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QUIÑENCO S.A. ANNOUNCES CONSOLIDATED RESULTS FOR THE SECOND QUARTER OF 2016

(Santiago, Chile, September 9, 2016) Quiñenco S.A., a leading Chilean business conglomerate, announced today its consolidated financial results under IFRS, for the second quarter ended June 30, 2016.

Consolidated financial results are presented in accordance with IFRS and the regulations established by the Superintendency of Securities and Insurance (SVS). All figures are presented in nominal Chilean pesos, unless stated otherwise. Figures in US$ have been converted from Chilean pesos (Ch$) at the observed exchange rate on June 30, 2016 (Ch$661.37 = US$1.00), unless indicated otherwise, and are only provided for the reader's convenience.

2Q 2016 HIGHLIGHTS

- **Net income[1] amounted to a gain of Ch$36,853 million in the second quarter of 2016, up by 40% over the same period in 2015, primarily due to Nexans' positive results for the period, and Techpack's non-recurring gain on the sale of its flexible packaging business, which were partly offset by the negative impact of the adverse conditions in the shipping industry on Hapag-Lloyd's and CSAV's results during the quarter.**

- **The contribution from the Manufacturing, Port Services and Energy segments improved in 2Q 2016, whereas the Transport and Banking sectors, and CCU, posted lower results.**

- **At the corporate level financial costs decreased while the effect of a lower rate of inflation on indexed liabilities generated lower losses during the quarter.**

- **Earnings per ordinary share amounted to a gain of Ch$22.16 for the second quarter of 2016.**

[1] Net income corresponds to Net income attributable to Controllers' shareholders.

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GROUP HIGHLIGHTS – SECOND QUARTER 2016 AND SUBSEQUENT EVENTS

Techpack – Sells Flexible Packaging business to Amcor

On April 18, 2016, Techpack announced the sale of its flexible packaging business, including the stake of Nexus Group in the operations in Peru and Colombia, to the leading Australian packaging company Amcor, for US$435 million. On May 31, 2016, the transaction was completed, after obtaining approval from Techpack's Shareholders during May and from antitrust authorities in certain jurisdictions, among others. Of the total price, US$285 million correspond to Techpack. With an estimated net debt of US$69 million, Techpack is left with a balance of US$216 million, before expenses related to the transaction and working capital adjustments. After deducting US$8.7 million pending the transfer of real estate related to Alusa's logistic center, and other deductions, Techpack received US$204 million in cash. As of June 2016, Techpack reported an after tax gain of US$20 million for the transaction, subject to final closing adjustments. Thus, Techpack no longer participates directly or indirectly in the flexible packaging business.

Quiñenco – Dividend Distribution

At the Ordinary Shareholders' Meeting held on April 29, 2016, shareholders approved a dividend distribution corresponding to 2015 net income of Ch$23.24 per share, payable as of May 11, 2016, to those shareholders registered with the company as of May 5, 2016. The total amount of the dividend is Ch$38,648 million, equivalent to 40% of 2015 net income.

Quiñenco – Raises funds through bond issue

On June 22, 2016, Quiñenco successfully placed a bond issuance of UF 5,000,000 (approximately US$190 million) on the local market.

CSAV – Hapag-Lloyd signs BCA with UASC

On July 18, 2016, Hapag-Lloyd, affiliate of CSAV, announced a Business Combination Agreement with United Arab Shipping Company (UASC) to merge both companies. The transaction is subject to regulatory and contractual approvals, among others. The merger, which is expected to be completed by the end of 2016, would consolidate Hapag-Lloyd as the fifth largest container shipping company in the world, with 237 vessels and annual transport volumes of around 10 million TEU. The merger is expected to generate annual net synergies of at least US$400 million and reduce investments in subsequent years. On completion, UASC shareholders would receive newly issued shares of Hapag-Lloyd representing 28% of its share capital. CSAV, the City of Hamburg, and Kühne would continue to jointly control Hapag-Lloyd with around 52% of its voting shares. CSAV's stake in Hapag-Lloyd would be reduced from 31.35% to 22.6%. However, CSAV would participate in the agreed capital increase of US$400 million for Hapag-Lloyd to take place within six months of the merger, allowing CSAV to increase its stake to 25%.

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FORMAT OF FINANCIAL STATEMENTS

As of 2012, the Superintendency of Securities and Insurance (SVS) has modified the format of the Income Statement, adding the line “Gains (losses) of operating activities”. As defined by the SVS this sub-total includes the following concepts: Gross income, Other operating income, Distribution Costs, Administrative expenses, Other operating expenses, and Other gains (losses). In accordance with this definition, this document refers to Gains (losses) of operating activities or Operating Income in the same manner.

SEGMENT INFORMATION

In accordance with IFRS requirements, financial information is reported for the six segments defined by Quiñenco for this purpose: Manufacturing, Financial, Energy, Transport, Port Services and Other. However, in order to allow a better understanding of the consolidated financial statements, the latter and the subsequent analysis, have been divided in Banking and Non-banking (industrial) activities, as follows:

- **Industrial Sector**: includes the following Segments and main companies:
  - **i) Manufacturing**
    - Invexans
    - Techpack
  - **ii) Financial**
    - LQ Inversiones Financieras (LQIF holding)
  - **iii) Energy**
    - Enex
  - **iv) Transport**
    - Compañía Sud Americana de Vapores (CSAV)
  - **v) Port Services**
    - SM SAAM in 2016
  - **vi) Other**
    - Quiñenco and others (includes CCU, SM SAAM in 2015, Quiñenco holding and eliminations)

The companies composing this sector reported their financial statements in accordance with IFRS. Invexans, Techpack, CSAV and SM SAAM report their financial statements in US dollars, and translate them to Chilean pesos for consolidation purposes.

On March 27, 2013, Madeco’s Extraordinary Shareholders’ Meeting approved the division of the company in Invexans as the legal successor, and a new company now named Techpack (formerly Madeco). Invexans’ main asset is its 28.79% stake in Nexans, a French multinational company leader in the world cable industry. Techpack’s main assets were Alusa (flexible packaging), Madeco Mills (brass mills), and Indalum (profiles). During 2013 Techpack decided to discontinue the brass mills business in Chile and Argentina, and in March 2014 announced the decision to close the profiles business, focusing its activities solely in packaging. In April 2014, the Shareholders’ Meeting approved changing the company’s name from Madeco to Techpack. On May 31, 2016, Techpack sold its entire flexible packaging business to Australian packaging company Amcor. Techpack has classified the companies Madeco Mills, Decker Industrial, Indalum and Alusa, and the effects of the transaction with Amcor, as discontinued operations in 2015 and 2016. For the purposes of the quarterly consolidated income statement, however, Quiñenco maintained first quarter figures as reported. As of June 30, 2016, Quiñenco's stake was 98.6% in Invexans and 65.9% in Techpack.

During July, August and December 2014 and February 2015, Quiñenco and its subsidiaries Inversiones Río Bravo and Inmobiliaria Norte Verde subscribed an additional 9.2% stake in CSAV during its capital increase, thus increasing its total holding to 55.2% as of June 2015. As of June 2016 Quiñenco's stake is 56.0%.

During the first quarter of 2016, Quiñenco acquired an additional 8.3% stake in SM SAAM, reaching 50.8%. Therefore, as of March 2016 financial statements, SM SAAM is a consolidated subsidiary, and is accounted for in the new Port Services business segment. In 2015, SM SAAM is accounted for as an equity investment in the Other business segment.

Banking Sector: includes the following Segments and main companies:

i) Financial

- Banco de Chile
- SM Chile

These companies reported their financial statements partially in accordance with IFRS, as determined by the Superintendency of Banks and Financial Institutions.

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Summarized Consolidated Income Statement

Sector /Segment	Manufacturing		Financial		Energy		Transport		Port Services		Other		Total	
	2Q 15	2Q 16	2Q 15	2Q 16	2Q 15	2Q 16	2Q 15	2Q 16	2Q 15	2Q 16	2Q 15	2Q 16	2Q 15	2Q 16
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Consolidated Income (Loss) Industrial Sector	(13,248)	**12,997**	(5,096)	**(4,167)**	8,056	**9,085**	5,672	**(21,682)**	-	**11,373**	(4,743)	**(4,964)**	(9,359)	**2,641**
Consolidated Income Banking Sector	-	**-**	148,784	**132,709**	-	**-**	-	**-**	-	**-**	-	**-**	148,784	**132,709**
Consolidated Net Income (Loss)	(13,248)	**12,997**	143,688	**128,542**	8,056	**9,085**	5,672	**(21,682)**	-	**11,373**	(4,743)	**(4,964)**	139,425	**135,350**
Net Income (Loss) Attributable to Non-controlling Interests	842	3,112	108,940	97,230	-	-	2,591	(9,410)	-	6,398	721	1,168	113,094	98,497
Net Income (Loss) Attributable to Controllers' Shareholders	(14,089)	9,884	34,747	31,312	8,056	9,085	3,081	(12,272)	-	4,975	(5,464)	(6,132)	26,330	36,853

* Corresponds to the contributions of each business segment to Quiñenco´s net income.

Net Income – 2Q 2016

Quiñenco reported a net gain of Ch$36,853 million in the second quarter of 2016, 40.0% above the same period in 2015, primarily due to the favorable variation in the contribution from Invexans, reflecting its stake in Nexans' positive results for the first half of the year, responding to the company's restructuring and efficiency plans. Results were also boosted by Techpack, mainly owing to the non-recurring gain on the sale of its flexible packaging business to Amcor. The Port Services and Energy segments also contributed to growth in quarterly results. SM SAAM posted higher results, mainly reflecting the addition of the port TISUR in Peru to its business portfolio and favorable results of the tug boat segment in Brazil. Enex's quarterly results grew mostly based on higher sales volumes at service stations and also in the mining segment. The contribution from CSAV, however, dropped reflecting its share in Hapag-Lloyd's losses for the quarter, due to the negative impact of lower freight rates in a highly competitive environment with subdued global economic growth, which was in part compensated by additional synergies and cost savings, as well as the drop in international fuel prices. CCU reported lower results in the quarter, mainly owing to lower sales volumes, restructuring costs, higher transport costs, and the negative impact of the devaluation of local currencies on USD denominated costs. Banco de Chile's net income also declined, mainly due to additional loan loss allowances established during the quarter based on forward looking expectations, and higher operating expenses, which were partly offset by growth in operating revenues. At the corporate level, financial costs decreased, as did the negative effect of inflation on indexed liabilities, based on a lower rate of inflation in the current quarter.

Earnings per ordinary share amounted to a gain of Ch$22.16 in the second quarter of 2016.

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Consolidated Income Statement Breakdown

		2Q 15		2Q 16	
		MCh$	MUS$	MCh$	MUS$
Industrial Sector					
Revenues		**417,836**	**631.8**	**467,737**	**707.2**
Manufacturing	- Invexans & Techpack	(55,345)	(83.7)	(57,785)	(87.4)
Financial	- LQIF holding	-	-	-	-
Energy	- Enex	423,193	639.9	407,059	615.5
Transport	- CSAV	24,969	37.8	23,303	35.2
Port Services	- SM SAAM	-	-	67,033	101.4
Other	- Quiñenco & others	25,018	37.8	28,127	42.5
Operating income (loss)		**5,897**	**8.9**	**23,283**	**35.2**
Manufacturing	- Invexans & Techpack	(4,747)	(7.2)	(6,093)	(9.2)
Financial	- LQIF holding	(961)	(1.5)	(971)	(1.5)
Energy	- Enex	8,663	13.1	11,786	17.8
Transport	- CSAV	2,416	3.7	9,502	14.4
Port Services	- SM SAAM	-	-	7,772	11.8
Other	- Quiñenco & others	527	0.8	1,287	1.9
Non-operating income (loss)		**(9,010)**	**(13.6)**	**(17,094)**	**(25.8)**
Interest income		2,559	3.9	1,888	2.9
Interest expense		(8,619)	(13.0)	(9,445)	(14.3)
Share of net income/loss from related co.		5,637	8.5	(5,062)	(7.7)
Foreign exchange gain (loss)		410	0.6	797	1.2
Indexed units of account restatement		(8,998)	(13.6)	(5,273)	(8.0)
Income tax		(9,115)	(13.8)	(18,362)	(27.8)
Net income (loss) from discontinued operations		2,869	4.3	14,814	22.4
Consolidated Net Income (Loss) Industrial Sector		**(9,359)**	**(14.2)**	**2,641**	**4.0**
Banking Sector					
Operating revenues		419,366	634.1	476,178	720.0
Provision for loan losses		(59,377)	(89.8)	(92,929)	(140.5)
Operating expenses		(172,924)	(261.5)	(205,700)	(311.0)
Operating income (loss)		187,064	282.8	177,549	268.5
Non-operating income (loss)		(19,147)	(29.0)	(17,612)	(26.6)
Income tax		(19,133)	(28.9)	(27,228)	(41.2)
Consolidated Net Income (Loss) Banking Sector		**148,784**	**225.0**	**132,709**	**200.7**
Consolidated Net Income		139,425	210.8	135,350	204.7
Net Income Attributable to Non-controlling Interests		113,094	171.0	98,497	148.9
Net Income Attributable to Controllers' Shareholders		**26,330**	**39.8**	**36,853**	**55.7**

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I. Industrial Sector

Revenues – 2Q 2016

Consolidated revenues totaled Ch$467,737 million in the second quarter of 2016, 11.9% above those of the same period in 2015, primarily due to the consolidation with SM SAAM in 2016, and to a lesser extent, sales growth at Banchile Vida, partially offset by lower revenues at Enex, and to a lesser extent, at CSAV[2].

Operating Income[3] - 2Q 2016

Operating income for the second quarter of 2016 reached a gain of Ch$23,283 million, compared to a gain of Ch$5,897 million in the second quarter of 2015. The increment in consolidated operating results is primarily attributable to the consolidation with SM SAAM in 2Q 2016, as well as improved operating income reported by CSAV and Enex, and, to a lesser extent, Invexans.

EBITDA[4] – 2Q 2016

EBITDA amounted to Ch$29,279 million in 2Q 2016, up 231.1% from the second quarter of 2015. The increment is primarily explained by the consolidation with SM SAAM in the current quarter, and to lesser extent, by higher EBITDA from Enex's operations.

Non-Operating Results[5] – 2Q 2016

Non-operating income amounted to a loss of Ch$17,094 million in the second quarter of 2016, compared to a loss of Ch$9,010 million in the same quarter of 2015.

Proportionate share of net income of equity method investments (net) – 2Q 2016

Quiñenco's proportionate share of net income from equity method investments (net), which primarily includes the results from CCU and SM SAAM (in 2015), as well as Invexans' share in the results of Nexans[6] and CSAV's share in the results of Hapag-Lloyd, reached a loss of Ch$5,062 million, compared to a gain of Ch$5,637 million in 2Q 2015.

Quiñenco's proportionate share of net income from IRSA (CCU) decreased by 75.7% to Ch$1,114 million.

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[2] It is worth noting that since Techpack, Invexans, CSAV and SM SAAM report in US dollars and translate their financial statements to Chilean pesos for consolidation purposes, variations analyzed in Chilean pesos vary from those in US dollars. For analysis of Techpack's, Invexans', CSAV's and SM SAAM's results in US dollars, refer to Segment/Operating company analysis.

[3] Operating income includes: Gross income (revenues minus cost of sales), Distribution costs, Administrative expenses, Other operating revenue, Other operating expenses, and Other gains/losses.

[4] EBITDA is calculated as: Operating income minus/plus Other gains/losses plus Depreciation plus Amortization of intangibles.

[5] Non-operating results include the following items: Financial income, Financial costs, Proportionate share of equity method investments, Foreign currency exchange differences, and Indexed units of account restatement.

[6] Nexans only reports results as of June and December, in accordance with French regulations and IFRS.

Quiñenco's proportionate share of net income from SM SAAM (adjusted by fair value accounting) amounted to a gain of Ch$1,922 million in 2Q 2015. In 2Q 2016, SM SAAM's proportionate share in its affiliates amounted to Ch$7,263 million.

CSAV's proportionate share of net income from Hapag-Lloyd (adjusted by fair value accounting) amounted to a loss of Ch$19,106 million, compared to a gain of Ch$12,069 million in 2Q 2015.

Interest Income - 2Q 2016

Interest income for the second quarter of 2016 amounted to Ch$1,888 million, 26.2% below that obtained in 2Q 2015. This variation corresponds mainly to lower financial income at Quiñenco, reflecting a lower cash balance, and at Enex, partially offset by the consolidation with SM SAAM in 2016.

Interest Expense - 2Q 2016

Interest expense for the second quarter of 2016 amounted to Ch$9,445 million, 9.6% greater than in 2Q 2015. The variation is mainly explained by the addition of SM SAAM's financial costs, and higher financial costs at Enex, partially compensated by lower financial costs at Quiñenco, in comparison to 2Q 2015.

Foreign currency exchange differences – 2Q 2016

In 2Q 2016, the gains (losses) specific to foreign currency translation differences amounted to a gain of Ch$797 million, compared to a gain of Ch$410 million reported in 2Q 2015, primarily attributable to gains at SM SAAM.

Indexed units of account restatement – 2Q 2016

The gain or loss derived from the restatement of assets and liabilities indexed to units such as the *Unidad de Fomento* or UF (inflation indexed) amounted to a loss of Ch$5,273 million in the second quarter of 2016, compared to a loss of Ch$8,998 million reported in the same period of 2015. The variation is mainly explained by Quiñenco, LQIF holding and CSAV.

Income Taxes – 2Q 2016

The industrial sector reported an income tax expense of Ch$18,362 million in 2Q 2016, compared to an income tax expense of Ch$9,115 million reported in 2Q 2015, primarily due to higher income tax expense at CSAV, Techpack and Enex, and the consolidation with SM SAAM's income tax expense.

Discontinued Operations – 2Q 2016

In 2Q 2016 the result of discontinued operations amounted to a gain of Ch$14,814 million, compared to a gain of Ch$2,869 million in 2Q 2015. The variations is primarily explained by the gain reported by Techpack related to the sale of its flexible packaging business during 2Q 2016.

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Non-controlling Interests – 2Q 2016

In the second quarter of 2016, at a consolidated level (including both Industrial and Banking net income), net income attributable to non-controlling interests amounted to Ch$98,497 million. Of the total amount reported in 2Q 2016, Ch$66,099 million corresponds to minority shareholders' share of Banco de Chile and SM Chile's net income. Remaining net income attributable to non-controlling interest is mainly explained by minority shareholders' share of LQIF's net income, and to a much lesser extent, of SM SAAM's and Techpack's net income.

II. Banking Sector

Operating Revenues - 2Q 2016

Operating revenues for the second quarter of 2016 amounted to Ch$476,178 million, 13.5% above the second quarter of 2015, mainly due to higher operating revenues at Banco de Chile, primarily due to higher sales of AFS securities, higher income from loans, growth in fee income, and a greater contribution from demand deposits, as a result of volume growth and higher nominal interest rates, more than compensating the unfavorable impact of lower inflation on the Bank's net asset exposure to UFs.

Provision for Credit Risk - 2Q 2016

Provisions for loan losses at Banco de Chile amounted to Ch$92,929 million in the second quarter of 2016, up 56.5% from the second quarter of 2015, mostly explained by additional allowances established during the current quarter.

Operating Expenses - 2Q 2016

Operating expenses increased by 19.0% to Ch$205,700 million in 2Q 2016, mainly explained by an increase of 19.0% in Banco de Chile's operating expenses to Ch$205,630 million, mostly related to higher personnel and administrative expenses.

Non-operating Results - 2Q 2016

During the second quarter of 2016 non-operating results amounted to a loss of Ch$17,612 million, down 8.0% from the second quarter of 2015, primarily explained by lower accrued interest expense of the Subordinated Debt with the Chilean Central Bank, owing to the lower rate of inflation registered during the second quarter of 2016.

Consolidated Net Income - 2Q 2016

Consolidated net income for the banking sector amounted to Ch$132,709 million in 2Q 2016, down by 10.8% from the same period in 2015, mainly due to higher loan loss provisions and higher operating expenses, partially compensated by growth in operating revenues, and, to a lesser extent, lower non-operating losses during the quarter.

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CONSOLIDATED BALANCE SHEET ANALYSIS (vis-à-vis the 1st quarter of 2016)

Condensed Consolidated Balance Sheet

	03-31-2016		30-06-2016	
	MCh$	MUS$	MCh$	MUS$
Current assets industrial sector	876,485	1,325.3	**903,807**	1,366.6
Non-current assets industrial sector	4,332,777	6,551.2	**4,110,307**	6,214.8
Assets financial sector	31,100,146	47,023.8	**31,006,406**	46,882.1
Total Assets	**36,309,408**	**54,900.3**	**36,020,520**	**54,463.5**
Current liabilities industrial sector	483,012	730.3	**374,008**	565.5
Long-term liabilities industrial sector	1,092,339	1,651.6	**1,195,374**	1,807.4
Liabilities financial sector	28,427,141	42,982.2	**28,232,531**	42,688.0
Non-controlling interests	3,392,853	5,130.0	**3,313,751**	5,010.4
Shareholders' equity	2,914,063	4,406.1	**2,904,856**	4,392.2
Total Liabilities & Shareholders' equity	**36,309,408**	**54,900.3**	**36,020,520**	**54,463.5**

Current Assets Industrial Sector

Current assets increased by 3.1% compared to the first quarter of 2016, primarily due to the bond issuance carried out by Quiñenco amounting to UF 5,000,000 (approximately US$190 million), and the sale of Techpack's flexible packaging business to Amcor, whereby Techpack received US$204 million in cash. Funds were used, on the other hand, in dividend payments by LQIF to third parties, Quiñenco, and SM SAAM to third parties. The sale of the flexible packaging business also implied that current assets as of June no longer include this business's assets, particularly trade receivables and inventories.

Non Current Assets Industrial Sector

Non current assets decreased by 5.1% compared to the first quarter of 2016, mainly reflecting the absence of the flexible packaging assets following the transaction in May 2016, and to a lesser extent, a lower balance of equity investments, mainly due to a lower balance at Hapag-Lloyd, partly compensated by a higher balance at Nexans.

Assets Banking Sector

Total assets of the banking sector decreased by 0.3% compared to the first quarter of 2016. Loans to customers increased a slight 0.8% with respect to March 2016, mainly due to growth in residential mortgage loans.

Current Liabilities Industrial Sector

Current liabilities decreased by 22.6% compared to the first quarter of 2016, mainly the absence of Alusa's liabilities as of June, following the sale of the flexible packaging business, and to a lesser extent, a lower balance of account payables at Enex.

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Long-term Liabilities Industrial Sector

Long-term liabilities increased by 9.4% compared to the first quarter of 2016, mainly due to higher debt at Quiñenco, following its bond issuance in June, and also due to higher bank debt at CSAV and SM SAAM, partially compensated by the absence of Alusa's long term liabilities, and a lower balance of provisions at CSAV.

Liabilities Banking Sector

Liabilities corresponding to the banking sector decreased by 0.4% compared to the first quarter of 2016.

Minority Interest

Minority Interest decreased by 2.3% compared to the first quarter of 2016, primarily explained by lower minority interest at Techpack, following the sale of Alusa and subsidiaries in May 2016.

Equity

Equity decreased a slight 0.3% compared to the first quarter of 2016, mainly due to a decrease in other reserves, mostly explained by unfavorable conversion effects of CSAV, Invexans, and SM SAAM, partially offset by period earnings.

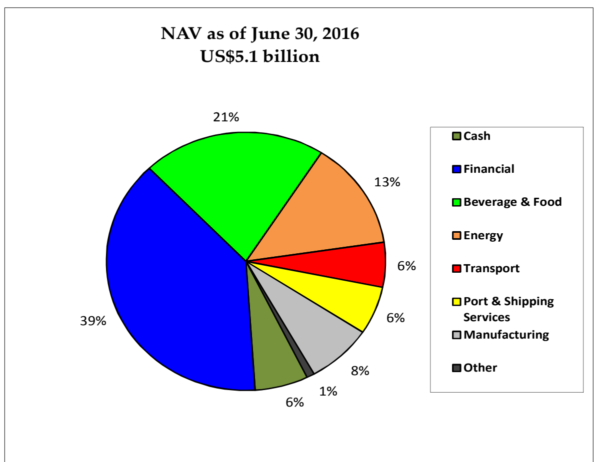
Quiñenco Corporate Level Debt and Cash

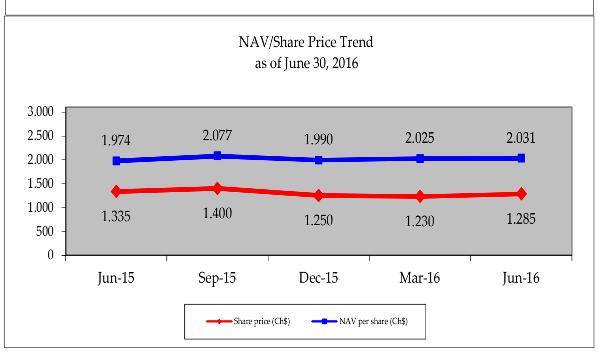
As of June 30, 2016	Debt		Cash & equivalents		Total Net Debt	
	MCh$	MUS$	MCh$	MUS$	MCh$	MUS$
Corporate level	535,483	809.7	248,401	375.6	287,083	434.1
Adjusted for:						
50% interest in LQIF	89,278	135.0	866	1.3	88,412	133.7
50% interest in IRSA	36,224	54.8	511	0.8	35,713	54.0
Total	**660,986**	**999.4**	**249,778**	**377.7**	**411,208**	**621.8**

The debt to total capitalization ratio at the corporate level (unadjusted) was 15.4% as of June 30, 2016.

NAV

As of June 30, 2016, the estimated net asset value (NAV) of Quiñenco was US$5.1 billion (Ch$2,031 per share) and market capitalization was US$3.2 billion (Ch$1,285 per share). The discount to NAV is estimated at 36.7% as of the same date.





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SEGMENT /OPERATING COMPANY ANALYSIS

Sector /Segment	Manufacturing		Financial		Energy		Transport		Port Services		Other		Total	
	2Q 15	2Q 16	2Q 15	2Q 16	2Q 15	2Q 16	2Q 15	2Q 16	2Q 15	2Q 16	2Q 15	2Q 16	2Q 15	2Q 16
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Industrial Sector														
Income (loss) from continued operations before taxes	(16,617)	**575**	(5,107)	**(4,336)**	8,285	**10,383**	13,743	**(10,331)**	-	**13,675**	(3,417)	**(3,777)**	(3,114)	**6,189**
Income tax	500	**(2,393)**	11	**169**	(229)	**(1,299)**	(8,070)	**(11,351)**	-	**(2,302)**	(1,326)	**(1,187)**	(9,115)	**(18,362)**
Net income from discontinued operations	2,869	**14,814**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	2,869	**14,814**
Consolidated Net income (loss) industrial sector	(13,248)	**12,997**	(5,096)	**(4,167)**	8,056	**9,085**	5,672	**(21,682)**	-	**11,373**	(4,743)	**(4,964)**	(9,359)	**2,641**
Banking Sector														
Net income before taxes	-	**-**	167,917	**159,937**	-	**-**	-	**-**	-	**-**	-	**-**	167,917	**159,937**
Income tax	-	**-**	(19,133)	**(27,228)**	-	**-**	-	**-**	-	**-**	-	**-**	(19,133)	**(27,228)**
Consolidated Net income banking sector	-	**-**	148,784	**132,709**	-	**-**	-	**-**	-	**-**	-	**-**	148,784	**132,709**
Consolidated net income (loss)	(13,248)	**12,997**	143,688	**128,542**	8,056	**9,085**	5,672	**(21,682)**	-	**11,373**	(4,743)	**(4,964)**	139,425	**135,350**
Net income (loss) attributable to Non-controlling interests	842	**3,112**	108,940	**97,230**	-	**-**	2,591	**(9,410)**	-	**6,398**	721	**1,168**	113,094	**98,497**
Net Income (Loss) Attributable to Controllers' shareholders	(14,089)	9,884	34,747	31,312	8,056	9,085	3,081	(12,272)	-	4,975	(5,464)	(6,132)	26,330	36,853

MANUFACTURING SEGMENT

The following table details the contribution of the investments in the Manufacturing segment during 2016 and 2015 to Quiñenco's net income:

	2Q 15		2Q 16	
	MCh$	MUS$	MCh$	MUS$
Invexans	(13,821)	(20.9)	5,297	8.0
Techpack	(268)	(0.4)	4,587	6.9
Total Manufacturing Segment	**(14,089)**	**(21.3)**	**9,884**	**14.9**

As of June 30, 2016 and 2015, Quiñenco's ownership of Invexans was 98.6% and 98.3%, respectively. As of June 30, 2016 and 2015, Quiñenco's ownership of Techpack was 65.9%.

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INVEXANS

	2Q 15		2Q 16	
	MCh$	MUS$	MCh$	MUS$
Sales	45	0.1	9	0.0
Operating income (loss)	(645)	(1.0)	91	0.1
Non-operating income (loss)	(13,422)	(20.3)	5,308	8.0
Net income (loss) controller	(14,055)	(21.3)	5,372	8.1
Total assets			297,947	450.5
Shareholders' equity			277,549	419.7

2Q 15	2Q 16
ThUS$	ThUS$
73	**13**
(1,045)	**125**
(21,269)	**7,793**
(22,296)	**7,878**
	450,501
	419,658

Invexans reports its financial statements in US dollars, and translates them to Chilean pesos for consolidation purposes based, in general terms, on the US$/Ch$ exchange rate at the end of the period in the case of the Balance Sheet, and the monthly average exchange rate in the case of the Income Statement. Invexans' figures in Chilean pesos are included for reference. However, the following analysis is based on the company's financial statements in US dollars, as filed with the SVS, as shown in the last two columns of the table.

In accordance with French regulations and IFRS, Nexans does not publish financial statements for the quarters ended in March and September. In view of this, Invexans requested and was granted approval from the SVS to use December and June financial information for March and September, respectively. Therefore, these quarters only reflect exchange rate conversion effects and changes in the stake in Nexans corresponding to that quarter.

2Q 2016 Results

Invexans' revenues, which correspond mainly to income from leases, amounted to US$13 thousand in 2Q 2016, 82.2% below the same period in 2015, mostly reflecting a lower number of properties for lease.

Operating income reached a gain of US$125 thousand, improving from the loss of US$1,045 thousand reported in 2Q 2015, due to a gain on the sale of fixed assets, a higher positive effect of the slight change in Invexans' stake in Nexans, lower administrative expenses, and a decrease in expenses and provisions related to legal contingencies in Brazil.

Non-operating income amounted to a gain of US$7,793 thousand, a substantial improvement over the loss of US$21,269 thousand in 2Q 2015. This positive variation is primarily explained by Invexans' accounting of its share in Nexans' results for the semester, as Nexans does not publish results as of March. As of June 2016, Nexans reported a gain of €30 million, compared to a loss of €58 million in the first half of 2015. Nexans' operating income grew by 42% to €135 million, reflecting the positive impact of the company's restructuring and efficiency plans, along with a slight growth of organic sales[7] of 0.2%. Worth noting is the positive performance of LAN cables and systems, with growth

[7] Organic growth: Nexans compares sales with the same consolidation base, excluding impacts such as acquisition and divestments between one period and another, exchange rate effects and variations in non-ferrous metal prices.

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in all of the operating countries, but particularly in China and the Americas, together with a more favorable product mix. The Distribution sector also reported growth boosted by higher sales volumes and successful industrial and commercial efficiency programs. The Oil & Gas sector has tended to stabilize compared to the second half of 2015, while the aeronautical and automotive harnesses business segments registered favorable performance. In addition, Nexans reported lower restructuring costs during the first half of 2016 as compared to the same period in 2015 (€13 million as of June 2016 and €98 million as of June 2015), which was partially offset by a €25 million non-cash expense arising from the core exposure effect. Invexans adjusts its proportional share to reflect the effect of the fair value it determined for Nexans. Thus, in all, Invexans reported a gain of US$7,898 thousand for its investment in the French cable company during the quarter, improving from the loss of US$21,020 thousand reported in 2Q 2015.

In 2Q 2016 Invexans registered income tax expense of US$40 thousand compared to a credit of US$18 thousand in 2Q 2015. In all, Invexans posted a net gain of US$7,878 thousand in 2Q 2016, a substantial improvement over the loss of US$22,296 thousand reported in 2Q 2015, primarily explained by Nexans' positive results for the period.

TECHPACK

	2Q 15		2Q 16		2Q 15	2Q 16
	MCh$	MUS$	MCh$	MUS$	ThUS$	ThUS$
Sales	(55,390)	(83.7)	(57,794)	(87.4)	**-**	**36**
Operating income (loss)	(4,103)	(6.2)	(6,183)	(9.3)	**(1,029)**	**(1,871)**
Net income (loss) controller	(407)	(0.6)	6,959	10.5	**(647)**	**10,266**
Total assets			171,088	258.7		**258,687**
Shareholders' equity			155,545	235.2		**235,185**

Techpack carries its accounting in US dollars, and translates its financial statements to Chilean pesos for consolidation purposes based, in general terms, on the US$/Ch$ exchange rate at the end of the period in the case of the Balance Sheet, and the monthly average exchange rate in the case of the Income Statement. Techpack's figures in Chilean pesos are included for reference. However, the following analysis is based on the company's financial statements in US dollars, as filed with the SVS, as shown in the last two columns of the table.

On May 31, 2016, Techpack sold its entire flexible packaging business to Australian Amcor. Due to this sale, the results of the transaction and of the flexible packaging business have been classified as a discontinued operation in both periods.

2Q 2016 Results

Operating income amounted to a loss of US$1,871 thousand, up by 81.8% from 2Q 2015, explained by higher administrative expenses, mostly due to severance payments and costs related to the sale of the flexible packaging business.

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Non-operating income for the quarter amounted to a gain of US$388 thousand, compared to the loss of US$107 thousand reported in 2Q 2015, primarily attributable to exchange rate gains in the current quarter compared to losses in 2Q 2015.

Income tax for the quarter amounted to US$5,892 thousand, higher than in 2Q 2015, mainly due to the reversal of deferred taxes related to the flexible packaging business. Discontinued operations, in turn, reported a gain of US$18,628 thousand in 2Q 2016, up from the gain of US$1,764 thousand in 2Q 2015, reflecting the after tax gain of US$19,714 thousand from the sale of the flexible packaging business to the Australian company Amcor on May 31, 2016. This gain is obtained by deducting the book value of the investment sold, taxes and other transaction costs, and the loss arising from derecognizing the balance in equity reserves related to the investment in Alusa from the cash income of US$204 million, subject to final closing adjustments, received by Techpack. The remaining balance of discontinued operations, which amounted to a loss of US$1,086 thousand in 2Q 2016 and a gain of US$1,764 thousand in 2Q 2015, corresponds mostly to Alusa and subsidiaries, and also to Madeco Mills, Decker and Indalum.

Thus, net income for 2Q 2016 reached a gain of US$10,266 thousand, improving with respect to the loss of US$647 thousand reported in 2Q 2015, primarily reflecting the gain from the sale of the flexible packaging business to Amcor.

FINANCIAL SEGMENT

The following table details the contribution of the investments in the Financial Segment during 2016 and 2015 to Quiñenco's net income:

	2Q 15		2Q 16	
	MCh$	MUS$	MCh$	MUS$
LQIF holding	(2,548)	(3.9)	(2,084)	(3.2)
Banking sector	37,296	56.4	33,396	50.5
Total Financial Segment	**34,747**	**52.5**	**31,312**	**47.3**

As of June 30, 2016 and 2015, Quiñenco's ownership of LQIF was 50.0%. LQIF's economic rights in Banco de Chile were 33.0% as of June 30, 2015 and 33.2% as of June 30, 2016.

LQIF Holding

LQIF holding registered a loss of Ch$4,167 million, 18.2% lower than the loss of Ch$5,096 million reported in 2Q 2015, mainly explained by a lower loss from the effect of inflation on financial obligations denominated in UFs, due to a lower rate of inflation in 2Q 2016 compared to 2Q 2015.

Banking Sector

The Banking sector is comprised of Banco de Chile and SM Chile. The most relevant item of the income statement in the case of SM Chile is the interest expense of the Subordinated Debt with the Chilean Central Bank.

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BANCO DE CHILE

	2Q 15		2Q 16	
	MCh$	MUS$	MCh$	MUS$
Operating revenues	418,659	633.0	**475,579**	719.1
Provision for loan losses	(59,377)	(89.8)	**(92,929)**	(140.5)
Operating expenses	(172,840)	(261.3)	**(205,630)**	(310.9)
Net income (loss) controller	168,382	254.6	**150,985**	228.3
Loan portfolio	22,649,367	34,246.1	**24,698,316**	37,344.2
Total assets	29,173,468	44,110.7	**31,007,979**	46,884.5
Shareholders' equity	2,609,501	3,945.6	**2,790,999**	4,220.0
Net financial margin	5.3%		**5.5%**	
Efficiency ratio	41.3%		**43.2%**	
ROAE	26.2%		**21.7%**	
ROAA	2.4%		**2.0%**	

2Q 2016 Results

Banco de Chile reported net income of Ch$150,985 million in the second quarter of 2016, decreasing by 10.3% with respect to the second quarter of 2015. This result is primarily explained by higher loan loss provisions and higher operating expenses, which were partially compensated by growth in operating revenues, despite lower income from the Bank’s net asset exposure to UFs, given a lower rate of inflation in the current quarter.

Operating revenues, which include net financial income, fee income and other operating income, increased by 13.6% to Ch$475,579 million in the second quarter of 2016. This increment is mainly attributable to higher sales of AFS securities, higher income from loans, resulting from average loan balances increasing by 10.9%, a 9.0% increment in fee income, mainly generated by transactional services, and a greater contribution from demand deposits to the Bank’s cost of funds due to higher average balances and higher nominal interest rates. These positive factors more than compensated the negative impact of lower inflation on the contribution of the Bank’s net asset exposure to UFs, lower net interest income due to the early redemption of two corporate bonds initially issued at a discount, and a negative exchange rate effect on the asset position in USD that hedges USD-denominated loan loss allowances.

Provisions for loan losses amounted to Ch$92,929 million, increasing 56.5% from 2Q 2015. This variation is mainly explained by additional allowances amounting to Ch$52.1 billion established during the current quarter based on a less optimistic outlook for the local economy, volatility in international markets and local unemployment figures that have started to worsen. To a much lesser extent, the increase is due to 14.8% growth in average loans, with growth focused in the retail segment. These effects were mitigated by a net credit quality improvement, mainly in the wholesale segment, a non-recurring gain triggered by a regulatory change that reduced the conversion factor for certain contingent loans from 50% to 35%, and a positive exchange rate effect on the Bank´s exposure to loan loss allowances denominated in USD.

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Operating expenses increased by 19.0% to Ch$205,630 million, mainly due to an 11.9% increment in personnel expenses, owing mostly to higher bonuses, the effect of past inflation on salaries and a slight increase in headcount, and also higher severance payments following changes in the organizational structure, and a 15.1% increase in administrative expenses, mainly explained by higher IT expenses on maintenance, internal developments, information security devices and software licenses, and to a lesser extent by greater marketing and product delivery expenses, and the release of general expenses allowances in 2Q 2015. Non-credit related contingency provisions established in the current quarter also contributed to the increase in expenses.

As of June 2016, the Bank's loan portfolio had experienced an annual growth of 9.0% and a slight quarterly increase of 0.8%. Annual growth reflects the expansion in residential mortgage loans of 14.3%, in commercial loans of 6.1% and in consumer loans reaching 11.8%. Overall, growth was boosted by retail banking which represents 57% of the Bank's total loans, posting growth of 13.3% over 2Q 2015.

Banco de Chile is the second ranked bank in the country with a market share of 18.0% of total loans (excluding operations of subsidiaries abroad) as of June 2016. Its return on average equity (annualized) reached 21.7% in 2Q 2016.

Interest Subordinated Debt

In the second quarter of 2016 accrued interest expense of the Subordinated Debt with the Chilean Central Bank was 7.1% lower than the second quarter of 2015, due to the effect of a lower rate of inflation in 2Q 2016 as compared to the same period in 2015.

ENERGY SEGMENT

The following table details the contribution of the investments in the Energy Segment during 2016 and 2015 to Quiñenco's net income:

	2Q 15		2Q 16	
	MCh$	MUS$	MCh$	MUS$
Enex	8,056	12.2	9,085	13.7
Total Energy Segment	**8,056**	**12.2**	**9,085**	**13.7**

As of June 30, 2016 and 2015, Quiñenco controls 100% of the energy segment.

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ENEX[8]

	2Q 15		2Q 16	
	MCh$	MUS$	MCh$	MUS$
Sales	423,193	639.9	**407,059**	615.5
Operating income	8,663	13.1	**11,786**	17.8
Net income controller	8,056	12.2	**9,085**	13.7
Total assets			**779,383**	1,178.4
Shareholders' equity			**547,236**	827.4

2Q 2016 Results

Enex's consolidated sales during 2Q 2016 reached Ch$407,059 million, down 3.8% from 2Q 2015, mainly due to lower fuel prices, partially compensated by higher sales volumes, primarily boosted by sales of fuels at service stations and by the new mining contracts awarded during the second half of 2015. The total volume dispatched by Enex during the quarter amounted to 904 thousand cubic meters, 12.4% higher than in 2Q 2015, of which 97.9% corresponds to fuels.

Gross income during the period reached Ch$49,904 million, 18.5% above 2Q 2015, primarily due to the growth in sales volumes through service stations, and to a lesser extent, due to the new mining fuel supply contracts, together with improved margins of lubricants, mostly resulting from the effect of selling inventory at historical cost given increasing international reference prices.

Operating income during the quarter reached a gain of Ch$11,786 million, up by 36.1% from 2Q 2015, largely due to the increase in gross income explained above, which was partially compensated by higher operating expenses reflecting greater logistics expenses in line with the growth in sales volumes, and higher expenses related to service stations and convenience stores. EBITDA reached Ch$14,347 million in the second quarter of 2016, 25.9% higher than in the second quarter of 2015.

Non-operating income amounted to a loss of Ch$1,403 million, compared to the loss of Ch$378 million reported in 2Q 2015, mostly explained by higher financial costs and lower financial income.

Net income for 2Q 2016 amounted to Ch$9,085 million, up 12.8% from 2Q 2015, primarily due to improved operating results, partially offset by lower non-operating results and higher income tax expense during the quarter.

[8] Enex corresponds to the consolidated financial statements of Enex S.A.

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TRANSPORT SEGMENT

The following table details the contribution of the investments in the Transport Segment during 2016 and 2015 to Quiñenco's net income:

	2Q 15		2Q 16	
	MCh$	MUS$	MCh$	MUS$
CSAV	3,081	4.7	(12,272)	(18.6)
Total Transport Segment	**3,081**	**4.7**	**(12,272)**	**(18.6)**

As of June 30, 2016 and 2015, Quiñenco's ownership of CSAV was 56.0% and 55.2%, respectively.

CSAV

	2Q 15		2Q 16		2Q 15	2Q 16
	MCh$	MUS$	MCh$	MUS$	ThUS$	ThUS$
Sales	24,969	37.8	**23,303**	35.2	40,459	**34,456**
Operating income (loss)	2,416	3.7	**9,502**	14.4	3,774	**13,960**
Net income (loss) controller	5,626	8.5	**(21,877)**	(33.1)	9,089	**(32,299)**
Total assets			**1,428,469**	2,159.9		**2,159,864**
Shareholders' equity			**1,301,709**	1,968.2		**1,968,200**

CSAV reports its financial statements in US dollars, and translates them to Chilean pesos for consolidation purposes based, in general terms, on the US$/Ch$ exchange rate at the end of the period in the case of the Balance Sheet, and the monthly average exchange rate in the case of the Income Statement. CSAV's figures in Chilean pesos are included for reference. However, the following analysis is based on the company's financial statements in US dollars, as filed with the SVS, as shown in the last two columns of the table.

2Q 2016 Results

CSAV's consolidated sales in 2Q 2016 reached US$34.4 million, decreasing 14.8% with respect to 2Q 2015. This decline is mostly attributable to lower freight rates, reflecting the negative effect of the reduced level of activity and demand for vehicle transport services to the west coast of South America and the drop in fuel prices, as well as CSAV's decision to discontinue solid bulk cargo operations during the past year. During 2Q 2016, gross income amounted to a gain of US$3.6 million, compared to a gain of US$1.6 million in 2Q 2015. This increment primarily reflects an improved performance of the car carrier business in the quarter, based on the implementation of cost savings and efficiency plans.

Operating income reached a gain of US$14.0 million in 2Q 2016, substantially higher than the gain of US$3.8 million reported in 2Q 2015, reflecting the increase in gross income explained above together with a 13.0% decrease in sales and administrative expenses, boosted by a non-recurring gain of US$12.5 million, due to the reversal of a provision

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related to a claim made by the NYSA-ILA pension fund for longshoremen at the ports of New York and New Jersey in the USA, which was resolved favorably for CSAV.

Non-operating income for the quarter amounted to a loss of US$29.3 million as compared to a gain of US$18.3 million reported in 2Q 2015. This unfavorable variation is primarily due to CSAV's share in Hapag-Lloyd's results for the second quarter adjusted by CSAV's fair value accounting of this investment, which amounted to a loss of US$28.2 million. Hapag-Lloyd reported a net loss of US$111 million in the second quarter of 2016, which compares unfavorably with the gain of US$31 million reported in the same quarter of 2015. This negative result reflects subdued global economic growth and sustained competitive pressure in the container shipping industry that led to a further significant decline in freight rates during the current quarter. Additional synergy effects and cost savings partly compensated the effect of the drop in freight rates. EBITDA reached US$83 million, posting an EBITDA margin of 4.0%, although below that obtained in 2Q 2015 (US$232 million).

CSAV reported a net loss of US$32.3 million in 2Q 2016, compared to a gain of US$9.1 million in 2Q 2015, due to the decline in non-operating results explained above together with higher income tax expense, partially compensated by improved operating results during the quarter.

PORT SERVICES SEGMENT

The following table details the contribution of the investments in the Port Segment during 2016 to Quiñenco's net income:

	2Q 15		2Q 16	
	MCh$	MUS$	MCh$	MUS$
SM SAAM	-	-	4,975*	7.5
Total Port Services Segment	**-**	**-**	**4,975**	**7.5**

* Corresponds to the proportionate share in SM SAAM's results for the three month period up to June 2016. Starting 2016, SM SAAM's results are consolidated and no longer accounted for as an equity investment. As of June 30, 2015 Quiñenco held a 42.4% interest in SM SAAM. SM SAAM's contribution in 2Q 2015 is included in the segment Other, and amounted to Ch$1,922 million. As of June 30, 2016, Quiñenco controls 50.8% of SM SAAM.

SM SAAM

	2Q 16	
	MCh$	MUS$
Sales	67,033	101.4
Operating income	7,772	11.8
Net income controller	9,803	14.8
Total assets	826,974	1,250.4
Shareholders' equity	482,104	728.9

	2Q 15	2Q 16
	ThUS$	ThUS$
Sales	106,791	**98,927**
Operating income	10,368	**11,483**
Net income controller	9,241	**14,459**
Total assets		**1,250,396**
Shareholders' equity		**728,947**

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SM SAAM reports its financial statements in US dollars, and translates them to Chilean pesos for consolidation purposes based, in general terms, on the US$/Ch$ exchange rate at the end of the period in the case of the Balance Sheet, and the monthly average exchange rate in the case of the Income Statement. SM SAAM's figures in Chilean pesos are included for reference. However, the following analysis is based on the company's financial statements in US dollars, as filed with the SVS, as shown in the last two columns of the table.

2Q 2016 Results

In the second quarter of 2016, SM SAAM's consolidated sales reached US$98.9 million, down by 7.4% from 2Q 2015, primarily explained by lower revenues from logistics and port terminals, partially compensated by growth in tug boats. Revenues from logistics fell by 19.9%, primarily due to lower dynamism in Chile and the termination of certain services to ships in Chile and the closing of operations in Brazil. Revenues from port terminals diminished by 11.5%, owing to lower operations at Guayaquil, partially offset by growth at Iquique, which had a 35 day strike in 2Q 2015. Revenues from tug boats increased 3.1% mainly due to higher revenues from Chile and Uruguay, which compensated lower revenues from Mexico. Consolidated revenues can be broken down as follows: Tug boats (49.0%), Ports (27.5%), and Logistics and others (23.5%).

Gross income amounted to US$27.0 million, 4.6% below 2Q 2015, explained mostly by lower gross income of port terminals and logistics, following the lower level of revenues. During 2Q 2016 operating income amounted to US$11.5 million, 10.8% higher than the same period in 2015, despite the reduction in gross income, due to a 16.3% decrease in sales and administrative expenses, explained primarily by the logistics and port terminals divisions. SM SAAM's consolidated EBITDA reached US$24.8 million in 2Q 2016, up 7.3% from the same period in 2015, mainly attributable to the tug boats and port terminals segments.

Non-operating income for the quarter amounted to a gain of US$8.7 million, 20.5% higher than the gain reported in 2Q 2015. This variation is mainly explained by a higher contribution from equity investments, reflecting higher results from Peru, despite the reduction of SM SAAM's stake in Tramarsa (from 49% to 35%), due to the addition of the port TISUR to the company's business portfolio in November 2015, and improved performance of tug boats in Brazil, with growth in operations and additional cost savings. Also, SM SAAM reported a gain from exchange rate differences in 2Q 2016 compared to a loss in 2Q 2015, partially offset by higher financial costs and lower financial income.

SM SAAM reported a net gain of US$14.5 million in 2Q 2016, up by 56.5% from 2Q 2015, due to improved operating and non-operating results, together with a lower tax expense during the quarter.

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OTHER SEGMENT

The following table details the contribution from investments in the Segment Other during 2016 and 2015 to Quiñenco's net income:

	2Q 15		2Q 16	
	MCh$	MUS$	MCh$	MUS$
IRSA (CCU) [9]	4,577	6.9	1,114	1.7
SM SAAM	1,922	2.9	-	-
Quiñenco & other	(11,963)	(18.1)	(7,246)	(11.0)
Total Other Segment	**(5,464)**	**(8.3)**	**(6,132)**	**(9.3)**

As of June 30, 2016 and 2015, Quiñenco's ownership of CCU was 30.0%. As of June 30, 2015, Quiñenco's ownership of SM SAAM was 42.4%.

The contribution from SM SAAM corresponds to Quiñenco's proportional share in its net income for the period 2015, adjusted by the fair value accounting for this investment at Quiñenco. The adjustment for 2Q 2015 amounted to Ch$495 million (downward adjustments). For a comparative analysis of SM SAAM please refer to the Port Services segment.

CCU

	2Q 15		2Q 16	
	MCh$	MUS$	MCh$	MUS$
Sales	310,673	469.7	**307,905**	465.6
Operating income	31,825	48.1	**13,311**	20.1
Net income (loss) controller	18,549	28.0	**6,281**	9.5
Total assets			**1,744,480**	2,637.7
Shareholders' equity			**1,054,822**	1,594.9

2Q 2016 Results

CCU reports its results in accordance with the following three business segments: Chile, International Business, and Wine. Chile includes beer, non-alcoholic beverages, and spirits. The International Business segment includes beer, cider, non-alcoholic beverages, and spirits in Argentina, Uruguay and Paraguay. Wine includes the commercialization of wine, mainly in the export market. CCU's sales in the second quarter of 2016 decreased a slight 0.9% compared to the second quarter of 2015, as a result of a 5.7% decline in consolidated sales volumes and 5.1% higher average prices. Sales growth was led by the Wine operating segment, with strong growth of 14.0%, driven by 7.4% volume growth and 6.2% higher average prices, reflecting positive performance in both the local and export

[9] Corresponds to Quiñenco's proportionate share of CCU's net income, prepared in accordance with IFRS.

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markets. Sales of the Chile operating segment remained fairly stable increasing by 0.4%, resulting from a decrease of 5.7% in volumes, reflecting less favorable weather conditions than 2Q 2015 and the economic slowdown, which was compensated by an increase of 6.4% in average prices. The International Business segment, on the other hand, reported a 14.2% reduction in sales, due to a 10.0% decrease in sales volumes, mostly explained by Argentina and Uruguay, together with a 4.7% decline in average prices.

Gross income decreased by 7.8% to Ch$151,655 million, primarily due to a higher cost of sales, reflecting the effect of the devaluation of the main currencies CCU operates in, impacting USD denominated costs. The gross margin as a percentage of sales decreased from 52.9% in 2Q 2015 to 49.3% in 2Q 2016.

Operating income reached Ch$13,311 million, down by 58.2% from 2Q 2015, primarily explained by the decline in gross income explained above, together with costs related to the restructuring of the Chile operating unit as part of the "ExCCelencia CCU" program and higher transportation costs relative to the sales level, due to the lower sales volumes. In addition, CCU reported losses from derivatives in the current quarter vis-à-vis gains in 2Q 2015. EBITDA amounted to Ch$34,461 million in 2Q 2016, decreasing 31.4% from 2Q 2015.

CCU reported non-operating losses of Ch$6,084 million, 8.0% greater than the loss of Ch$5,634 million in 2Q 2015. The variation is mainly explained by a lower result of equity investments, primarily reflecting the operations in Colombia, partially compensated by lower losses related to the effect of lower inflation on indexed liabilities.

Net income for the second quarter of 2016 amounted to Ch$6,281 million, 66.1% below the same quarter in 2015, primarily due to the lower operating results, and to a lesser extent higher non-operating losses, partially offset by an income tax credit tax during the current quarter.

QUIÑENCO and Others

The positive variation of Quiñenco and others is mainly explained at the corporate level by a lower loss arising from the effect of lower inflation on liabilities in UFs, and lower financial costs. To a lesser extent, the improvement is also attributable to a higher contribution from Banchile Vida, which increased by 8.7% during the quarter, mostly owing to better operating results.

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All of Quiñenco's Earnings and Press Releases and other relevant information on the Company, including quarterly financial statements, are available for viewing on the Company's website:

www.quinenco.cl
www.quinencogroup.com

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