

## Quiñenco reported net income of Ch\$36,636 million in the first quarter of 2018

- This figure is 17% lower than that of the same period in the previous year, mainly due to lower results at Quiñenco's corporate level, and decreased earnings at Enex.
- As of March this year, the highlights were the 21.8% growth of CCU's profits and the positive trends of Banco de Chile, SM SAAM and CSAV.

**Santiago, May 29, 2018.** Quiñenco reported net income of Ch\$36,636 million in the first quarter of 2018, decreasing 17% as compared to the same period in 2017. This is explained at the corporate level, mainly by higher tax-related expenses and lower financial income. In addition, Enex reported lower profits. These variations were offset by good performance of CCU and positive trends at Banco de Chile, SM SAAM and CSAV.

One of this period's highlights is the 21.8% growth in CCU's net profit, mainly based on its International business segment, which reflected a 22% growth of sales volumes. The Wine segment, on the other hand, was affected by a higher cost of wine and a drop in the sales volumes, particularly in the export market.

Banco de Chile increased its profit by 1.9% as compared to the same quarter of the previous year, reaching Ch\$142,651 million. These results are explained by a 5.3% increase in operating revenues, driven by higher inflation together with an increase in the income related to the commercial business with clients, offsetting higher operating expenses and loan loss allowances.

SM SAAM's contribution to the holding's results increased by 13%, mainly reflecting a good performance of port terminals, mostly thanks to greater activity at the port of Guayaquil in Ecuador, and the addition of Puerto Caldera in Costa Rica, which together with the Logistics segment offset the absence of activities in Peru during the current period after the divestment of Tramarsa in April 2017.

CSAV's contribution also improved by 11%, mainly as a result of a 26% decrease in Hapag-Lloyd's loss as compared to March 2017, based on a 48% growth in the transported volumes, driven by the merger with United Arab Shipping Company (UASC), which offset a slight decrease in rates and higher costs of oil.

As regards the Energy sector, ENEX's final results for the quarter amounted to Ch\$5,330 million, 46% lower than during the previous period due to higher transport expenses and greater expenses related to service stations. Nevertheless, the company's gross income increased by 3.4% as compared to the same quarter of 2017, mainly due to better performance of fuels and lubricants. The total dispatched volume amounted to 982 thousand cubic meters, 13% higher than in March 2017.

It is worth noting that in the Manufacturing sector Invexans' main asset, the French multinational Nexans, does not report results as of the first quarter. A subsidiary, Invexans Limited, was recently incorporated in London for the development of international businesses.

Together with his appreciation for the quarter's results, Quiñenco's Chief Executive Officer, Francisco Pérez Mackenna, stated that both the holding and the subsidiaries are "currently in a very strong position to deploy their development strategies and face the challenges of the international market. We will continue on our path of organic growth in Chile and exploration of new business opportunities in the world", he said.

He also pointed out that after the end of the quarter, the agreement between CCU Argentina and AB InBev approved by the free competition regulator in Argentina was executed, thus materializing the anticipated termination of the Budweiser brand distribution agreement in that country. Thus the Argentine subsidiary received US\$316 million, in addition to US\$28 million annually for up to three years. "This will allow CCU to finance its growing international expansion and to continue moving forward in the regional market", explained Quiñenco's CEO.

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**Quiñenco** is one of the largest and most diversified business conglomerates in Chile, with consolidated assets of approximately US\$63.7 billion. It participates in leading companies of the financial, beverage and food, manufacturing, energy, transport and port services sectors that in all employ approximately 69 thousand people in Chile and abroad. For further information visit [www.quinenco.cl](http://www.quinenco.cl)