

“We must have closer contact with people”

Andrónico Luksic Craig:

- At the Shareholders' Meeting, Quiñenco's Chairman of the Board of Directors explained that the good results achieved in 2016 resulted from “growth in our profits thanks to our diversification worldwide, mainly Nexans' contribution, after almost five years without receiving dividends from this investment”.
- Andrónico Luksic also reflected on the climate of distrust in Chile and urged businessmen to participate in public debate to “try to make facts prevail over post-truth and respect prevail over discrediting”.
- Quiñenco's Chief Executive Officer, Francisco Pérez Mackenna, outlined that last year's results “reflect the strength of our sustained strategy aimed at continuously improving our efficiency and diversifying our investments”.

Santiago, April 28, 2017. During the Shareholders' Meeting held this morning the Chairman of Quiñenco's Board of Directors, Andrónico Luksic Craig, appealed to the businessmen of the country to participate in public debate.

During the annual account delivered to Shareholders, Luksic and Quiñenco CEO, Francisco Pérez Mackenna reported an 83.1% increase in net income recorded by the Company in 2016, amidst a complex domestic economic scenario, and explained that such increase was driven from abroad, mainly by the French multinational Nexans.

“2016 was a good year for Quiñenco. The profits obtained increased thanks to our geographical diversification, considering our presence in Germany, France and several other countries. Particularly noteworthy is Nexans' contribution, a company from which we had not received any dividends for almost five years”, he explained.

In his account to shareholders, Quiñenco's Chairman also reflected on the situation of the country and the environment in which companies carry out their businesses, stating that “regrettably, during the past few years we have witnessed a conception that casts doubts on the contribution of private businesses to our country's progress. A healthy civic coexistence has been challenged by distrust and, even worse, by discredits”.

In addition, the businessman extended an invitation to other businessmen to participate in public debate, indicating that “within a climate of distrust, there will never be unique and infallible formulas to move forward, but this is an urgent task that calls for us to accept there are new rules. We must strengthen the contact with people, hopefully without intermediaries. We must give our opinion, and allow others to express their opinion on us. We must try to make facts prevail over “post-truth” and respect to prevail over discrediting”.

“Let's clarify doubts, let's say what we think, what we do and, particularly, what we do not do. Let us not leave others to talk for us or about us, misinforming or stereotyping what entrepreneurs do in Chile”, he added.

In this sense, Andrónico Luksic explained that “it is a fact that in the private sector errors, malpractice and even crimes have occurred, which have been publicly admitted and are being prosecuted by the corresponding authorities. Nevertheless, these cases do not represent in any way most of the small, medium and large entrepreneurs that build the future of our country day by day, honestly and with a great effort”.

Quiñenco's Chairman explained that “it is our responsibility, as directors and shareholders' representatives, to demand from the executive officers to whom we have entrusted our business, to ensure that everything is done properly, better each day, with a strict and rigorous respect for the law and market ethics”.

Quiñenco's Results

After Mr. Luksic's words, Quiñenco's Chief Executive Officer, Francisco Pérez Mackenna highlighted the results achieved in 2016 within a scenario of low domestic economic activity. Thus, the CEO valued the net profit of Ch\$176,902 million obtained by the Company.

Pérez Mackenna explained that these results "reflect the strength of our sustained strategy, which aims to permanently improve our efficiency and diversify our investments".

In particular, he delivered some details on Nexans' operating results, which grew by 24%, reaching €242 million in 2016. The company's net income during the last year amounted to €61 million. As regards Banco de Chile and CCU – significant companies of Quiñenco's portfolio – he explained that although there was a slight decline in their profits last year, they both maintained their leadership in the industries where they participate, within an environment of slow economic growth.

Pérez Mackenna also highlighted the 2.3% increase in Enex's net income and the divestiture of Techpack's flexible packaging business, as well as the good results of the synergies achieved with the merger of CSAV and Hapag-Lloyd. The German shipping company also decreased its transport expenses per TEU by 15% during 2016.

"In summary, 2016 was a particularly challenging year for Quiñenco during which, apart from the accounting effect resulting from the consolidation of SM SAAM, our strategy of efficiency and diversification abroad allowed offsetting the effects of the low dynamism in the Chilean market", he stated. And added: "2017 once again poses important challenges for us, in a scenario of low economic growth in the country. Nevertheless, we have sound bases and a proven long-term strategy to face such challenges".

"We will continue focused on creating value through the development of our companies, optimizing their management and growth, in a continuous search for an adequate diversification of our investments portfolio. All of the above conditioned, of course, by sustainability as a strategic factor based on its three priority action lines: environment, community and compliance", ended Francisco Pérez Mackenna.

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