

Quiñenco's net income increased 83% in 2016 driven by the recovery of multinational Nexans

Net income reached Ch\$176,902 million.

Santiago, March 30, 2017. Quiñenco reported net income of Ch\$176,902 million in 2016, representing an 83% increase as compared to the previous year.

This growth is mainly explained by the positive result of the French multinational, Nexans, of which Quiñenco is a reference shareholder, with a 29.05% indirect ownership. The new management, in office since the end of 2014, has implemented a wide variety of strategic initiatives and restructurings oriented to efficiency, which translated into an increasing operating result over the last two years, mainly thanks to cost reductions, greater efficiencies and optimization of its operating portfolio. The above led Nexans to propose a €0.5 dividend per share for the first time in the last four years.

In the manufacturing segment, Techpack's performance was also relevant, with the materialization of the sale of its flexible packaging business to Australian Amcor, a worldwide leader in this area which resulted in a US\$21 million after-tax profit for this subsidiary at year end. It is worth mentioning that after a successful Tender Offer carried out in November, Quiñenco now holds 100% of Techpack's ownership.

At a corporate level, the holding reported a gain arising from the revaluation of its investment in SM SAAM, pursuant to IFRS standards, as a consequence of its becoming a consolidated subsidiary as of the first quarter of 2016. Although during this period SM SAAM showed a 20.9% decrease in net income, mainly due to non-recurring effects reported during 2015, its performance in the port terminals area, reflecting the addition of TISUR port in Peru, and of tug boats in South America, was noteworthy. In addition, Quiñenco increased its share in SM SAAM: from 42.4% at the end of 2015, to 52.2% as of December, 2016.

In the transport segment, although Hapag-Lloyd reported a US\$107 million loss in 2016, the German shipping company had good operating performance with EBITDA of US\$671 million, which, in a context of poor economic growth worldwide together with high competitiveness, have again pushed down the industry's rates. The impact of the drop in rates was mitigated by lower fuel costs, savings programs and synergies.

In 2016 Enex maintained its growth track, with a 2.3% increase in net income and 38.1% rise in EBITDA, mainly driven by the 12.2% growth in sales volumes, both in the industrial channel and through its extensive network of service stations in the country.

Banco de Chile maintained its leadership in the banking industry's results and profitability, within a scenario of lower inflation and poor economic dynamism, based on 5.4% growth in revenues, with a clear focus on the retail segment. Its net results decreased slightly (1.2%) due to the impact of higher income taxes and greater operating expenses.

CCU's net income reached Ch\$118,457 million, slightly lower than the previous year (1.9%), mainly due to the negative impact on revenues and costs of the international business segment resulting from the devaluation of the Argentine peso, offset by good performance of the wine segment. Results in Chile, in spite of a highly competitive environment, were similar to the previous period, reflecting the implementation of strategic initiatives to increase efficiencies, such as the change to a combined sales route for beer and non-alcoholic beverages.

When announcing results, Quiñenco's CEO, Francisco Pérez Mackenna, valued that the "diversification and internationalization of our investments, essential elements in our strategy, together with a permanent search for efficiency yielded the desired results. In complex times for the domestic economy, the main driver comes from broad". He also mentioned the "holding's solid base in Chile", with companies in leading positions and high growth in spite of a more difficult business environment.

Quiñenco is one of the largest and most diversified business conglomerates in Chile, with consolidated assets amounting to approximately US\$55 billion. It participates in leading companies of the financial, beverage and food, manufacturing, energy, transport and port services sectors which in all employ approximately 65 thousand people in Chile and abroad. For further information visit www.quinenco.cl.