



For further information contact:

**Quiñenco S.A.**  
Pilar Rodríguez-IRO  
(56-2) 2750-7221  
E-mail: [prodriguez@lq.cl](mailto:prodriguez@lq.cl)

## **QUIÑENCO S.A. ANNOUNCES CONSOLIDATED RESULTS FOR THE THIRD QUARTER OF 2014**

(Santiago, Chile, November 28, 2014) Quiñenco S.A., a leading Chilean business conglomerate, announced today its consolidated financial results under IFRS, for the third quarter ended September 30, 2014.

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 September 30, 2014 (Ch\$599.22 = US\$1.00), unless indicated otherwise, and are only provided for the reader's convenience.

### **3Q 2014 HIGHLIGHTS**

- Net income<sup>1</sup> amounted to a gain of Ch\$64,428 million in the third quarter of 2014, an increase of 120% over the same period in 2013, primarily due to the provisory revaluation of Quiñenco's investment in CSAV, related to the change in its accounting from the equity method to consolidated subsidiary.
- Consolidated revenues from the industrial sector reached Ch\$741 billion, 20.6% higher than the third quarter of 2013, boosted by the consolidation of CSAV, as well as growth at Techpack and Enex.
- Enex and Banco de Chile reported sound operating performance and positive results, while CSAV's losses diminished in the quarter improved based on cost efficiencies. The contribution from Invexans, Techpack and SM SAAM declined mostly due to non-recurring effects. CCU's results decreased despite strong growth in revenues, mainly due to higher marketing and distribution expenses.
- Earnings per ordinary share amounted to a gain of Ch\$38.75 for the third quarter of 2014.

<sup>1</sup> Net income corresponds to Net income attributable to Controllers' shareholders.



## GROUP HIGHLIGHTS – THIRD QUARTER 2014 AND SUBSEQUENT EVENTS

### **Invexans – Successfully completes capital increase of US\$270 million**

As approved by Invexans' Extraordinary Shareholders' Meeting in November 2013, Invexans carried out a capital increase successfully raising US\$270 million through the issue of 15 billion new shares. The funds will be destined to finance the shares acquired to increase its stake in Nexans, including its participation in Nexans' capital increase, as well as the reduction of liabilities. Quiñenco subscribed a total of approximately US\$237 million in the capital increase, raising its stake in the company to 80.5%.

### **SM SAAM – Joint ventures with Boskalis start operations**

Following an agreement signed in April, 2013 with Boskalis, on July 2, 2014, SAAM SMIT Towage Brazil and SAAM SMIT Towage Mexico started operations. In 2013 the entities comprising the joint ventures generated combined EBITDA of US\$100 million. The operational synergies are estimated at US\$10 million annually, which the company expects to capture in 24 months.

### **Quiñenco – Raises funds through Bond Issue**

On July 31, 2014, Quiñenco successfully placed a bond issuance of UF 2,375,000 (approximately US\$100 million) in the local market.

### **CSAV – Completes capital increase of US\$200 million**

On August 13, 2014, CSAV completed its capital increase raising US\$200 million. Quiñenco subscribed a total of US\$176 million in the capital increase, raising its stake in the company to 54.5%.

### **CSAV – US\$400 million capital increase approved**

On August 22, 2014, CSAV's Extraordinary Shareholders' Meeting approved a capital increase of US\$400 million, as part of the planned merger of the company's containership business with Hapag Lloyd. The proceeds will mainly be used to subscribe the amount committed by CSAV (€259 million) in Hapag Lloyd's first capital increase following the merger. Thus, CSAV would increase its stake in the merged Hapag Lloyd from 30% to 34%. The balance will be used to cover expenses related to the closing of the operation. This capital increase will be carried out once the merger between both companies is closed.

### **Techpack – Sells Madeco brand to Nexans**

On October 27, 2014, Techpack announced the sale of its brand Madeco to Nexans for US\$1 million, as part of the sale of the company's discontinued assets.

### **Techpack – Raises US\$149 million through capital increase**

On November 14, 2014, Techpack completed its capital increase raising US\$149 million. Quiñenco subscribed US\$98.7 million.



**CCU – Signs agreement to enter Colombian beer market**

On November 10, 2014, CCU announced an agreement to establish a partnership with the Colombian Grupo Postobón to enter the beer market in Colombia. CCU and Postobón are to participate in equal parts in the joint operation Central Cervecera de Colombia S.A.S., investing approximately US\$400 million, following a gradual investment plan subject to the fulfillment of certain milestones. The partnership involves the construction of a beer plant with a total capacity of 3 million hectoliters. Completion is subject to regulatory authorizations in Colombia.



## 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 five segments defined by Quiñenco for this purpose: Manufacturing, Financial, Energy, Transport, 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) in 2014

**iv) Other**

- Quiñenco and others (includes CCU, CSAV in 2013, SM SAAM, Quiñenco holding and eliminations)

The companies composing this sector reported their financial statements in accordance with IFRS. Invexans, Techpack and CSAV 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 28.98% 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. Techpack has classified the companies Madeco



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[www.quinencogroup.com](http://www.quinencogroup.com)

Third Quarter 2014

Mills, Decker Industrial and Indalum as discontinued operations in 2013 and 2014. As of September 30, 2014, Quiñenco's stake was 80.5% in Invexans and 65.9% in Techpack.

During July and August 2014, Quiñenco and its subsidiaries Inversiones Río Bravo and Inmobiliaria Norte Verde subscribed an additional 8.5% stake in CSAV during its capital increase, thus increasing its total holding from 46.0% to 54.47%. Therefore, starting from the September 2014 financial statements, CSAV is fully consolidated, whereas in 2013 it is accounted for as an equity investment. CSAV's containership business is classified since June 2014 as a discontinued operation, given the high probability assigned by CSAV to the merger with Hapag Lloyd being successful. Quiñenco's consolidated financial statements in 2014 also reflect this classification. However, in the Transport Segment, CSAV's results are presented with the containership business as a continued activity, in order to facilitate a comparative analysis of the company's overall performance, as presented in CSAV's Investor's Report and CSAV's management's analysis of the financial statements.

**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.



### Summarized Consolidated Income Statement

Sector /Segment	Manufacturing		Financial		Energy		Transport		Other		Total	
	3Q 13	3Q 14	3Q 13	3Q 14	3Q 13	3Q 14	3Q 13	3Q 14	3Q 13	3Q 14	3Q 13	3Q 14
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Consolidated Income (Loss) Industrial Sector	1,860	(5,673)	(4,377)	(2,400)	5,076	6,942	-	(85,448)	(6,938)	69,724	(4,379)	(16,854)
Consolidated Income Banking Sector	-	-	118,28	141,53	-	-	-	-	-	-	118,28	141,53
<b>Consolidated Net Income (Loss)</b>	1,860	(5,673)	113,90	139,13	5,076	6,942	-	(85,448)	(6,938)	69,724	113,90	124,681
Net income (loss) attributable to Non-controlling interests	2,225	(274)	81,547	104,93	-	-	-	(44,370)	836	(36)	84,607	60,253
<b>Net Income (loss) attributable to Controllers' Shareholders</b>	(364)	(5,399)	32,356	34,201	5,076	6,942	-	(41,077)	(7,773)	69,760	29,293	64,428

#### Net Income – 3Q 2014

Quiñenco reported a net gain of Ch\$64,428 million in the third quarter of 2014, 119.9% above the same period in 2013, primarily due to the provisory revaluation of Quiñenco's investment in CSAV, arising from the change in the accounting of this company from the equity method to a consolidated subsidiary, which implied a gain of Ch\$35,384 million. To a lesser extent, the increment in net income is also explained by growth in the contribution from Enex, mainly due to improved margins in fuels and lubricants; from the financial sector, reflecting sound results of Banco de Chile; and an improvement in CSAV's results, mostly based on cost efficiencies that compensated lower freight rates. The contributions from Invexans, Techpack and SM SAAM decreased however, primarily due to non-recurring effects. In the case of CCU, its contribution declined mainly due to lower results reflecting higher marketing and distribution expenses during the quarter. At the corporate level, a higher cash balance pushed up financial income.

Earnings per ordinary share amounted to a gain of Ch\$38.75 in the third quarter of 2014.



## Consolidated Income Statement Breakdown

	3Q 13		3Q 14	
	MCh\$	MUS\$	MCh\$	MUS\$
<b>Industrial Sector</b>				
<b>Revenues</b>	<b>613,930</b>	<b>1,024.5</b>	<b>740,510</b>	<b>1,235.8</b>
Manufacturing - Invexans & Techpack	46,644	77.8	58,612	97.8
Financial - LQIF holding	-	-	-	-
Energy - Enex	545,163	909.8	551,941	921.1
Transport - CSAV	-	-	101,606	169.6
Other - Quiñenco & others	22,123	36.9	28,352	47.3
<b>Operating income (loss)</b>	<b>10,836</b>	<b>18.1</b>	<b>29,937</b>	<b>50.0</b>
Manufacturing - Invexans & Techpack	6,224	10.4	(1,205)	(2.0)
Financial - LQIF holding	(933)	(1.6)	(942)	(1.6)
Energy - Enex	5,828	9.7	8,669	14.5
Transport - CSAV	-	-	(12,081)	(20.2)
Other - Quiñenco & others	(283)	(0.5)	35,497	59.2
<b>Non-operating income (loss)</b>	<b>(11,563)</b>	<b>(19.3)</b>	<b>30,943</b>	<b>51.6</b>
Interest income	2,641	4.4	6,606	11.0
Interest expense	(9,566)	(16.0)	(11,536)	(19.3)
Share of net income/loss from related co.	366	0.6	34,796	58.1
Foreign exchange gain (loss)	498	0.8	5,123	8.5
Indexed units of account restatement	(5,502)	(9.2)	(4,046)	(6.8)
Income tax	(2,881)	(4.8)	15,175	25.3
Net income (loss) from discontinued operations	(771)	(1.3)	(92,909)	(155.1)
<b>Consolidated Net Income (Loss) Industrial Sector</b>	<b>(4,379)</b>	<b>(7.3)</b>	<b>(16,854)</b>	<b>(28.1)</b>
<b>Banking Sector</b>				
Operating revenues	379,754	633.7	386,638	645.2
Provision for loan losses	(70,054)	(116.9)	(61,656)	(102.9)
Operating expenses	(154,075)	(257.1)	(167,745)	(279.9)
Operating income (loss)	155,625	259.7	157,237	262.4
Non-operating income (loss)	(18,679)	(31.2)	(16,940)	(28.3)
Income tax	(18,666)	(31.2)	1,239	2.1
<b>Consolidated Net Income (Loss) Banking Sector</b>	<b>118,280</b>	<b>197.4</b>	<b>141,535</b>	<b>236.2</b>
<b>Consolidated Net Income</b>	<b>113,900</b>	<b>190.1</b>	<b>124,681</b>	<b>208.1</b>
Net income attributable to Non-controlling interests	84,607	141.2	60,253	100.6
<b>Net income attributable to Controllers' shareholders</b>	<b>29,293</b>	<b>48.9</b>	<b>64,428</b>	<b>107.5</b>



## I. Industrial Sector

### Revenues – 3Q 2014

Consolidated revenues totaled Ch\$740,510 million in the third quarter of 2014, 20.6% above those of the same period in 2013, primarily due to the consolidation of CSAV<sup>2</sup> starting 3Q 2014, and to a lesser extent due to higher sales at Techpack<sup>2</sup>, Enex and Banchile Vida.

Consolidated sales in the third quarter of 2014 can be broken down as follows: Enex (74.5%), CSAV (13.7%), Techpack (7.9%), and others (3.9%).

### Operating Income<sup>3</sup> - 3Q 2014

Operating income for the third quarter of 2014 reached a gain of Ch\$29,937 million, compared to a gain of Ch\$10,836 million in the third quarter of 2013. The significant growth in consolidated operating results is primarily attributable to the provisory revaluation of the investment in CSAV, arising from the change in its accounting from equity investment to consolidation, which amounted to Ch\$35,572 million in 3Q 2014. To a lesser extent, growth of operating income at Enex also contributed to the increase. These positive effects were partially offset by the consolidation with CSAV's loss during 3Q 2014, and lower operating income at Invexans, mainly due to the payment of legal contingencies, and at Techpack, primarily due to higher costs of raw materials and higher administrative expenses.

### EBITDA<sup>4</sup> – 3Q 2014

EBITDA amounted to Ch\$12,125 million in 3Q 2014, down 33.7% from the third quarter of 2013, generated mainly by Enex's, Techpack's, and Banchile Vida's operations.

### Non-Operating Results<sup>5</sup> – 3Q 2014

Non-operating income amounted to a gain of Ch\$30,943 million in the third quarter of 2014, compared to a loss of Ch\$11,563 million in the same quarter of 2013.

### Proportionate share of net income of equity method investments (net) – 3Q 2014

Quiñenco's proportionate share of net income from equity method investments (net), which primarily includes the results from CCU, CSAV and SM SAAM, as well as Invexans' share in the results of Nexans<sup>6</sup>, reached a gain of Ch\$34,796 million, compared to a gain of Ch\$366 million in 3Q 2013.

<sup>2</sup> It is worth noting that since Techpack, Invexans and CSAV 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' and CSAV's results in US dollars, refer to Segment/Operating company analysis.

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

<sup>4</sup> EBITDA is calculated as: Operating income minus/plus others gains/losses plus depreciation plus amortization of intangibles.

<sup>5</sup> 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.

<sup>6</sup> Nexans only reports results as of June and December, in accordance with French regulations and IFRS.





Quiñenco's proportionate share of net income from IRSA (CCU) decreased by 38.3% to Ch\$3,848 million. Quiñenco's proportionate share of net income from CSAV amounted to a loss of Ch\$11,012 million, in 3Q 2013, whereas in 3Q 2014 Quiñenco's proportional share in CSAV's net loss during the first semester was reversed (Ch\$29,574 million), due to the consolidation of this company starting 3Q 2014. Quiñenco's proportionate share of net income from SM SAAM decreased by 74.0% to a gain of Ch\$1,258 million.

#### **Interest Income - 3Q 2014**

Interest income for the third quarter of 2014 amounted to Ch\$6,606 million, 150.1% above that obtained in 3Q 2013. This variation corresponds mainly to higher financial income at Quiñenco, reflecting a higher cash balance.

#### **Interest Expense - 3Q 2014**

Interest expense for the third quarter of 2014 amounted to Ch\$11,536 million, 20.6% greater than in 3Q 2013. The variation is mainly explained by the consolidation with CSAV in 2014, and higher financial costs at Quiñenco and Techpack, partially compensated by lower financial costs at Enex and LQIF.

#### **Foreign currency exchange differences – 3Q 2014**

In 3Q 2014, the gains (losses) specific to foreign currency translation differences amounted to a gain of Ch\$5,123 million, compared to a gain of Ch\$498 million reported in 3Q 2013, primarily attributable to the consolidation with CSAV's gain in 3Q 2014, partially offset by higher losses at Invexans and Techpack.

#### **Indexed units of account restatement – 3Q 2014**

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\$4,046 million in the third quarter of 2014, compared to a loss of Ch\$5,502 million reported in the same period of 2013, mainly explained by Quiñenco and LQIF holding, due to the lower rate of inflation prevailing in the current quarter and its adjustment effect on liabilities in UFs, partially offset by the consolidation with CSAV's readjustment losses.

#### **Income Taxes – 3Q 2014**

The industrial sector reported an income tax credit of Ch\$15,175 million in 3Q 2014, compared to income tax of Ch\$2,881 million reported in 3Q 2013, primarily due to an income tax credit at CSAV in 3Q 2014, and to a lesser extent, higher income tax credit at LQIF holding and Invexans and lower income tax at Techpack, compensating higher taxes at Enex, and Banchile Vida.

#### **Discontinued Operations – 3Q 2014**

In 3Q 2014 the result of discontinued operations amounted to a loss of Ch\$92,909 million, compared to a loss of Ch\$771 million in 3Q 2013. Discontinued operations primarily correspond to the CSAV's containership business, classified as such based on CSAV's opinion that the merger of this business with the German shipping



company Hapag Lloyd has a high probability of being successful, and to a lesser extent Indalum (profiles), Madeco Mills (brass mills Chile), and Decker Industrial (brass mills Argentina), reported by Techpack.

#### **Non-controlling Interests – 3Q 2014**

In the third quarter of 2014, at a consolidated level (including both Industrial and Banking net income), net income attributable to non-controlling interests amounted to Ch\$60,253 million. Of the total amount reported in 3Q 2014, Ch\$70,490 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, partially offset by minority shareholders' share in CSAV's net loss.

## **II. Banking Sector**

#### **Operating Revenues - 3Q 2014**

Operating revenues for the third quarter of 2014 amounted to Ch\$386,638 million, 1.8% above the third quarter of 2014, mainly due to growth in net financial income at Banco de Chile, primarily based on strong loan portfolio growth during the period.

#### **Provision for Credit Risk - 3Q 2014**

Provisions for loan losses at Banco de Chile amounted to Ch\$61,655 million in the third quarter of 2014, 12.0% lower than the provisions registered in the third quarter of 2013, primarily attributable to an overall net credit risk improvement, and additional provisions established in 3Q 2013 only.

#### **Operating Expenses - 3Q 2014**

Operating expenses increased by 8.9% to Ch\$167,745 million in 3Q 2014, mainly explained by an increase of 8.9% in Banco de Chile's operating expenses to Ch\$167,681 million, mostly related to higher personnel and administrative expenses, and higher impairments related to ATMs.

#### **Non-operating Results - 3Q 2014**

During the third quarter of 2014 non-operating results amounted to a loss of Ch\$16,940 million, 9.3% lower than in the third quarter of 2013, 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 third quarter of 2014.

#### **Consolidated Net Income - 3Q 2014**

Consolidated net income for the banking sector amounted to Ch\$141,535 million in 3Q 2014, up by 19.7% over the same period in 2013, mainly due to lower loan loss provisions, better non-operating results, and an income tax credit during the current quarter, which more than compensated higher operating expenses.



**CONSOLIDATED BALANCE SHEET ANALYSIS (vis-à-vis the 2<sup>nd</sup> quarter of 2014)**

**Condensed Consolidated Balance Sheet**

	06-30-2014		09-30-2014	
	MCh\$	MUS\$	MCh\$	MUS\$
Current assets industrial sector	962,574	1,606.4	<b>2,165,546</b>	3,613.9
Non-current assets industrial sector	2,614,011	4,362.4	<b>2,699,090</b>	4,504.3
Assets financial sector	25,457,375	42,484.2	<b>26,608,472</b>	44,405.2
<b>Total assets</b>	<b>29,033,961</b>	<b>48,452.9</b>	<b>31,473,109</b>	<b>52,523.5</b>
Current liabilities industrial sector	321,075	535.8	<b>1,117,585</b>	1,865.1
Long-term liabilities industrial sector	880,359	1,469.2	<b>988,609</b>	1,649.8
Liabilities financial sector	23,145,001	38,625.2	<b>24,219,004</b>	40,417.5
Non-controlling interests	2,139,120	3,569.8	<b>2,504,650</b>	4,179.9
Shareholders' equity	2,548,406	4,252.9	<b>2,643,261</b>	4,411.2
<b>Total liabilities &amp; shareholders' equity</b>	<b>29,033,961</b>	<b>48,452.9</b>	<b>31,473,109</b>	<b>52,523.5</b>

**Current Assets Industrial Sector**

Current assets increased by 125.0% compared to the second quarter of 2014, primarily due to the consolidation of CSAV as of September 2014, which mainly implied a significant increase in discontinued operations, which correspond to CSAV's containership business, as well as a higher balance of cash.

**Non Current Assets Industrial Sector**

Non current assets increased by 3.3% compared to the second quarter of 2014, mainly due to higher deferred taxes, primarily corresponding to CSAV, mostly compensated by lower equity investments reflecting the consolidation of CSAV in 3Q 2014, thus reducing the balance of equity investments in the current period.

**Assets Banking Sector**

Total assets of the banking sector increased by 4.5% compared to the second quarter of 2014. Loans to customers increased by 2.2% with respect to June 2014, reflecting growth in all types of loans.

**Current Liabilities Industrial Sector**

Current liabilities increased by 248.1% over the second quarter of 2014, mainly due to liabilities related to CSAV's discontinued operations included as of September, as well as bank debt at CSAV. To a lesser extent, the variation is also explained by higher accounts payable at CSAV and Enx.



#### Long-term Liabilities Industrial Sector

Long-term liabilities varied by 12.3% in comparison to the second quarter of 2014, mainly due to higher debt at Quiñenco following its bond issuance in July 2014, and debt and CSAV.

#### Liabilities Banking Sector

Liabilities corresponding to the banking sector increased by 4.6% compared to the second quarter of 2014.

#### Minority Interest

Minority interest increased by 17.1% in comparison to the second quarter of 2014, primarily explained by higher minority interest at CSAV.

#### Equity

Shareholders' equity increased by 3.7% compared to the second quarter of 2014 primarily due to period earnings, net of dividends provisioned, and an increase in other reserves, mostly reflecting a gain related to the partnership agreements between SM SAAM and Boskalis, and the net conversion effect of translating CSAV's, SM SAAM's and Invexans' financial statements from US dollars to Chilean pesos. The increase in equity is also explained by the effects of the Tax Reform on deferred taxes, which generated a gain of Ch\$19,150 million in consolidated deferred taxes. In compliance with a ruling from the SVS in October 2014, this gain is included in Retained earnings.



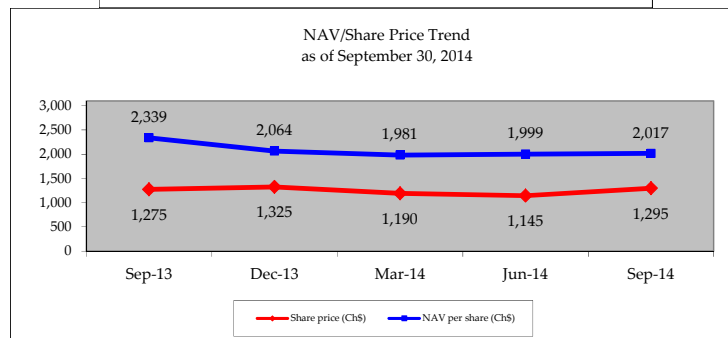
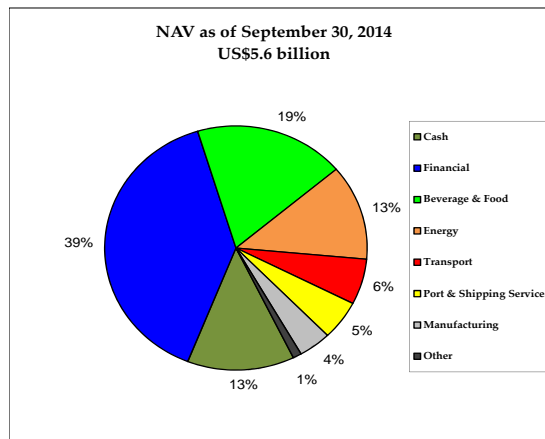
**Quiñenco Corporate Level Debt and Cash**

As of September 30, 2014	Debt		Cash & equivalents		Total Net Debt	
	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$
Corporate level	456,594	762.0	517,232	863.2	(60,638)	(101.2)
Adjusted for:						
50% interest in LQIF	83,441	139.2	2,061	3.4	81,380	135.8
50% interest in IRSA	38,764	64.7	404	0.7	38,360	64.0
<b>Total</b>	<b>578,799</b>	<b>965.9</b>	<b>519,697</b>	<b>867.3</b>	<b>59,102</b>	<b>98.6</b>

The debt to total capitalization ratio at the corporate level (unadjusted) was 14.5% as of September 30, 2014.

**NAV**

As of September 30, 2014, the estimated net asset value (NAV) of Quiñenco was US\$5.6 billion (Ch\$2,017 per share) and market capitalization was US\$3.6 billion (Ch\$1,295 per share). The discount to NAV is estimated at 35.8% as of the same date.





## SEGMENT /OPERATING COMPANY ANALYSIS

Sector /Segment	Manufacturing		Financial		Energy		Transport		Other		Total	
	3Q 13	3Q 14	3Q 13	3Q 14	3Q 13	3Q 14	3Q 13	3Q 14	3Q 13	3Q 14	3Q 13	3Q 14
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
<b>Industrial Sector</b>												
Net income (loss) from continued operations before taxes	5,018	(4,226)	(4,510)	(3,693)	4,647	8,283	-	(8,020)	(5,882)	68,536	(727)	60,880
Income tax	(2,387)	62	133	1,293	429	(1,341)	-	13,973	(1,056)	1,188	(2,881)	15,175
Net loss from discontinued operations	(771)	(1,509)	-	-	-	-	-	(91,401)	-	-	(771)	(92,909)
<b>Net income (loss) industrial sector</b>	<b>1,860</b>	<b>(5,673)</b>	<b>(4,377)</b>	<b>(2,400)</b>	<b>5,076</b>	<b>6,942</b>	<b>-</b>	<b>(85,448)</b>	<b>(6,938)</b>	<b>69,724</b>	<b>(4,379)</b>	<b>(16,854)</b>
<b>Banking Sector</b>												
Net income before taxes	-	-	136,946	140,296	-	-	-	-	-	-	136,946	140,296
Income tax	-	-	(18,666)	1,239	-	-	-	-	-	-	(18,666)	1,239
<b>Net income banking sector</b>	<b>-</b>	<b>-</b>	<b>118,280</b>	<b>141,535</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>118,280</b>	<b>141,535</b>
<b>Consolidated net income (loss)</b>	<b>1,860</b>	<b>(5,673)</b>	<b>113,902</b>	<b>139,136</b>	<b>5,076</b>	<b>6,942</b>	<b>-</b>	<b>(85,448)</b>	<b>(6,938)</b>	<b>69,724</b>	<b>113,900</b>	<b>124,681</b>
Net income (loss) attributable to Non-controlling interests	2,225	(274)	81,547	104,934	-	-	-	(44,370)	836	(36)	84,607	60,253
Net income (loss) attributable to Controllers' shareholders	(364)	(5,399)	32,356	34,201	5,076	6,942	-	(41,077)	(7,773)	69,760	29,293	64,428

### MANUFACTURING SEGMENT

The following table details the contribution of the investments in the Manufacturing segment during 2013 and 2014 to Quiñenco's net income:

	3Q 13		3Q 14	
	MCh\$	MUS\$	MCh\$	MUS\$
Invexans	(643)	(1.1)	(4,747)	(7.9)
Techpack	279	0.5	(652)	(1.1)
<b>Manufacturing Segment Net Loss</b>	<b>(364)</b>	<b>(0.6)</b>	<b>(5,399)</b>	<b>(9.0)</b>

As of September 30, 2014 and 2013, Quiñenco's ownership of Invexans was 80.5% and 65.9%, respectively. As of September 30, 2014 and 2013, Quiñenco's ownership of Techpack was 65.9%.



## INVEXANS

	3Q 13		3Q 14		3Q 13	3Q 14
	MCh\$	MUS\$ <sup>7</sup>	MCh\$	MUS\$ <sup>7</sup>	ThUS\$	ThUS\$ <sup>8</sup>
Sales	78	0.1	75	0.1	<b>154</b>	<b>129</b>
Operating income (loss)	(606)	(1.0)	(4,871)	(8.1)	<b>(1,193)</b>	<b>(8,423)</b>
Non-operating income (loss)	(290)	(0.5)	(1,103)	(1.8)	<b>(561)</b>	<b>(1,888)</b>
Net income (loss) Controller	(975)	(1.6)	(5,900)	(9.8)	<b>(1,913)</b>	<b>(10,187)</b>
Total assets			385,891	644.0		<b>643,989</b>
Shareholders' equity			363,909	607.3		<b>607,305</b>

Invexans reports its financial statements in US dollars, and translates them to Chilean pesos for consolidation purposes based 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.

### 3Q 2014 Results

Invexans revenues, which correspond mainly to income from leases, amounted to US\$129 thousand in 3Q 2014, 16.2% below the same period in 2013.

Operating income reached a loss of US\$8,423 thousand, greater than the loss of US\$1,193 thousand reported in 3Q 2013, mainly due to a loss of US\$7.6 million related to the payment of legal contingencies in Brazil under an amnesty program.

Non-operating income amounted to a loss of US\$1,888 thousand, compared to a loss of US\$561 thousand in 3Q 2013. This negative variation is primarily explained by exchange rate losses.

<sup>7</sup> Converted to US\$ at the observed exchange rate on September 30, 2014 (Ch\$599.22 = US\$1.00).

<sup>8</sup> Corresponds to Financial Statements in US dollars as reported by Invexans to the Superintendency of Securities and Insurance (SVS).



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In 3Q 2014 Invevans reported an income tax credit, whereas in 3Q 2013 it registered an income tax expense. Thus, net income for 3Q 2014 amounted to a loss of US\$10,187 thousand, as compared to the loss of US\$1,913 thousand reported in 3Q 2013.

## TECHPACK

	3Q 13		3Q 14		3Q 13	3Q 14
	MCh\$	MUS\$	MCh\$	MUS\$ <sup>9</sup>	ThUS\$	ThUS\$ <sup>10</sup>
Sales	46,566	77.7	58,537	97.7	<b>91,707</b>	<b>101,336</b>
Operating income	6,830	11.4	3,666	6.1	<b>13,497</b>	<b>6,345</b>
Net income (loss) Controller	423	0.7	(989)	(1.6)	<b>839</b>	<b>(1,711)</b>
Total assets			331,283	552.9		<b>552,857</b>
Shareholders' equity			48,683	81.2		<b>81,244</b>

Techpack carries its accounting in US dollars, and translates its financial statements to Chilean pesos for consolidation purposes based 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.

### 3Q 2014 Results

Techpack's sales, which correspond entirely to flexible packaging, amounted to US\$101,336 thousand in the third quarter of 2014, up by 10.5% from the same quarter in 2013, mostly reflecting the addition of HYC Packaging in Chile in the current quarter, and higher sales in Colombia and Argentina.

Gross income reached US\$18,968 thousand, down by 3.1% from 3Q 2013 mainly due to higher costs of raw materials. Operating income amounted to US\$6,345 thousand, 53.0% lower than the gain reported in 3Q 2013, mostly explained by the drop in gross income, together with a 14.2% rise in administrative expenses, mostly due to increased expenses related to the creation of a corporate structure for the company.

Non-operating income for the quarter amounted to a loss of US\$3,318 thousand, greater than the loss of US\$1,792 thousand loss reported in 3Q 2013, primarily attributable to higher financial costs, and to a lesser extent, exchange rate losses vis-à-vis gains in 3Q 2013.

Income tax for the quarter amounted to US\$21 thousand, lower than in 3Q 2013. However, discontinued operations, which correspond to Indalum, Madeco Mills, and Decker Industrial, reported a loss of US\$2,612 thousand in 3Q

<sup>9</sup> Converted to US\$ at the observed exchange rate on September 30, 2014 (Ch\$599.22 = US\$1.00).

<sup>10</sup> Corresponds to Financial Statements in US dollars as reported by Techpack to the Superintendency of Securities and Insurance (SVS).





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2014, compared to a loss of US\$1,527 thousand in 3Q 2013. Thus, net income for 3Q 2014 reached a loss of US\$1,711 thousand.

## FINANCIAL SEGMENT

The following table details the contribution of the investments in the Financial Segment during 2013 and 2014 to Quiñenco's net income:

	3Q 13		3Q 14	
	MCh\$	MUS\$	MCh\$	MUS\$
LQIF holding	(2,189)	(3.7)	(1,200)	(2.0)
Banking sector	34,545	57.6	35,401	59.1
<b>Financial Segment Net Income</b>	<b>32,356</b>	<b>54.0</b>	<b>34,201</b>	<b>57.1</b>

As of September 30, 2013 and 2014, Quiñenco's ownership of LQIF was 50.0%. LQIF's economic rights in Banco de Chile were 39.92% as of September 30, 2013 and 32.97% as of September 30, 2014.

### LQIF Holding

LQIF holding registered a loss of Ch\$2,400 million compared to a loss of Ch\$4,377 million in 3Q 2013, mainly explained by a decrease in the losses related to the effect of inflation on financial obligations denominated in UFs in 3Q 2014, reflecting a lower rate of inflation in the current quarter, lower financial costs, and a higher income tax credit in 3Q 2014.

### 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.



## BANCO DE CHILE

	3Q 13		3Q 14	
	MCh\$	MUS\$	MCh\$	MUS\$
Operating revenues	379,638	633.6	<b>386,045</b>	644.2
Provision for loan losses	(70,056)	(116.9)	<b>(61,655)</b>	(102.9)
Operating expenses	(154,004)	(257.0)	<b>(167,681)</b>	(279.8)
Net income (loss)	137,386	229.3	<b>158,718</b>	264.9
Loan portfolio	20,413,670	34,067.1	<b>21,383,079</b>	35,684.9
Total assets	25,253,318	42,143.7	<b>26,611,900</b>	44,410.9
Shareholders' equity	2,225,830	3,714.5	<b>2,438,309</b>	4,069.1
Net financial margin	5.3%		<b>5.2%</b>	
Efficiency ratio	40.6%		<b>43.4%</b>	
ROAE	25.0%		<b>26.3%</b>	
ROAA	2.2%		<b>2.4%</b>	

### 3Q 2014 Results

Banco de Chile reported net income of Ch\$158,718 million in the third quarter of 2014, increasing by 15.5% with respect to the third quarter of 2013. These results are based on a positive non-recurring effect on deferred taxes of higher corporate tax rates (of approximately Ch\$21 billion), an annual decrease in loan loss provisions, increased revenues from asset and liability management, higher income from the management of the AFS portfolio, and higher revenues from loans. These favorable effects more than compensated lower fee income, increased operating expenses, lower revenues from the management of the Bank's net asset exposure to UFs, and a lower contribution from the balance of demand deposits due to lower short term interest rates.

Operating revenues, which include net financial income, fee income and other operating income, increased by 1.7% to Ch\$386,045 million in the third quarter of 2014. This increment is mainly attributable to a 6.7% annual growth in average loans, with growth focused in the retail segment, higher income related to the net asset position that hedges the Bank's US\$ denominated loan loss provisions, due to the depreciation of the Chilean peso during 3Q 2014, higher revenues from the asset liability management based on improved funding and term gapping due to a steeper yield curve and reduced short term rates, and greater revenues from increased sales of AFS securities. These positive effects more than compensated a lower contribution of the Bank's net asset position in UFs given a lower rate of inflation, lower fee income, mostly due to lower fees from credit cards, insurance brokerage, and securities brokerage, and a lower contribution from demand deposits despite higher average balances, due to the cuts in the monetary policy rate.

Provisions for loan losses amounted to Ch\$61,655 million, 12.0% lower than in 3Q 2013. This decline is mainly explained by overall net credit risk improvement and additional provisions established only in 3Q 2013. On the other hand, there was a negative exchange rate effect on US\$ denominated loan loss provisions due to the depreciation of the Chilean peso.



Operating expenses increased by 8.9% to Ch\$167,681 million, mainly due to a 9.5% increment in personnel expenses, mostly owing to higher salary expenses, reflecting inflation adjustments and slightly higher headcount, and greater bonuses, related to the completion of a collective bargaining process in one of the Bank's subsidiaries in 3Q 2014. Administrative expenses increased 4.9%, mostly explained by expenses related to the branch network, as well as higher IT and office supplies expenses. Impairments also increased resulting from write-offs related to damaged or unused ATMs.

As of September 2014, the Bank's loan portfolio had experienced an annual growth of 4.7% and a quarterly increment of 2.2% with respect to June 2014. Annual portfolio growth is driven by all credit products, but particularly by residential mortgage loans that increased 13.9%, mainly as a result of targeting higher income segments, and by consumer loans, which posted annual growth of 9.7%, where growth in upper income segments is also the focus. Commercial loans have maintained a lower growth rate, up a slight 0.4% annually, where the bank has tightened the credit process prioritizing sustainable growth.

Banco de Chile is the second ranked bank in the country with a market share of 18.4% of total loans (excluding operations of subsidiaries abroad) as of August 2014. Its return on equity after taxes (annualized) reached 26.3% as of the 3Q 2014.

#### Interest Subordinated Debt

In the third quarter of 2014 accrued interest expense of the Subordinated Debt with the Chilean Central Bank was 7.5% lower than the third quarter of 2013, due to the effect of a lower rate of inflation in 3Q 2014 as compared to the same period in 2013.

#### ENERGY SEGMENT

The following table details the contribution of the investments in the Energy Segment during 2013 and 2014 to Quiñenco's net income:

	3Q 13		3Q 14	
	MCh\$	MUS\$	MCh\$	MUS\$
Enx	5,076	8.5	6,942	11.6
Energy Segment Net Income	5,076	8.5	6,942	11.6

As of September 30, 2013 and 2014, Quiñenco controls 100% of the energy segment.



## ENEX<sup>11</sup>

	3Q 13		3Q 14	
	MCh\$	MUS\$	MCh\$	MUS\$
Sales	545,163	909.8	<b>551,941</b>	921.1
Operating income (loss)	5,828	9.7	<b>8,669</b>	14.5
Net income (loss) Controller	5,076	8.5	<b>6,942</b>	11.6
Total assets			<b>739,269</b>	1,233.7
Shareholders' equity			<b>496,157</b>	828.0

### 3Q 2014 Results

Enex's consolidated sales during 3Q 2014 reached Ch\$551,941 million, up by 1.2% from 3Q 2013, mainly based on higher average fuel prices which more than compensated a lower sales volume, together with higher income from convenience stores, which were partially offset by lower revenue from asphalts due to lower prices. The total volume dispatched by Enex during the quarter amounted to 854 thousand cubic meters, 7.2% lower than in 3Q 2013, of which 96.6% correspond to fuels.

Gross income during the period reached Ch\$40,934 million, increasing 6.8% over 3Q 2013, primarily due to improved margins in fuels and lubricants, together with higher gross income from convenience stores, which compensated lower gross income from asphalts. Operating income during the quarter reached a gain of Ch\$8,669 million, growing 48.7% with respect to 3Q 2013, mostly due to the growth in gross income explained above, and boosted by a slight reduction in operating expenses.

Non-operating income amounted to a loss of Ch\$386 million, 67.4% lower than the loss reported in 3Q 2013, mainly due to reduced financial costs, primarily reflecting lower interest rates during the current quarter, as well as higher exchange rate gains and increased income from associates.

Net income for 3Q 2014 amounted to Ch\$6,942 million, 36.8% higher than net income reported in 3Q 2013, primarily due to the improved operating results explained above, together with lower non-operating losses, partially offset by higher income tax during the quarter.

<sup>11</sup> Enex corresponds to the consolidated financial statements of Enex S.A.



## TRANSPORT SEGMENT

The following table details the contribution of the investments in the Transport Segment during 2014 to Quiñenco's net income:

	3Q 13		3Q 14	
	MCh\$	MUS\$	MCh\$	MUS\$
CSAV	-	-	(41,077)*	(68.6)
Transport Segment Net Income	-	-	(41,077)	(68.6)

\* Corresponds to the proportionate loss in CSAV's results for the nine month period up to September 2014, since the proportionate result as of June 2014 (a loss of Ch\$29,574 million) was reported in the Other segment, and therefore is reversed in that same segment. Starting September 2014, CSAV's results are consolidated and no longer accounted for as an equity investment.

As of September 30, 2013 Quiñenco held a 46% interest in CSAV. As of September 30, 2014, Quiñenco controls 54.5% of CSAV.

## CSAV<sup>12</sup>

	3Q 13		3Q 14	
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Sales	816,623		747,741	
Operating income (loss)	(40,229)		(26,442)	
Net loss Controller	(46,660)		(35,379)	
Total assets			2,439,479	
Shareholders' equity			1,104,464	

## 3Q 2014 Results

Since IFRS was implemented, operating revenue and cost of sales of shipping services in course are registered according to their degree of completion. For those voyages that cannot be estimated precisely, revenue is registered only if related costs can be recovered, accounting the same amount as revenues and costs. If the voyage is estimated beforehand to present losses, then this loss is provisioned as cost of sales only. This implied lower revenues and cost of sales of US\$0.2 million in 3Q 2014 and lower revenues and cost of sales of US\$15.9 million in 3Q 2013.

CSAV's consolidated sales in 3Q 2014 reached US\$747.7 million, decreasing by 8.4% with respect to 3Q 2013, primarily due to a drop in freight rates which offset a 2.8% growth in transported volume. CSAV's container rate index, which includes freight and other cargo related revenue, decreased 6.9% compared to 3Q 2013. During 3Q 2014

<sup>12</sup> As of September 2014, CSAV's financial statements present the containership business as a discontinued business available for sale, due to the merger with Hapag Lloyd in process. However, for a better analysis of its results CSAV included a note on discontinued activities detailing its results with the containership business as a continuing activity. The following analysis is based on the figures presented in the referred note.



gross income amounted to a gain of US\$21.7 million, 30.1% higher than the gain of US\$16.7 million reported in 3Q 2013, due to a 9.2% reduction in cost of sales, primarily reflecting lower container shipping costs based on continued cost efficiency. Operating income reached a loss of US\$48.2 million in 3Q 2014, an improvement over the loss of US\$56.9 million reported in 3Q 2013, reflecting the growth in gross income, together with a reduction of 8.5% in administrative expenses.

Non-operating income for the quarter amounted to a loss of US\$4.0 million as compared to a loss of US\$14.0 million reported in 3Q 2013. This variation is primarily due to exchange rate gains during the current quarter compared to losses in the same quarter in 2013, and to a lesser extent lower financial costs, which were partially compensated by higher results from equity investments.

CSAV reported a net loss of US\$35.4 million in 3Q 2014, compared to a loss of US\$46.7 million reported in 3Q 2013, due to the improvement in operating and non-operating results explained above, partially offset by higher income tax during the quarter.

#### OTHER SEGMENT

The following table details the contribution from investments in the Segment Other during 2013 and 2014 to Quiñenco's net income:

	3Q 13		3Q 14	
	MCh\$	MUS\$	MCh\$	MUS\$
IRSA (CCU) <sup>13</sup>	6,237	10.4	3,848	6.4
CSAV	(11,012)	(18.4)	29,574*	49.4
SM SAAM	4,843	8.1	1,258	2.1
Quiñenco & other	(7,841)	(13.1)	35,081	58.5
<b>Total Segment Others</b>	<b>(7,773)</b>	<b>(13.0)</b>	<b>69,760</b>	<b>116.4</b>

\* Corresponds to the proportionate share in CSAV's loss as of June 2014 (Ch\$29,574 million) which was reversed in the September financial statements, due to the consolidation with CSAV as of the 3Q in the Transport segment.

As of September 30, 2014 and 2013, Quiñenco's ownership of CCU was 30.0% and 30.8%, respectively. As of September 30, 2013, Quiñenco's ownership of CSAV was 46.00%. As of September 30, 2014 and 2013, Quiñenco's ownership of SM SAAM was 42.44%.

The contribution from CSAV (in 2013) and SM SAAM corresponds to Quiñenco's proportional share in their respective net income for the period, adjusted by the fair value accounting for these investments at Quiñenco. The adjustment in the case of CSAV amounted to Ch\$116 million (negative) in 3Q 2013. In the case of SM SAAM the adjustment for 3Q 2014 amounted to Ch\$1,369 million and to Ch\$479 million in 3Q 2013, both downward

<sup>13</sup> Corresponds to Quiñenco's proportionate share of CCU's net income, prepared in accordance with IFRS.



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adjustments. In the case of CSAV in 3Q 2014, since this subsidiary is consolidated as of September 2014 financial statements, during the third quarter of 2014 CSAV's contribution is reported in the Transport segment. For a comparative analysis of CSAV's results please refer to the Transport Segment.

## CCU

	3Q 13		3Q 14	
	MCh\$	MUS\$	MCh\$	MUS\$
Sales	276,715	461.8	<b>303,953</b>	507.2
Operating income	34,083	56.9	<b>29,605</b>	49.4
Net income (loss)	20,999	35.0	<b>14,921</b>	24.9
Total assets			<b>1,667,192</b>	2,782.3
Shareholders' equity			<b>1,004,491</b>	1,676.3

## 3Q 2014 Results

Starting 2014, CCU reports its results in accordance with the following three business segments: Chile, Río de la Plata, and Wine. Chile includes beer, non-alcoholic beverages, and spirits. The Río de la Plata segment includes beer, cider, non-alcoholic beverages, and spirits in Argentina, Uruguay and Paraguay. CCU's sales in the third quarter of 2014 grew by 9.8% compared to the third quarter of 2013, as a result of 4.1% growth in consolidated sales volumes together with 5.5% higher average prices. Sales growth was led by the Wine segment, with 15.8% growth mainly driven by positive performance in the export markets, followed by Chile with 11.2%, reflecting higher sales volumes in its main categories as well as higher average prices, and Río de la Plata with 5.8% growth, primarily reflecting higher volumes.

Gross profit rose by 5.5% to Ch\$155,324 million, slightly lower than the growth in sales due to higher costs, mostly due to the effects of the devaluation of the Chilean peso vis-à-vis the US dollar on USD denominated raw materials. The gross margin as a percentage of sales decreased from 53.2% in 3Q 2013 to 51.1% in 3Q 2014.

Operating income reached Ch\$29,605 million, down by 13.1% from 3Q 2013, primarily explained by higher marketing and distribution expenses during the current quarter. These higher expenses were partially compensated by gains related to hedges covering foreign exchange rate variations on taxes, vis-à-vis losses for the same concept in 3Q 2013. EBITDA amounted to Ch\$43,752 million in 3Q 2014, 13.9% lower than in 3Q 2013.

CCU reported non-operating losses of Ch\$2,675 million which compare favorably to the loss of Ch\$6,484 million in 3Q 2013. The variation is mainly explained by greater financial income due to a higher cash balance during the quarter.

Net income for the third quarter of 2014 amounted to Ch\$14,921 million, down by 28.9% from the same quarter in 2013, primarily due to lower operating income during the quarter explained above, and higher income tax, mainly due to the increase in the corporate tax rate in 2014, partially compensated by an improved non-operating result.



## SM SAAM

	3Q 13	3Q 14
	ThUS\$	ThUS\$
Sales	116,925	<b>122,058</b>
Operating income	26,445	<b>17,785</b>
Net income controller	24,763	<b>10,878</b>
Total assets		<b>1,203,989</b>
Shareholders' equity		<b>700,567</b>

### 3Q 2014 Results

In the third quarter of 2014 SM SAAM's consolidated sales reached US\$122.1 million, up by 4.4% from 3Q 2013, primarily explained by growth of the port terminals and tug boats segments. Revenues of the port terminals segment grew 27.6% during the quarter, resulting from higher revenues in Ecuador and Mexico abroad, and from Iquique in Chile. Revenues of the tug boats segment increased 5.9%, mainly explained by the operations in Mexico, Chile, Canada and Panama, the last two being new markets for SAAM incorporated after the start of the joint ventures with Boskalis in July 2014. The logistics segment, however, reported a decrease of 13.1% in revenues, mainly due to lower revenues in Chile reflecting lower activity in containers depots and workshops, and the termination of documentation agency services with CSAV, and also in Brazil due to a lower volume. Consolidated revenues can be broken down as follows: Tug boats (44.1%), Logistics and others (28.1%), and Ports (27.8%).

Gross income amounted to US\$34.7 million, 25.6% above 3Q 2013, owing to higher sales and lower costs as a percentage of sales of the tug boats and port terminals segments, which more than compensated lower gross income from logistics during the quarter. During 3Q 2014 operating income amounted to US\$17.8 million, 32.7% lower than the same period in 2013, primarily explained by a non-recurring gain of US\$14.7 million in 3Q 2013 arising from the sale of SAAM's stake in Cargo Park, which more than offset the growth in gross income from tug boats and port terminals. Also, during the current quarter overall sales and administrative expenses increased 14.4% with respect to 3Q 2013, mostly due to higher expense of the port terminals and logistics segments. SM SAAM's consolidated EBITDA reached US\$28.7 million in 3Q 2014, up 20.9% from the same period in 2013.

Non-operating income for the quarter amounted to a gain of US\$2.8 million, 40.2% lower than the gain of US\$4.7 million reported in 3Q 2013. This variation is mainly explained by a lower contribution from equity investments, mainly due to lower activity at San Antonio and Antofagasta port terminals and a lower contribution from logistics Peru, partially compensated by lower financial costs during the quarter.

SM SAAM reported a net gain of US\$10.9 million in 3Q 2014, down by 56.1% from 3Q 2013, mainly due to the non-recurring gain related to the sale of Cargo Park in 3Q 2013, and a lower contribution from logistics during the period.





### QUIÑENCO and Others

The variation of Quiñenco and others is mainly explained at the corporate level by the provisory revaluation of its investment in CSAV reported as of September 2014, due to the change in the accounting of this investment from an equity method investment to a consolidated subsidiary, which amounted to a gain of Ch\$35,572 million. Results were also boosted by higher financial income and lower inflation adjustment losses at the corporate level, mainly due to a lower rate of inflation during the current quarter. The contribution from Banchile Seguros de Vida, on the other hand, increased by 3.1% with respect to the previous quarter, mainly due to growth in 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:

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