

**QUIÑENCO'S NET INCOME AMOUNTS TO  
Ch\$33,370 MILLION DURING THE FIRST SEMESTER OF 2017**

- Growth in the results of the operating companies Banco de Chile, Nexans, CCU and SM SAAM stands out during the period.
- Quiñenco's profits decreased 51% as compared to the same period of the previous year, explained by the accounting impact on CSAV of its dilution in Hapag-Lloyd after the merger with UASC.

**Santiago, September 7, 2017.** Most of Quiñenco's operating companies recorded a positive result during the first semester of 2017, allowing the Company to obtain a net income of Ch\$33,370 million as of June this year, decreasing 51% in comparison to the first semester of 2016.

The above is explained by one event: the accounting effect reported by Compañía Sud Americana de Vapores (CSAV) given its dilution resulting from the merger of the German shipping company Hapag-Lloyd with United Arab Shipping Company (UASC). This alliance, which shall generate estimated annual synergies of US\$435 million, meant a decrease in Quiñenco's subsidiary's share in the German shipping company from 31.4% to 22.6%, which according to IFRS implied an accounting loss of US\$155 million for CSAV. At the holding level, this accounting loss is equivalent to approximately US\$87 million.

It is worth mentioning that after the merger, Hapag-Lloyd became the fifth largest container shipping company in the world, with one of the most efficient and youngest fleets, strengthening it to face global competition in an extremely demanding industry. In fact, during the first semester Hapag-Lloyd decreased its net loss by 68%, reaching a positive operating result of US\$76 million and EBITDA of US\$393 million. The substantial improvement of its performance resulted from growth in the transported volumes, slightly higher rates, synergies and cost savings which offset higher oil prices during the semester. Also, among the businesses directly operated by CSAV, the car carrier segment also showed a positive evolution in its operating performance, with higher volumes and savings.

The French multinational Nexans, on the other hand, continued its positive trend in results, with a net profit of €91 million. This growth was driven by a strong increase in the high voltage submarine transmission segment, which offset the lower activity of the oil and gas sector and a favorable effect of variations in raw material prices on inventories.

Banco de Chile also showed a positive result by reporting a 5.7% increase in profits, obtaining close to Ch\$300,000 million during the semester. This figure is mainly explained by a decrease in loan loss provisions and lower operating expenses.

CCU, in turn, showed an increase of 8.2% in its net income and 13.4% in EBITDA, reflecting a better performance of the International Business and Chile segments. The Wine segment was mainly affected by a higher cost of grapes.

It should be noted that yesterday CCU reported having entered into an agreement with Anheuser-Busch InBev (ABI) in Argentina for the anticipated termination of the license agreement of the Budweiser brand in that country. This transaction, which is pending approval from the free competition authority of Argentina, would imply that CCU Argentina would receive US\$400 million corresponding to the payment of US\$306 million plus US\$28 million annually during a 3-year commercial transition, and US\$10 million for manufacturing contracts. Also, ABI will transfer to CCU Argentina ownership of the Isenbeck, Diosa, Norte, Iguana and Báltica brands, among others, which in total amount to volumes similar to those of Budweiser in that country.

SM SAAM contributed to Quiñenco's results with a significant growth in profits, mainly reflecting the after-tax gain obtained from the sale of its share in Tramarsa (Peru) for US\$30.5 million. In its business segments, the addition of Puerto Caldera in Costa Rica and good performance of the port of Guayaquil partly offset the lower results of ports in Chile and of the tug boats and logistics divisions.

Enex's revenues increased by 11.6% as compared to the first semester of last year, due to an increase in the price level of fuels. Nevertheless, the final result was affected by lower performance in the industrial channel due to a lower sales volume, which was only partly offset by growth in the sales volume of the service stations channel.

After announcing results, Quiñenco's CEO, Francisco Pérez Mackenna, outlined that "the market had valued the performance and long-term strategy of both Quiñenco and its operating companies. Within complex worldwide and domestic scenarios, we have sound bases to grow and continue developing our businesses".

*Quiñenco is one of the largest and most diversified business conglomerates in Chile, with consolidated assets of approximately US\$56.4 billion. It participates in leading companies of the financial, beverage and food, manufacturing, energy, transport and port services sectors that in all employ approximately 65 thousand people in Chile and abroad. For further information visit [www.quinenco.cl](http://www.quinenco.cl).*

