		**4.6%**		4.9%		**4.6%**	
Efficiency ratio	45.4%		**46.6%**		45.4%		**46.2%**	
ROAE	17.2%		**18.6%**		19.6%		**19.3%**	
ROAA	1.6%		**1.8%**		1.8%		**1.8%**	

Full Year 2017 Results

Banco de Chile reported net income of Ch$576,012 million in 2017, 4.3% higher than in 2016. Lower loan loss provisions and growth in customer-related income during the period compensated lower non-customer income and a higher corporate tax rate.

Operating revenues, which include net financial income, fee income and other operating income, decreased 1.5% in 2017 to Ch$1,709,270 million, mainly due to non-recurring revenues from the sale of available for sale (AFS) securities in 2016. Although to a lesser extent, the impact of lower inflation on the Bank's net asset position and lower income from the management of trading and AFS securities also contributed to the decline. These variations were partially compensated by higher income from loans, based on higher lending spreads and, to a lesser extent, growth in average loans, boosted by retail banking loans growing 7.0% annually, and also from greater fee income, mainly attributable to transactional services, mutual funds, and securities brokerage.

Provisions for loan losses amounted to Ch$234,982 million down 24.1% from 2016. This decrease is mainly attributable to countercyclical provisions established in 2016, given the Bank's expectations of the economic outlook, and also to a net credit quality improvement, mostly explained by the wholesale segment, where in addition loans decreased 9%.

Operating expenses increased a slight 0.1% to Ch$789,298 million compared to 2016, mostly due to higher administrative expenses, which increased 1.7%, higher other operating expenses, and also greater depreciation and amortization, mainly related to the replacement of ATMs and IT implementations. On the other hand, personnel expenses decreased 2.1%, mostly explained by a decline in headcount and lower severance payments.

Income tax expense in 2017 increased 29.2% to Ch$115,034 million.

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As of December 2017, the Bank's loan portfolio posted an annual expansion of 0.2%, placing the Bank as number 2 in total loans. In the retail segment, loans grew 7.8%, boosted by loans granted to middle and upper income individuals and also to SMEs, whereas loans managed by the consumer finance division decreased. The wholesale segment, however, experienced an annual decrease of 9.1%, largely influenced by subdued economic growth.

Banco de Chile is the second ranked bank in the country with a market share of 17% of total loans (excluding subsidiaries outside Chile), for the period ended December 31, 2017. Its return on average equity reached 19.3%, compared to 12.0% for the local financial system.

4Q 2017 Results

Banco de Chile reported net income of Ch$142,352 million in the fourth quarter of 2017, increasing by 14.8% with respect to the fourth quarter of 2016. This increment is primarily based on lower loan loss provisions, reflecting a net credit quality improvement, mainly associated with the retail segment, and 3.4% growth in revenues, based on a higher contribution of the Bank's net UF asset exposure caused by higher inflation in the current quarter, greater income from loans and also higher fee income. These positive effects were partly offset by a 6.1% rise in operating expenses and higher income tax expense during the quarter.

Interest Subordinated Debt – Full year 2017

In 2017 accrued interest expense of the Subordinated Debt with the Chilean Central Bank decreased by 0.5% with respect to 2016, mainly due to the effect of a lower rate of inflation in 2017.

Interest Subordinated Debt – 4Q 2017

In the fourth quarter of 2017 accrued interest expense of the Subordinated Debt with the Chilean Central Bank remained stable.

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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:

	Quarters				Full Year			
	4Q 16		4Q 17		2016		2017	
	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$
Enex	1,094	1.8	(4,422)	(7.2)	20,227	32.9	8,774	14.3
Total Energy Segment	**1,094**	**1.8**	**(4,422)**	**(7.2)**	**20,227**	**32.9**	**8,774**	**14.3**

As of December 31, 2016 and 2017, Quiñenco controls 100% of the energy segment.

ENEX

	Quarters				Full Year			
	4Q 16		4Q 17		2016		2017	
	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$
Sales	453,966	738.5	**513,523**	835.3	1,691,434	2,751.4	**1,888,725**	3,072.3
Operating income	(7)	(0.0)	**(7,159)**	(11.6)	27,110	44.1	**11,296**	18.4
Net income controller	1,094	1.8	**(4,422)**	(7.2)	20,227	32.9	**8,774**	14.3
Total assets					777,630	1,265.0	**855,670**	1,391.9
Shareholders' equity					560,501	911.8	**567,737**	923.5

Full Year 2017 Results

During 2017 Enex reported sales of Ch$1,888,725 million, up by 11.7% from 2016, primarily due to higher prices of fuels and lubricants, and also to a 1.8% increase in sales volumes, based on growth in the retail channel and in the fleet card segment of the industrial channel. The total volume of dispatches amounted to 3.7 million cubic meters during the period, 1.8% above 2016, of which 97.6% were fuels.

Gross income during the period reached Ch$195,683 million, growing 2.0% over 2016, mainly reflecting the higher sales volume and improved margins in lubricants. Operating income, however, posted a 58.3% decrease, to Ch$11,296 million in 2017, primarily due to higher depreciation of fixed assets. Transport expenses and fees related to the higher sales volumes in service stations and in the fleet card segment of the industrial channel also increased, along with higher operating expenses at sales points and convenience stores. In addition, in 2017, higher provisions for legal contingencies were registered. EBITDA amounted to Ch$49,809 million in 2017, decreasing 7.9% from 2016.

Non-operating income amounted to a loss of Ch$1,567 million, 73.5% below the loss reported in 2016, mostly due to lower financial expenses and, to a lesser extent, a higher gain from exchange rate differences.

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Net income for the year amounted to Ch$8,774 million, 56.6% lower than the Ch$20,227 million reported in 2016, largely explained by the decrease in operating income, partially compensated by a better non-operating result and lower tax expense in the current quarter.

4Q 2017 Results

During 4Q 2017 Enex posted a net loss of Ch$4,422 million, compared to a gain of Ch$1,094 million in 4Q 2016. Operating income dropped substantially during the quarter mainly due to higher provisions for legal contingencies, and higher operating expenses, particularly depreciation of fixed assets, transport costs and expenses related to service stations. However, gross income grew 8.4% reflecting higher sales volumes and improved margins in fuels and lubricants. Total volumes dispatched grew 4.6% to 979 thousand cubic meters. EBITDA amounted to Ch$13,035 million, increasing 6.1% over 4Q 2016. Finally, during the quarter Enex reported an income tax credit.

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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:

	Quarters				Full Year			
	4Q 16		4Q 17		2016		2017	
	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$
CSAV	11,394	18.5	3,985	6.5	(10,014)	(16.3)	(71,203)	(115.8)
Total Transport Segment	**11,394**	**18.5**	**3,985**	**6.5**	**(10,014)**	**(16.3)**	**(71,203)**	**(115.8)**

As of December 31, 2016 and 2017, Quiñenco's ownership of CSAV was 56.0% and 56.2%, respectively. Quiñenco's proportionate share in CSAV's results is adjusted by the fair value accounting of this investment at Quiñenco. During 2016 and 2017 the adjustment was a lower result of Ch$684 million and a lower result of Ch$240 million, respectively.

CSAV

	Quarters				Quarters		Full Year	
	4Q 16		4Q 17		4Q 16	4Q 17	2016	2017
	MCh$	MUS$	MCh$	MUS$	ThUS$	ThUS$	ThUS$	ThUS$
Sales	10,743	17.5	**9,882**	16.1	16,171	**15,671**	109,299	**109,877**
Operating income (loss)	907	1.5	**(383)**	(0.6)	1,367	**(614)**	7,910	**1,334**
Net income (loss) controller	21,579	35.1	**7,108**	11.6	32,436	**11,274**	(23,317)	**(188,137)**
Total assets			**1,393,001**	2,266.0			2,168,159	**2,265,964**
Shareholders' equity			**1,301,707**	2,117.5			2,006,464	**2,117,457**

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. Since CSAV sold its stake in the liquid bulk business, in 2016 it classified this business as a discontinued operation. In addition, in 2017 CSAV sold its stake in Norgistics Chile and determined the closure of its other offices. Therefore, all of Norgistics operations have been classified as discontinued operations in 2016 and 2017 in the income statement.

Full Year 2017 Results

CSAV's consolidated sales in 2017 reached US$109.9 million, up by a slight 0.5% from 2016, mostly reflecting higher revenues in the car carrier business, based on growth in transported volumes, partially offset by lower average freight rates. The fall in rates was in part mitigated by the increase in fuel prices, which affects freight rates with adjustment clauses.

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CSAV's gross income amounted to US$7.3 million in 2017, improving over the gain of US$3.4 million reported in 2016, mainly due to a more efficient operating structure for the car carrier business and higher usage rates of vessels, partly compensated by higher costs of fuels, with prices increasing close to 43%. Part of this negative effect is compensated through increased revenues based on adjustment clauses, as explained above.

Operating income reached a gain of US$1.3 million in 2017, compared to a gain of US$7.9 million reported in 2016, mostly due to the reversal of the NYSA-ILA claim provision, which amounted to US$12.5 million, reported in the prior year, partially compensated by the increase in gross income and lower administrative expenses.

Non-operating income amounted to a loss of US$143.0 million in 2017, as compared to a loss of US$10.9 million reported in 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 million, partially compensated by an accounting gain of US$15 million generated by CSAV's acquisition of a higher stake in Hapag-Lloyd during the fourth quarter of 2017, and by CSAV's share in Hapag-Lloyd's results for the year, adjusted by CSAV's fair value accounting of this investment, which amounted to a gain of US$12.9 million. Thus, in all CSAV's investment in Hapag-Lloyd, including all of the effects explained above, amounted to a loss of US$139.5 million in 2017, compared to the loss of US$7 million reported in 2016.

Hapag-Lloyd reported net income of US$30 million in 2017, which compares favorably to the loss of US$107 million reported in 2016, based on a positive operating result. Sales grew 32.1% based on a 29.0% increase in transported volumes, boosted by the merger with UASC, and a slight 1.4% rise in average freight rates. EBIT amounted to US$466 million in 2017, substantially higher than the US$140 million reported the prior year. EBITDA reached US$1,198 million, with a margin of 10.6%, 78.5% greater than in 2016 (US$671 million).

In 2017 CSAV registered an income tax expense of US$45.2 million, compared to US$20.6 million in 2016, mostly due to taxes related to the financing structure of the investment in Hapag-Lloyd. Thus, in 2017 CSAV reported a net loss of US$188.1 million, significantly greater than the loss of US$23.3 million reported in 2016.

4Q 2017 Results

During the fourth quarter of 2017 CSAV posted a net gain of US$11.3 million, lower than the gain of US$32.4 million reported in the same period in 2016. This variation primarily reflects higher income tax expense in the current quarter, as compared to an income tax credit in the previous quarter. CSAV's share of Hapag-Lloyd's results for the quarter, adjusted by fair value accounting, and including the accounting gain generated by the additional share which CSAV purchased in Hapag-Lloyd during the fourth quarter, amounted to a gain of US$21.3 million compared to a gain of US$20.2 million in 4Q 2016.

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PORT SERVICES SEGMENT

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

	Quarters				Full Year			
	4Q 16		4Q 17		2016		2017	
	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$
SM SAAM	1,765	2.9	2,579	4.2	17,039	27.7	19,818	32.2
Total Port Services Segment	**1,765**	**2.9**	**2,579**	**4.2**	**17,039**	**27.7**	**19,818**	**32.2**

As of December 31, 2016 and 2017, Quiñenco's ownership of SM SAAM was 52.2%. Quiñenco's proportionate share in SM SAAM's results in 2017 is adjusted by the fair value accounting of this investment at Quiñenco. During 2016 the adjustment was a lower result of Ch$1,840 million and in 2017 the adjustment was a lower result of Ch$967 million.

SM SAAM

	Quarters			
	4Q 16		4Q 17	
	MCh$	MUS$	MCh$	MUS$
Sales	66,718	108.5	79,668	129.6
Operating income	4,074	6.6	6,161	10.0
Net income controller	6,906	11.2	4,609	7.5
Total assets			909,726	1,479.8
Shareholders' equity			472,921	769.3

	Quarters		Full Year	
	4Q 16	4Q 17	2016	2017
	ThUS$	ThUS$	ThUS$	ThUS$
Sales	100,219	**125,711**	393,932	**467,826**
Operating income	6,131	**9,758**	39,587	**115,811**
Net income controller	10,378	**7,301**	54,545	**60,442**
Total assets			1,267,479	**1,479,831**
Shareholders' equity			748,208	**769,290**

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

Full Year 2017 Results

In 2017 SM SAAM's consolidated sales reached US$467.8 million, up by 18.8% from 2016, mostly due to higher revenues from port terminals, partially compensated by lower revenues from logistics Chile and tug boats. Revenues of the port terminals segment were boosted by the addition of the port of Caldera in Costa Rica, and positive performance of the port of Guayaquil in Ecuador, which achieved significant increments in the volumes transferred, in response to new contracts signed at the beginning of the year. Revenues from logistics diminished due to restructuring processes, in line with the business strategy focused on transport, storage, and value added services for specific industries. Revenues from the tug boats segment also decreased, mainly due to lower revenues from Mexico,

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reflecting a lower number of off-shore contracts, and fewer special services in Uruguay. Consolidated revenues can be broken down as follows: tug boats (38.6%), port terminals (46.7%), and logistics and others (14.7%).

During 2017 operating income amounted to US$115.8 million, substantially higher than in 2016, primarily due to a non-recurring gain related to the sale of SM SAAM's 35% stake in Tramarsa (Peru). The positive performance of consolidated port terminals, boosted by the ports of Caldera and Guayaquil, were partly offset by lower results of tug boats in Mexico and Uruguay, and logistics Chile. SM SAAM's consolidated EBITDA reached US$117.7 million in 2017, up 28.8% from 2016.

Non-operating income for the year amounted to a gain of US$9.8 million, well below the gain of US$34.9 million reported in 2016. This variation is mainly explained by the sale of Tramarsa in April 2017 (accounted for as an equity investment), and lower results of the ports of San Antonio and San Vicente, due to lower activity and a more competitive environment, and lower results of tug boats in Brazil, mostly due to fleet repositioning costs, maintenance expenses and exchange rate effects.

Income tax expense during 2017 was US$56.3 million in 2017, compared to US$11.5 million the year before, mainly due to the addition of the port of Caldera, and greater results of Terminal Portuario Guayaquil (TPG).

4Q 2017 Results

In the fourth quarter of 2017 SM SAAM's net income amounted to US$7.3 million, down by 29.6% from 4Q 2016. This decline is primarily attributable to the absence of Tramarsa (Peru) in the current quarter, following the sale of SM SAAM's stake in that company during the 2Q of 2017. Operating income, however, increased by 59.2%, boosted by the addition of Puerto Caldera in Costa Rica, and growth at TPG, based on its increased capacity and new contracts, partially offset by lower operating income from tug boats and logistics.

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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:

	Quarters				Full Year			
	4Q 16		4Q 17		2016		2017	
	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$
IRSA (CCU)[7]	16,074	26.1	16,126	26.2	33,010	53.7	36,879	60.0
Quiñenco & other	14,881	24.2	(10,944)	(17.8)	(7,074)	(11.5)	(26,907)	(43.8)
Total Other Segment	**30,955**	**50.4**	**5,183**	**8.4**	**25,936**	**42.2**	**9,972**	**16.2**

As of December 31, 2016 and 2017, Quiñenco's ownership of CCU was 30.0%.

CCU

	Quarters				Full Year			
	4Q 16		4Q 17		2016		2017	
	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$
Sales	479,983	780.8	**510,120**	829.8	1,558,898	2,535.8	**1,698,361**	2,762.7
Operating income	83,493	135.8	**89,117**	145.0	192,306	312.8	**227,177**	369.5
Net income controller	55,432	90.2	**55,443**	90.2	118,457	192.7	**129,607**	210.8
Total assets					1,872,027	3,045.2	**1,976,229**	3,214.7
Shareholders' equity					1,077,298	1,752.4	**1,101,077**	1,791.1

Full Year 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 grew by 8.9% in 2017 compared to 2016, mainly as a result of 5.0% growth in consolidated sales volumes and a rise of 3.8% in average prices. In the International Business segment, sales increased 24.4%, based on 6.4% higher average prices together with strong growth of 16.9% in volumes, reflecting growth in Argentina, and to a lesser extent, Uruguay and Paraguay. The Chile business segment sales went up by 5.0%, with average prices increasing 3.7% and volumes up by 1.2%. Sales in the Wine segment increased 1.5%, reflecting 3.1% higher volumes, compensating 1.5% lower average prices.

Operating income increased 18.1% to Ch$227.177 million in 2017, primarily due to the 10.1% increase in gross income, reflecting growth of the International Business and Chile segments, partially compensated by lower gross income of the Wine segment, mainly due to higher costs of wine. Overall marketing, sales, distribution and

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

administrative expense increased 7.9%. However, as a percentage of sales they decreased in the Chile segment in response to the initiatives of the ExCCelencia CCU plan, particularly in planning and logistics, and in the International Business segment, reflecting the benefits of economies of scale and efficiencies, despite high inflation. In the Wine segment, however, these expenses increased slightly as a percentage of sales.

CCU reported non-operating losses of Ch$30,703 million, 39.7% higher than the loss reported in 2016, mainly due to higher financial costs and lower results from equity investments, particularly in Colombia, and lower financial income, partially compensated by lower losses from liabilities indexed to inflation, due to the lower rate of inflation in 2017.

Net income in 2017 amounted to Ch$129,607 million, 9.4% higher than in 2016, primarily due to the improvement in operating income, that was partially offset by higher income tax expense and greater non-operating losses.

4Q 2017 Results

In 4Q 2017 CCU's net income remained stable at Ch$55,443 million. Consolidated sales volumes grew 2.5% and average prices increased 3.7%, pushing revenues up by 6.3%. Gross income increased 7.3%, resulting from revenue management efforts and improved manufacturing efficiencies, compensating the higher cost of wine and the unfavorable effect of the devaluation of the Argentine peso. Marketing, sales, distribution and administrative expenses increased by 6.4%, but remained stable as a percentage of sales. Thus, EBITDA increased 11.5% to Ch$117,562 million in the quarter.

QUIÑENCO and Others

Full Year 2017 Results

The negative variation in Quiñenco and others is mainly explained at the corporate level by the revaluation of its investment in SM SAAM in 2016, due to the change in the accounting of this investment from an equity method investment to a consolidated subsidiary, and to a lesser extent, by higher financial costs and administrative expenses, also at the corporate level. These variations were partly compensated by an improved tax result, greater financial income derived from a higher cash balance, lower provisions for contingencies and lower losses from liabilities indexed to inflation, given the lower rate of inflation. Banchile Vida decreased its contribution by 9.6%, based on lower operating results.

4Q 2017 Results

The negative variation in Quiñenco and others is mainly explained at the corporate level by a non-recurring gain from the revaluation of its investment in SM SAAM in 4Q 2016, due to the change in the accounting of this investment from an equity method investment to a consolidated subsidiary. The contribution from Banchile Vida, however, diminished during the quarter, with a 33.5% decrease in net income, mostly explained by 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:

www.quinenco.cl
www.quinencogroup.com

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