**Quiñenco’s Profit amounted to Ch$108,740 million in 2017,** **a year characterized by growth in international business**

* **A significant progress in Hapag-Lloyd’s investment was achieved during this period, with the company showing positive results, while the French company Nexans doubled its profits.**
* **CCU and SM SAAM international businesses were also outstanding and, at a local level Banco de Chile’s performance.**
* **Although the profits of this term show a 39% decrease as compared to the previous year, this is mainly explained by the one-time accounting impact caused to CSAV by its dilution in Hapag-Lloyd after the merger with UASC.**

**Santiago, March 29 2018.** Quiñenco recorded a net profit of Ch$108,740 million in 2017, which represents a 39% decrease as compared to the previous year. This is mainly explained by the results of Compañía Sud Americana de Vapores (CSAV), which reflects an accounting and one-time loss of US$167 million according to IFRS, originated by the dilution into Hapag-Lloyd resulting from the merger with United Arab Shipping Company (UASC).

Nevertheless, this loss was partly decreased by two effects. First, the accounting gain of US$15 million resulting from the increase in CSAV’s interest in Hapag-Lloyd during the last quarter of the year, when it reached 25.5%. Also, due to CSAV’ share in the positive results of the German shipping company in 2017, which amounted to US$30 million and reverted the US$107 million loss in 2016. This upturn resulted mainly from the significant increase in the operational result of the Company, considering the greater volume transported largely due to the merger with UASC, and a slight tariff recovery.

Also in the international area, the French company Nexans doubled its net profit reaching €125 million, with a 12% increase in the operating result together with a profit derived from raw material price variations over uncovered inventories, which allowed the Company to propose a €0.7 per share dividend. The underwater high voltage transmission segment was outstanding, with organic sales increasing by 45%.

CCU, on the other hand, recorded a Ch$129,607 million profit, with a 9.4% increase compared to the previous year, mostly resulting from the International Business and Chile segments. The consolidated sales volume increased 5%, reaching a record of 26 million hectoliters with the highlight of a 17% increase in International Business, in Argentina. Higher costs negatively affected the Wines segment.

SM SAAM obtained a Ch$39,820 million income, growing 7.6% mainly due to the profit obtained with the sale of its share in Tramarsa (Perú). The incorporation of Puerto Caldera in Costa Rica and a good performance of Guayaquil Port in Ecuador, which doubled its capacity this year, partially offset by lower results in the logistics, tug boats and ports in Chile.

In the energy sector, Enex gross margin was 2% higher than in the previous year, based on higher marketed volumes of fuels and better lubricant margins. The total dispatched volume amounted to 3,730 cubic meters, a 1.8% increase compared to 2016. Nevertheless, the final result of Ch$8,774 million, 57% lower than the previous term was affected by a higher depreciation of fixed assets together with higher expenses at service stations point of sales and provisions.

Banco de Chile, which income represents about 40% of Quiñenco’s consolidated results, increased its profit by 4.3% compared to the previous year, reaching Ch$576,012 million. These results are explained by a lower inflation context, by a sustained growth of clients’ income and lower loan risk provisions. The return over average capital was 20%, higher that the industry’s average of 13%.

Quiñenco’s CEO, Francisco Pérez Mackenna, highlighted that 2017 was “a positive year for the Company. Regarding Operations, the companies show a clear consolidation with promising results particularly in the international area, with Hapag-Lloyd and Nexans showing positive performances”.

It is worth noting that during the last quarter of 2017, CSAV and Hapag-Lloyd made successful capital increases for US$294 million and US$400 million, in Chile and Germany respectively. Quiñenco, on the other hand, participated in CSAV process slightly increasing its share to 56.2%.

Mr. Perez Mackenna also emphasized the importance for CCU of the agreement made in Argentina between the Company and AB InBev, by which CCU shall terminate in anticipation the distribution agreement of Budweiser brand in that country in exchange for US$400 million for the Argentinian subsidiary together with the transfer of several brands. The free competition authorities of Argentina have approved the agreement in March.

At another recent event that strengthens the Group’s international business development strategy, Francisco Pérez Mackenna highlighted Invexans’ announcement, a company that will establish a subsidiary in London, “a typically financial city, a strategic point that will allow us being closer to where we believe we may find eventual business opportunities”, he said.

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***Quiñenco****is one of the largest and most diversified business conglomerates in Chile, with consolidated assets of approximately US$61,800 million. It participates in leading companies of the financial, beverage and food, manufacturing, energy, transportation and port services sectors with together employ approximately 69 thousand persons in Chile and abroad.  For further information see* [*www.quinenco.cl*](http://www.quinenco.cl)