



## Quiñenco's Profits Up 52% During First Quarter of 2019

- Net income amounted to Ch\$55,814 million in March, mainly explained by strong performance from Hapag-Lloyd, the German shipping company that is the main asset of Compañía Sudamericana de Vapores.
- Quiñenco's Chief Executive Officer, Francisco Pérez Mackenna, particularly highlighted the international expansion goals achieved during the last few months, including CCU's inauguration of a new plant in Colombia and Enex's incorporation of the Road Ranger Travel Center network in the United States.

**Santiago, May 29, 2019.** During the first quarter of 2019, Quiñenco reported net income of Ch\$55,814 million, which represents a 52% increase compared to the same period in 2018. This is mainly explained by positive results during the quarter from Hapag-Lloyd, the main asset of Compañía Sudamericana de Vapores (CSAV).

Within a shipping industry still under international pressure, Hapag-Lloyd reverted the loss recorded during the first quarter of 2018, reaching net income of US\$104 million as of March 2019, and EBITDA of US\$556 million, reflecting growth in transport volumes and average freight rates, despite higher fuel costs.

SM SAAM's contribution to consolidated results also grew, reflecting its good performance during the quarter, mainly from the port terminals and logistics divisions. Worth highlighting are the efficiencies generated by implementing its new operating model and a non-recurring gain on the sale of its minority interest in Terminal Puerto Arica.

Banco de Chile reported net income of Ch\$101,537 million, a 29% drop over the first quarter of 2018, mainly explained by the impact of lower inflation, higher operating expenses and a rise in loan loss provisions due to the growth of the retail segment and some transitory past-due loans. It is worth noting that customer-related income continued to grow, up 9%, as did the loan portfolio.

Also in April, Banco de Chile achieved a significant milestone for the Company and the country by paying off SM Chile's subordinated debt with the Central Bank. Thanks to the Bank's sustained performance over time, this payment was made 17 years ahead of schedule.

In the energy segment, Enex reported 23% growth in operating income, based on a strong performance from the service station channel in Chile and the incorporation of Road Ranger, the network of travel centers in the United States acquired in November 2018. Total dispatched volumes reached 1.1 million cubic meters, growing 9% compared to the first quarter of last year. The net result, however, was down mainly due to higher finance costs mainly related to the funding required for the Road Ranger investment.

CCU, on the other hand, reported a 14.5% decrease in net income mainly explained by the International Business and Chile segments, which were affected by adverse external effects, such as local currency devaluations. In contrast, consolidated sales volumes grew by 6.6%, and the Company expects to recover profitability in the short term through income management and efficiency initiatives.

The inauguration of *Central Cervecera de Colombia's* plant, located in the outskirts of Bogotá, at the beginning of this month, marked a significant milestone for CCU and the Group's international expansion strategy. This plant, with a capacity of 3 million hectoliters per year and state-of-the-art technology will allow CCU to offer high-quality products and grow its business in this significant market.

In addition to highlighting the results of Quiñenco and its subsidiaries during the quarter, the Chief Executive Officer, Francisco Pérez Mackenna, outlined the milestones in international expansion achieved during the last few months at some of the group companies. The inauguration of the new CCU plant in Colombia, and the incorporation of the U.S. Road Ranger Travel Center network by Enex were the most significant. "The path of international diversification we have begun is allowing us to face multiple challenges and leverage opportunities in the global market where we do business. We are convinced that this strategy will allow us to continue to make a strong contribution to the progress of Chile and of all the countries where we operate," he commented.

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*Quiñenco is one of the largest and most diversified business conglomerates in Chile, with consolidated assets of approximately US\$62.3 billion. It has investments in leading companies in the financial, food and beverage, manufacturing, energy, transport and port services sectors, which together employ approximately 69 thousand individuals in Chile and abroad. For more information, see [www.quinenco.cl](http://www.quinenco.cl).*