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# QUIÑENCO S.A. ANNOUNCES CONSOLIDATED RESULTS FOR THE FOURTH QUARTER AND YEAR END 2013

(Santiago, Chile, March 28, 2014) Quiñenco S.A., a leading Chilean business conglomerate, announced today its consolidated financial results under IFRS, for the fourth quarter and year ended December 31, 2013.

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 December 31, 2013 (Ch$524.61 = US$1.00), unless indicated otherwise, and are only provided for the reader's convenience.

## 2013 HIGHLIGHTS

- **Net income[1] amounted to a gain of Ch$124,841 million in 2013. Practically all of the group companies posted sound operating results, increasing their contribution to Quiñenco. Noteworthy are the contributions from Banco de Chile, LQIF holding and SM SAAM, and the improvement achieved by CSAV. However, non-recurring gains reported in 2012 by Invexans and Enex, and Invexans' share in Nexans' losses in the current year, led net income to be 10.6% below 2012. At the corporate level, higher operating gains and lower exchange rate losses more than compensated higher financial costs during the year.**

- **Consolidated revenues of the industrial sector reached Ch$2,055 billion, 41.9% higher than in 2012, mainly reflecting growth at Enex boosted by the acquisition of Terpel in June 2013.**

- **Operating income of the industrial sector grew 52.6% reaching Ch$78,351 million, boosted by Enex, reflecting the addition of Terpel Chile in the second half of 2013.**

- **Earnings per ordinary share amounted to a gain of Ch$88.73 in 2013.**

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



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## GROUP HIGHLIGHTS – FOURTH QUARTER 2013 AND SUBSEQUENT EVENTS

**CCU – Raises Ch$332 billion in capital increase**

In November 2013, CCU completed the capital increase approved by the shareholders in June 2013, to finance its expansion plan through organic and non-organic growth, raising a total of Ch$332 billion through the issuance of 51 million new shares. During the rights offering 98% of the total shares were subscribed.

**Enex – Divests 61 service stations**

During September and October 2013, in compliance with the Supreme Court's sentence, Enex sold 61 service stations via auctions, for a total amount of US$27 million.

**Madeco – Closure of subsidiary in Argentina and of Madeco Mills**

On October 1, 2013, Madeco, as part of its strategic development plan, announced the decision of its Board of Directors to suspend the operations of its subsidiary Decker, which manufactures copper tubes in Argentina. This decision implied the release of all of its personnel, and the sale of a production facility in Buenos Aires, Argentina. Along the same lines, Madeco's subsidiary Madeco Mills decided to terminate the operations of its smelting facility in Chile, dedicated to manufacturing copper supplies for brass mills. Furthermore, in December the Board of Madeco Mills determined the closure of the brass mills unit in Chile. These decisions respond to the market changes that led to a loss of competitiveness in the traditional manufacturing process of copper tubes, due to higher production costs, mainly energy, and the use of cheaper PVC pipes.

**Nexans – Raises approximately 284 million euros in rights offering**

On October 15, 2013, Nexans launched a capital increase, which was completed successfully at the beginning of November 2013. The final gross proceeds amounted to approximately 284 million euros through the issue of 12,612,942 new shares. The capital increase is intended to strengthen the company's financial structure, sustain its credit profile, and grant flexibility in the execution of the group's strategic initiatives.

**Invexans – Approves US$250 million follow on and increases stake in Nexans to 27.9%**

On November 22, 2013, Invexans' Extraordinary Shareholders' Meeting approved a capital increase of US$250 million, to be carried out through the issue of 15 billion new shares. The funds will be destined to increase its stake in Nexans, including its participation in Nexans' capital increase, as well as the reduction of liabilities. As of December 2013, Invexans stake in Nexans had reached of 26.55%, reaffirming its commitment as a significant shareholder of the French cable company. Furthermore, during March 2014 Invexans announced this stake had risen to 27.9%.

**LQIF – Sells Banco de Chile shares through secondary offering**

In January, 2014, LQIF carried out a secondary offering, equivalent to a 7.2% stake in Banco de Chile, receiving approximately US$818 million. LQIF sold 6,700 million shares at a price of Ch$67 per share. Thus the Bank's free float increased from 17.6% to 24.8%.

**CSAV – Non-binding agreement to merge with Hapag Lloyd signed**

On January 22, 2014, CSAV announced a non-binding MOU with the German shipping company Hapag Lloyd (HL), to merge CSAV's container business with HL, becoming shareholder in the merged company with a 30% stake. CSAV would be the largest shareholder, and through a shareholders' agreement would control around 75% of the combined entity. The new company would be the 4$^{th}$ largest operator worldwide. The transaction is subject to due diligence processes, approvals from regulatory authorities and from the competent entities of each party.

**CSAV – Announces new capital increases**

On February 13, 2014, CSAV announced two capital increases, one for US$200 million to complete the financing of its 7 new vessels, which was approved by the Shareholders' Meeting held on March 21, 2014, and a second possible new capital increase of up to US$400 million, to be carried out if the merger with Hapag Lloyd is materialized.

**Madeco – Closure of profiles subsidiary in Chile**

On March 10, 2014, Madeco announced the closure of its profile's subsidiary Indalum, due to a sustained loss of competitiveness, due to higher costs, mainly of energy, and loss of economies of scale, together with growing lower priced imports of aluminum and PVC profiles. The closure of Indalum is estimated to generate a loss of approximately US$8.5 million, which were provisioned in the financial statements as of December 2013.

**Madeco – Announces capital increase of US$200 million**

On March 10, 2014, Madeco announced a capital increase of US$200 million, subject to approval of the Shareholders' Meeting to be held in April, in order to finance the expansion of the flexible packaging business, primarily investments in the companies it has en Chile, Peru, Argentina, and Colombia (including a new plant in this country), the potential acquisition of new companies in these and other markets in the region, and the partial prepayment of liabilities.



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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 four segments defined by Quiñenco for this purpose: Manufacturing, Financial, Energy 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
    - Madeco
  - **ii) Financial**
    - LQ Inversiones Financieras (LQIF holding)
  - **iii) Energy**
    - Enex
  - **iv) Other**
    - Quiñenco and others (includes CCU, Compañía Sud Americana de Vapores (CSAV), SM SAAM, Banchile Seguros de Vida (Banchile Vida) and eliminations)

The companies composing this sector reported their financial statements in accordance with IFRS. Invexans and Madeco 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 named Madeco. Invexans' main asset is its 26.55% stake (as of December 2013) in Nexans, a French multinational leader in the world cable industry. Madeco's main assets are Alusa (flexible packaging), Madeco Mills (brass mills), and Indalum (profiles). As of December 31, Quiñenco's stake in both companies was 65.9%. Invexans has re-classified in its financial statements for 2012, the companies Alusa, Madeco Mills and Indalum as discontinued operations in the income statement. In 2013, Madeco has re-classified Madeco Mills as a discontinued operation in the income statement. Thus, the income, costs and expenses of Alusa and Indalum are only reflected as such in the financial statements of the new Madeco in 2013, and in one line (Net income/loss from discontinued operations) in the financial statements of Invexans in 2012.

**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 | | Other | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 4Q 12 | 4Q 13 | 4Q 12 | 4Q 13 | 4Q 12 | 4Q 13 | 4Q 12 | 4Q 13 | 4Q 12 | 4Q 13 |
| | MCh$ | MCh$ | MCh$ | MCh$ | MCh$ | MCh$ | MCh$ | MCh$ | MCh$ | MCh$ |
| Consolidated Income (Loss) Industrial Sector | 5,874 | **(33,931)** | (4,352) | **(6,183)** | 45 | **5,252** | 19,179 | **10,340** | 20,747 | **(24,521)** |
| Consolidated Income Banking Sector | - | **-** | 117,750 | **114,166** | - | **-** | - | **-** | 117,750 | **114,166** |
| **Consolidated Net Income (Loss)** | 5,874 | **(33,931)** | 113,398 | **107,983** | 45 | **5,252** | 19,179 | **10,340** | 138,497 | **89,645** |
| Net income (loss) attributable to Non-controlling interests | 2,816 | (9,682) | 80,526 | 77,838 | - | - | 3,913 | 460 | 87,255 | 68,616 |
| **Net Income (loss) attributable to Controllers' Shareholders** | 3,059 | (24,249) | 32,872 | 30,145 | 45 | 5,252 | 15,266 | 9,881 | 51,242 | 21,029 |

### Net Income – Full Year 2013

Quiñenco reported net income of Ch$124,841 million in 2013, primarily attributable to the positive contribution of the operating companies. The proportional loss from CSAV improved substantially, while Banco de Chile, LQIF holding, SM SAAM, Madeco and CCU posted higher contributions in 2013 based mostly on sound operating performance. The contribution from Invexans diminished, however, mainly due to initial negative goodwill related to the investment in Nexans reported in 2012. Although Enex achieved substantial growth in operating results reflecting the addition of Terpel Chile' operations in the second half of 2013, net income diminished due to a non-recurring tax credit in 2012. Banchile Vida's results decreased during the period mainly due to lower gross income. At the corporate level, higher operating gains and lower exchange rate losses more than compensated higher financial costs during the year. Thus, net income in 2013 was 10.6% lower than that reported in 2012.

Earnings per ordinary share amounted to Ch$88.73 in 2013.

### Net Income – 4Q 2013

Quiñenco reported a net gain of Ch$21,029 million in the fourth quarter of 2013, 59.0% lower than that reported for the same period in 2012, primarily due to a lower contribution from Invexans during the quarter, mainly due its share in Nexans' losses during the second half of 2013, and a lower contribution from CSAV, reflecting both lower operating and non-operating results. Madeco posted a loss during the quarter mostly due to discontinued operations, and provisions related to the closure of Indalum planned for 2014. Banco de Chile's contribution also diminished during the quarter, primarily due to higher loan loss provisions, while Banchile Vida's contribution decreased largely due to a non-recurring gain in 4Q 2012. Enex, however, increased its contribution, based on the addition of Terpel Chile's operations in the second half of 2013. At the corporate level, operating gains more than offset higher financial costs.

Earnings per ordinary share amounted to a gain of Ch$14.95 in the fourth quarter of 2013.



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# Consolidated Income Statement Breakdown

| | Quarters | | | | Full Year | | | |
|---|---|---|---|---|---|---|---|---|
| | 4Q 12 | | 4Q 13 | | 2012 | | 2013 | |
| | MCh$ | MUS$ | MCh$ | MUS$ | MCh$ | MUS$ | MCh$ | MUS$ |
| **Industrial Sector** | | | | | | | | |
| **Revenues** | **378,374** | **721.2** | **561,692** | **1,070.7** | **1,448,296** | **2,760.7** | **2,054,946** | **3,917.1** |
| Manufacturing - Invexans & Madeco | 50 | 0.1 | 16,909 | 32.2 | 179 | 0.3 | 206,182 | 393.0 |
| Financial - LQIF holding | - | - | - | - | - | - | - | - |
| Energy - Enex | 350,564 | 668.2 | 522,399 | 995.8 | 1,340,623 | 2,555.5 | 1,757,693 | 3,350.5 |
| Other - Quiñenco & others | 27,761 | 52.9 | 22,384 | 42.7 | 107,494 | 204.9 | 91,070 | 173.6 |
| **Operating income (loss)** | **17,020** | **32.4** | **31,317** | **59.7** | **51,335** | **97.9** | **78,351** | **149.4** |
| Manufacturing - Invexans & Madeco | 6,406 | 12.2 | 15,203 | 29.0 | 31,345 | 59.7 | 42,631 | 81.3 |
| Financial - LQIF holding | (1,530) | (2.9) | (969) | (1.8) | (6,187) | (11.8) | 1,713 | 3.3 |
| Energy - Enex | 1,446 | 2.8 | 6,727 | 12.8 | 7,613 | 14.5 | 25,003 | 47.7 |
| Other - Quiñenco & others | 10,697 | 20.4 | 10,356 | 19.7 | 18,564 | 35.4 | 9,004 | 17.2 |
| **Non-operating income (loss)** | **7,663** | **14.6** | **(49,062)** | **(93.5)** | **(34,011)** | **(64.8)** | **(75,108)** | **(143.2)** |
| Interest income | 5,055 | 9.6 | 5,000 | 9.5 | 21,100 | 40.2 | 16,341 | 31.1 |
| Interest expense | (6,932) | (13.2) | (12,137) | (23.1) | (26,461) | (50.4) | (39,519) | (75.3) |
| Share of net income/loss from related co. | 14,363 | 27.4 | (35,651) | (68.0) | (13,329) | (25.4) | (38,765) | (73.9) |
| Foreign exchange gain (loss) | 135 | 0.3 | (1,190) | (2.3) | (3,455) | (6.6) | (2,422) | (4.6) |
| Indexed units of account restatement | (4,958) | (9.5) | (5,084) | (9.7) | (11,866) | (22.6) | (10,743) | (20.5) |
| Income tax | (4,358) | (8.3) | 73 | 0.1 | 9,579 | 18.3 | (8,748) | (16.7) |
| *Net income (loss) from discontinued operations* | 421 | 0.8 | (6,850) | (13.1) | 4,361 | 8.3 | (7,648) | (14.6) |
| **Consolidated Net Income (Loss) Industrial Sector** | **20,747** | **39.5** | **(24,521)** | **(46.7)** | **31,264** | **59.6** | **(13,154)** | **(25.1)** |
| **Banking Sector** | | | | | | | | |
| Operating revenues | 388,314 | 740.2 | 393,580 | 750.2 | 1,345,404 | 2,564.6 | 1,458,121 | 2,779.4 |
| Provision for loan losses | (50,605) | (96.5) | (67,799) | (129.2) | (188,189) | (358.7) | (241,614) | (460.6) |
| Operating expenses | (177,154) | (337.7) | (169,253) | (322.6) | (634,058) | (1,208.6) | (623,200) | (1,187.9) |
| Operating income (loss) | 160,554 | 306.0 | 156,528 | 298.4 | 523,158 | 997.2 | 593,307 | 1,130.9 |
| Non-operating income (loss) | (21,592) | (41.2) | (19,079) | (36.4) | (73,939) | (140.9) | (67,629) | (128.9) |
| Income tax | (21,212) | (40.4) | (23,282) | (44.4) | (54,040) | (103.0) | (80,020) | (152.5) |
| **Consolidated Net Income (Loss) Banking Sector** | **117,750** | **224.5** | **114,166** | **217.6** | **395,179** | **753.3** | **445,658** | **849.5** |
| Consolidated Net Income | 138,497 | 264.0 | 89,645 | 170.9 | 426,443 | 812.9 | 432,504 | 824.4 |
| Net income attributable to Non-controlling interests | 87,255 | 166.3 | 68,616 | 130.8 | 286,800 | 546.7 | 307,664 | 586.5 |
| **Net income attributable to Controllers' shareholders** | **51.242** | **97.7** | **21,029** | **40.1** | **139,643** | **266.2** | **124,841** | **238.0** |



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## I. Industrial Sector

### Revenues – Full Year 2013

Consolidated revenues totaled Ch$2,054,946 million in 2012, 41.9% higher than in 2012, mainly owing to the addition as of July 2013 of Terpel Chile's revenues to Enex's operations, pushing Enex's revenues up to Ch$1,757,693 million in 2013, and to a lesser extent to the reclassification as discontinued operations in 2012 of the sales of flexible packaging and profiles, included in Madeco in 2013[2]. Revenues from Banchile Vida, included in Quiñenco and others, however, decreased 15.4% during the year.

Consolidated sales in 2013 can be broken down as follows: Enex (85.5%), Madeco (10.0%), and others (4.5%).

### Revenues – 4Q 2013

Consolidated revenues totaled Ch$561,692 million in the fourth quarter of 2013, 48.4% above those of the same period in 2012, primarily due to sales growth at Enex of 49.0%, mostly reflecting the addition of Terpel in 4Q 2013, and to a much lesser extent to the reclassification as discontinued operations in 4Q 2012 of the sales of flexible packaging and profiles, included in Madeco in 2013. Revenues from Banchile Vida, included in Quiñenco and others, however, decreased 19.5% during the quarter.

Consolidated sales in the fourth quarter of 2013 can be broken down as follows: Enex (93.0%), Madeco (3.0%), and others (4.0%).

### Operating Income[3] - Full Year 2013

Operating income in 2013 reached a gain of Ch$78,351 million, 52.6% above the gain of Ch$51,335 million in 2012. The improvement in consolidated operating results is primarily attributable to the reclassification in 2012 of the flexible packaging and profiles units as discontinued operations, included in Madeco in 2013, and to strong operational growth at Enex, boosted by the acquisition of Terpel in June 2013. LQIF holding also contributed, although to a lesser extent, with operating gains during the period. These positive variations were partially offset by Invexans' contribution which decreased 73.5% with respect to 2012, largely due to lower negative goodwill related to the investment in Nexans, and a decrease of 58.9% in Banchile Vida's operating income, mainly due to lower gross income during the period.

### Operating Income - 4Q 2013

Operating income for the fourth quarter of 2013 reached a gain of Ch$31,317 million, up a strong 84.0% compared to a gain of Ch$17,020 million in the fourth quarter of 2012. The improvement in consolidated operating results is primarily attributable to the reclassification in 4Q 2012 of the flexible packaging and profiles units as discontinued operations, included in Madeco in 4Q 2013, to strong operational growth at Enex, boosted

[2] It is worth noting that since Madeco and Invexans 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 Madeco's and Invexans' 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.



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by the acquisition of Terpel in June 2013, and higher operating gains at the corporate level. Invexans' contribution also improved with respect to 4Q 2012, mainly reflecting higher negative goodwill related to its investment in Nexans in the current quarter. LQIF holding also contributed, although to a lesser extent, with lower operating losses during the quarter. These positive variations were partially offset by a decrease of 76.1% in Banchile Vida's operating income, mainly due to a non-recurring gain in 4Q 2012.

**EBITDA[4] – Full Year 2013**

EBITDA amounted to Ch$65,603 million in 2013, up 88.5% from 2012, generated mainly by Madeco and Enex, and also by Banchile Vida's operations.

**EBITDA – 4Q 2013**

EBITDA amounted to Ch$15,769 million in 4Q 2013, generated mainly by Madeco's, Enex's, and Banchile Vida's operations.

**Non-Operating Results[5] – Full Year 2013**

Non-operating income amounted to a loss of Ch$75,108 million in 2013, significantly higher than the loss reported in 2012 of Ch$34,011 million. The main items included in non-operating results are discussed below:

**Proportionate share of net income of equity method investments (net) – Full Year 2013**

Quiñenco's proportionate share of net income from equity method investments (net), which primarily includes the results from IRSA (CCU), CSAV, and SM SAAM reached a loss of Ch$38,765 million, compared to a loss of Ch$13,329 million in 2012. In the case of CSAV and SM SAAM, the proportionate share is adjusted by the fair value accounting for these investments at Quiñenco. (For more detail see Segment/operating Company Analysis).

Quiñenco's proportionate share of net income from IRSA (CCU) increased a slight 0.5% to Ch$37,690 million. Quiñenco's proportionate share of net income from CSAV improved 37.4% to a loss of Ch$37,163 million. Quiñenco's proportionate share of net income from SM SAAM increased 48.3% to a gain of Ch$12,664 million.

**Interest Income – Full Year 2013**

Interest income in 2013 amounted to Ch$16,341 million, down by 22.6% from 2012. This variation is primarily explained by lower financial income at Quiñenco and others, due to a lower cash balance. To a lesser extent, LQIF holding also registered lower interest income during the year. These reductions were partially compensated by higher financial income at Enex and Madeco.

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[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.



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**Interest Expense – Full Year 2013**

Interest expense in 2013 amounted to Ch$39,519 million, up 49.3% with respect to 2012. The variation is mainly explained by financial costs at Madeco in 2013 only, higher financial costs at LQIF holding, Quiñenco, Enex, and Invexans.

**Foreign currency exchange differences – Full Year 2013**

In 2013, the gains/losses specific to foreign currency translation differences amounted to a loss of Ch$2,422 million, compared to a loss of Ch$3,455 million reported in 2012, primarily attributable to losses at Madeco, Invexans, and Enex.

**Indexed units of account restatement – Full Year 2013**

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$10,743 million in 2013, 9.5% lower than in 2012, mainly due to a lower rate of inflation in 2013.

## Non-operating Results – 4Q 2013

Non-operating income amounted to a loss of Ch$49,062 million in the fourth quarter of 2013, which compares negatively to the gain of Ch$7,663 million in the same quarter of 2012. The variation between the two periods is mostly explained by the results of equity investments.

**Proportionate share of net income of equity method investments (net) – 4Q 2013**

Quiñenco's proportionate share of net income from equity method investments (net), which primarily includes the results from CCU, CSAV, and SM SAAM reached a loss of Ch$35,651 million, compared to a gain of Ch$14,363 million in 4Q 2012. In the case of CSAV and SM SAAM, the proportionate share is adjusted by the fair value accounting for these investments at Quiñenco. (For more detail see Segment/operating Company Analysis).

Quiñenco's proportionate share of net income from CCU decreased by 12.5% to Ch$13,085 million.
Quiñenco's proportionate share of net income from CSAV deteriorated to a loss of Ch$15,174 million in 4Q 2013, from a loss of Ch$4,371 million in the previous period.
Quiñenco's proportionate share of net income from SM SAAM decreased by 9.8% to a gain of Ch$2,820 million.

**Interest Income - 4Q 2013**

Interest income for the fourth quarter of 2013 amounted to Ch$5,000 million, 1.1% below that obtained in 4Q 2012. This variation corresponds mainly to lower financial income at Quiñenco, mostly compensated by higher financial income at LQIF holding.


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**Interest Expense - 4Q 2013**

Interest expense for the fourth quarter of 2013 amounted to Ch$12,137 million, 75.1% higher than in 4Q 2012. The variation is mainly explained by financial costs at Madeco in 4Q 2013 only, higher financial costs at LQIF holding and Quiñenco, and to a lesser extent, at Enex and Invexans.

**Foreign currency exchange differences – 4Q 2013**

In 4Q 2013, the gains (losses) specific to foreign currency translation differences amounted to a loss of Ch$1,190 million, compared to a gain of Ch$135 million reported in 4Q 2012, primarily attributable to losses at Invexans, Madeco, and Enex.

**Indexed units of account restatement – 4Q 2013**

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$5,084 million in the fourth quarter of 2013, compared to a loss of Ch$4,958 million reported in the same period of 2012, mainly due to a higher level of debt in UFs at the corporate level.

**Income Taxes – Full Year 2013**

The industrial sector reported an income tax of Ch$8,748 million, compared to an income tax credit of Ch$9,579 million reported in 2012, which included an income tax credit at Enex.

**Income Taxes – 4Q 2013**

The industrial sector reported an income tax credit of Ch$73 million, compared to income tax of Ch$4,358 million reported in the fourth quarter of 2012, primarily due to lower taxes at Invexans and Banchile Vida, partially offset by Madeco' taxes in 4Q 2013 only.

**Discontinued Operations – Full Year 2013**

In 2012 discontinued operations amounted to a gain of Ch$4,361 million reported by Invexans, mainly corresponding to the result of Alusa (flexible packaging), Madeco Mills (brass mills), and Indalum (profiles). In 2013 the result of flexible packaging and profiles is reflected in Madeco's financial statements as continuing operations. In 2013 discontinued operations posted a loss of Ch$7,648 million, explained by a loss reported by Madeco corresponding to its subsidiary in Argentina (Decker), whose operations were suspended in September 2013, and the closure of Madeco Mills' operations in Chile, in December 2013, classified therefore as discontinued operations.

**Discontinued Operations – 4Q 2013**

In 4Q 2012 discontinued operations amounted to a gain of Ch$421 million reported by Invexans, mainly corresponding to the result of Alusa (flexible packaging), Madeco Mills (brass mills), and Indalum (profiles). In 4Q 2013 the result of Alusa and Indalum are reflected in Madeco's financial statements as continuing operations. In 4Q 2013 discontinued operations posted a loss of Ch$6,850 million, explained by a loss reported by Madeco corresponding to the closure of Madeco Mills' operations in Chile.



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### Non-controlling Interests – Full Year 2012

In 2013, at a consolidated level (including both industrial and banking net income), net income attributable to non-controlling interests amounted to Ch$307,664 million. Of the total amount reported in 2013, Ch$184,509 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 explained by minority shareholders' share of LQIF's net income, and to a lesser extent by minority shareholders' share of Invexans' and Madeco's net income.

### Non-controlling Interests – 4Q 2013

In the fourth quarter of 2013, at a consolidated level (including both Industrial and Banking net income), net income attributable to non-controlling interests amounted to Ch$68,616 million. Of the total amount reported in 4Q 2013, Ch$47,254 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 mostly explained by minority shareholders' share of LQIF's net income.

## II. Banking Sector

### Operating Revenues – Full Year 2013

Operating revenues in 2013 amounted to Ch$1,458,121 million, 8.4% higher than in 2012. Operating revenues correspond almost entirely to Banco de Chile, which grew 8.5% during the period, mainly due to strong growth in average loans together with slightly higher lending spreads, higher balances of current accounts and demand deposits, and higher revenues from the bank's net asset position in UFs, despite the lower rate of inflation.

### Operating Revenues - 4Q 2013

Operating revenues for the fourth quarter of 2013 amounted to Ch$393,580 million, 1.4% above the fourth quarter of 2012, mainly due to growth of operating revenues at Banco de Chile, which increased by 1.3%.

### Provision for Credit Risk - Full Year 2013

Provisions for loan losses at Banco de Chile amounted to Ch$241,613 million in 2013, 28.4% up from 2012, mainly attributable to growth related to the increase in loans, particularly in the retail segment, and additional provisions in view of the slowdown experienced by the local economy.

### Provision for Credit Risk - 4Q 2013

Provisions for loan losses at Banco de Chile amounted to Ch$67,799 million in the fourth quarter of 2013, 34.0% higher than the provisions registered in the fourth quarter of 2012, primarily attributable to 10.2% growth in average loans.



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### Operating expenses - Full Year 2013

Operating expenses decreased by 1.7% to Ch$623,200 million, explained primarily by lower other operating expenses.

### Operating Expenses - 4Q 2013

Operating expenses decreased by 4.5% to Ch$169,253 million, mainly due to lower other operating expenses.

### Non-operating Results - Full Year 2013

During 2013 non-operating results amounted to a loss of Ch$67,629 million as compared to a loss of Ch$73,939 million in 2012, primarily explained by lower accrued interest expense of the Subordinated Debt with the Chilean Central Bank, resulting from the effect of lower inflation during the period on said expenses, and also by improved results from Banco de Chile's associates.

### Non-operating Results - 4Q 2013

During the fourth quarter of 2013 non-operating results amounted to a loss of Ch$19,079 million as compared to a loss of Ch$21,592 million in the fourth quarter of 2012, 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 fourth quarter of 2013, and an improved contribution from related companies during the quarter.

### Net Income – Full Year 2013

Net income for the banking sector amounted to Ch$445,658 million up by 12.8% from 2012, resulting from higher operating revenues and improved non-operating results, partially offset by higher provisions for loan losses during the year.

### Net Income - 4Q 2013

Net income for the banking sector amounted to Ch$114,166 million down by 3.0% over the same period in 2012, mainly due to higher loan loss provisions and higher income tax, which more than offset lower operating expenses.



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## CONSOLIDATED BALANCE SHEET ANALYSIS (vis-à-vis the 3rd quarter of 2013)

### Condensed Consolidated Balance Sheet

| | 09-30-2013 | | 12-31-2013 | |
|---|---|---|---|---|
| | MCh$ | MUS$ | MCh$ | MUS$ |
| Current assets industrial sector | 692,706 | 1,320.4 | **900,417** | 1,716.4 |
| Non-current assets industrial sector | 2,618,193 | 4,990.7 | **2,642,199** | 5,036.5 |
| Assets financial sector | 25,245,842 | 48,123.1 | **25,929,314** | 49,425.9 |
| Total assets | 28,556,741 | 54,434.2 | 29,471,930 | 56,178.7 |
| Current liabilities industrial sector | 405,987 | 773.9 | **452,481** | 862.5 |
| Long-term liabilities industrial sector | 944,640 | 1,800.7 | **863,702** | 1,646.4 |
| Liabilities financial sector | 23,216,456 | 44,254.7 | **23,728,953** | 45,231.6 |
| Non-controlling interests | 1,958,644 | 3,733.5 | **2,009,433** | 3,830.3 |
| Shareholders' equity | 2,031,014 | 3,871.5 | **2,417,361** | 4,607.9 |
| Total liabilities & shareholders' equity | 28,556,741 | 54,434.2 | 29,471,930 | 56,178.7 |

**Current Assets Industrial Sector**

Current assets increased by 30.0% compared to the third quarter of 2013, mainly due to a higher balance of cash and cash equivalents, following Quiñenco's capital increase which was concluded in November 2013 raising Ch$350,015 million, and to a lesser extent by higher net bank loans at Invexans. During the quarter funds were used by Invexans in its subscription of Nexans' capital increase and the purchase of additional shares, and by LQIF holding to pay debt.

**Non-current Assets Industrial Sector**

Non-current assets increased by 0.9% compared to the third quarter of 2013, mainly due to a higher balance of equity investments, where increases at Nexans, IRSA, and SM SAAM were partly offset by a drop in CSAV. This increase was partially offset by a lower balance of other equity investments.

**Assets Banking Sector**

Total assets of the banking sector increased by 2.7% compared to the third quarter of 2013. Loans to customers increased by 2.2% with respect to September 2013, reflecting growth in all segments.

**Current Liabilities Industrial Sector**

Current liabilities increased by 11.5% over the third quarter of 2013, primarily due to higher debt at Quiñenco, reflecting the short term portion of long term debt, and higher bank loans at Invexans, partially compensated by lower liabilities at LQIF holding and Enex.



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**Long-term Liabilities Industrial Sector**

Long-term liabilities decreased by 8.6% in comparison to the third quarter of 2013, mostly reflecting a lower level of debt at LQIF holding, and of bonds at Quiñenco, reflecting the reclassification of the short term portion.

**Liabilities Banking Sector**

Liabilities corresponding to the banking sector increased by 2.2% compared to the third quarter of 2013.

**Non-controlling Interest**

Non-controlling interest increased by 2.6% in comparison to the third quarter of 2013 mainly explained by higher non-controlling interest in Banco de Chile and LQIF.

**Equity**

Shareholders' equity increased by 19.0% compared to the third quarter of 2013 primarily reflecting period earnings, net of dividends provisioned, and due to the variation in other reserves, corresponding mainly to a gain at Quiñenco derived from IRSA's partial non-concurrence to CCU's capital increase.




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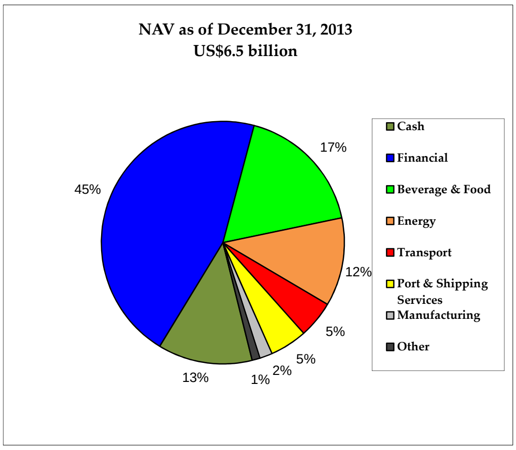
## Quiñenco Corporate Level Debt and Cash

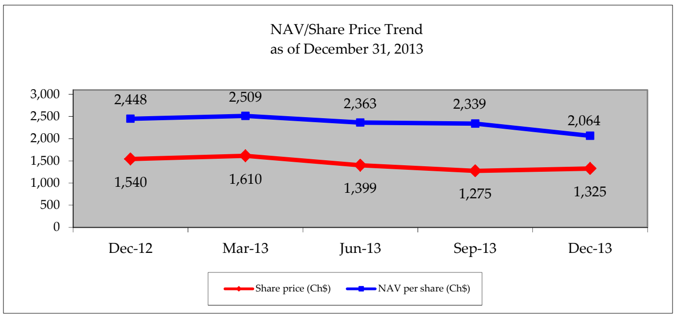
| As of December 31, 2013 | Debt | | Cash & equivalents | | Total Net Debt | |
|---|---|---|---|---|---|---|
| | MCh$ | MUS$ | MCh$ | MUS$ | MCh$ | MUS$ |
| Corporate level | 419,445 | 799.5 | 499,640 | 952.4 | (80,195) | (152.9) |
| Adjusted for: | | | | | | |
| 50% interest in LQIF | 81,320 | 155.0 | 4 | 0.0 | 81,316 | 155.0 |
| 50% interest in IRSA | 37,342 | 71.2 | 442 | 0.8 | 36,900 | 70.3 |
| **Total** | **538,108** | **1,025.7** | **500,086** | **953.3** | **38,021** | **72.5** |

The debt to total capitalization ratio at the corporate level (unadjusted) was 14.5% as of December 31, 2013.

## NAV

As of December 31, 2013, the estimated net asset value (NAV) of Quiñenco was US$6.5 billion (Ch$2,064 per share) and market capitalization was US$4.2 billion (Ch$1,325 per share). The discount to NAV is estimated at 35.8% as of the same date.



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## SEGMENT /OPERATING COMPANY ANALYSIS

| Sector /Segment | Manufacturing | | Financial | | Energy | | Other | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 4Q 12 | 4Q 13 | 4Q 12 | 4Q 13 | 4Q 12 | 4Q 13 | 4Q 12 | 4Q 13 | 4Q 12 | 4Q 13 |
| | MCh$ | MCh$ | MCh$ | MCh$ | MCh$ | MCh$ | MCh$ | MCh$ | MCh$ | MCh$ |
| **Industrial Sector** | | | | | | | | | | |
| Net income (loss) from continued operations before taxes | 6,775 | **(24,204)** | (5,411) | **(6,621)** | 969 | **5,578** | 22,351 | **7,502** | 24,684 | **(17,744)** |
| Income tax | (1,321) | **(2,877)** | 1,059 | **438** | (924) | **(326)** | (3,172) | **2,838** | (4,358) | **73** |
| Net loss from discontinued operations | 421 | **(6,850)** | - | **-** | - | **-** | - | **-** | 421 | **(6,850)** |
| **Net income (loss) industrial sector** | 5,874 | **(33,931)** | (4,352) | **(6,183)** | 45 | **5,252** | 19,179 | **10,340** | 20,747 | **(24,521)** |
| **Banking Sector** | | | | | | | | | | |
| Net income before taxes | - | **-** | 138,962 | **137,448** | - | **-** | - | **-** | 138,962 | **137,448** |
| Income tax | - | **-** | (21,212) | **(23,282)** | - | **-** | - | **-** | (21,212) | **(23,282)** |
| **Net income banking sector** | - | **-** | 117,750 | **114,166** | - | **-** | - | **-** | 117,750 | **114,166** |
| | | | | | | | | | | |
| **Consolidated net income (loss)** | 5,874 | **(33,931)** | 113,398 | **107,983** | 45 | **5,252** | 19,179 | **10,340** | 138,497 | **89,645** |
| Net income (loss) attributable to Non-controlling interests | 2,816 | **(9,682)** | 80,526 | **77,838** | - | **-** | 3,913 | **460** | 87,255 | **68,616** |
| Net income (loss) attributable to Controllers' shareholders | 3,059 | (24,249) | 32,872 | 30,145 | 45 | 5,252 | 15,266 | 9,881 | 51,242 | 21,029 |

## MANUFACTURING SEGMENT

The following table details the contribution of the investments in the Manufacturing segment during 2012 and 2013 to Quiñenco's net income:

| | Quarters | | | | Full Year | | | |
|---|---|---|---|---|---|---|---|---|
| | 4Q 12 | | 4Q 13 | | 2012 | | 2013 | |
| | MCh$ | MUS$ | MCh$ | MUS$ | MCh$ | MUS$ | MCh$ | MUS$ |
| Invexans | 3,059 | 5.8 | (18,825) | (35.9) | 14,174 | 27,0 | (31,555) | (60.1) |
| Madeco | - | - | (5,423) | (10.3) | - | - | 565 | 1.1 |
| **Total Manufacturing Segment** | 3,059 | 5.8 | (24,249) | (46.2) | 14,174 | 27,0 | (30,990) | (59.1) |

As of December 31, 2013 and 2012, Quiñenco's ownership of Invexans was 65.9% and 55.4%, respectively. As of December 31, 2013, Quiñenco's ownership of Madeco was 65.9%.



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## INVEXANS

| | Quarters | | | |
|---|---|---|---|---|
| | 4Q 12 | | 4Q 13 | |
| | MCh$ | MUS $ | MCh$ | MUS$[6] |
| Sales | 50 | 0.1 | 189 | 0.4 |
| Operating income | 6,406 | 12.2 | 9,354 | 17.8 |
| Net loss discontinued operations | 421 | 0.8 | - | - |
| Net income (loss) Controller | 5,521 | 10.5 | (28,559) | (54.4) |
| Total assets | | | 318,915 | 607.9 |
| Shareholders' equity | | | 207,743 | 396.0 |

| Quarters | | Full Year | |
|---|---|---|---|
| 4Q 12 | 4Q 13 | 2012 | 2013 |
| ThUS$[7] | ThUS$ | ThUS$ | ThUS$ |
| **104** | **363** | **369** | **815** |
| **13,442** | **17,656** | **64,012** | **15,565** |
| **882** | **-** | **9,146** | **-** |
| **11,586** | **(54,010)** | **53,013** | **(92,551)** |
| | | 884,550 | **607,909** |
| | | 614,767 | **395,994** |

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.

Until 2011, the investment in Nexans was valued as a financial asset available for sale. As of January 11, 2012, Madeco (now Invexans) gained significant influence in Nexans with the appointment of a member of the Compensations Committee, in addition to three Board members, therefore as of that date Nexans is valued as an equity method investment.

### Full Year 2013 Results

Invexans' revenues, which correspond mainly to income from leases and services, amounted to US$815 thousand in 2013, 120.9% above the previous period.

Operating income reached a gain of US$15,565 thousand, less than the gain of US$64,012 thousand reported in 2012, mainly due to lower negative goodwill arising from the investment in Nexans of US$21,512 thousand in 2013, vis-à-vis US$84,149 thousand in the previous year, partially offset by a loss of US$7,395 thousand in 2012, related to a slight dilution of the stake in Nexans in 2012.

Non-operating income amounted to a loss of US$106,139 thousand, compared to a loss of US$1,446 thousand in the previous year, primarily due to Invexans' accounting of its proportional investment in Nexans. During 2013 Nexans reported a net loss of €333 million. Nexans' result is mostly attributable to restructuring costs of €180 million, mainly

[6] Converted to US$ at the observed exchange rate on December 31, 2013 (Ch$524.61 = US$1.00).
[7] Corresponds to Financial Statements in US dollars as reported by Invexans to the Superintendency of Securities and Insurance (SVS).



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related to reorganization of plants and projects in Europe and the Asia-Pacific region, and impairment of assets amounting to €130 million, mostly corresponding to assets in Australia, which more than offset the operating margin of €171 million, 15.3% below that of 2012. In terms of business segments this decrease in operating margin was largely due to weak low-voltage cable markets for Distributors and Installers (North America and Australia). Nexans also reported higher tax expense in 2013 relative to the previous year. Invexans adjusts its proportional share in Nexans' results in accordance with the fair value determined for this investment. Thus, in all, Invexans' reported a loss of US$102,014 thousand for its investment in the French company, significantly higher than the loss of US$1,465 thousand reported in 2012. To a lesser extent, the variation is explained by higher financial costs and exchange rate losses, related to deposits in Brazilian Reals, and the depreciation of this currency with respect to the US dollar.

Income tax expense at Invexans in 2013 was lower than in 2012, primarily due to deferred taxes. However, 2012 includes a gain of US$9,146 thousand from discontinued operations, which corresponds primarily to the result of the flexible packaging (Alusa), brass mills (Madeco Mills), and profiles (Indalum) business units. Thus, net income for 2013 amounted to a loss of US$92,551 thousand, which compares negatively to the gain of US$53,013 thousand posted in 2012.

### 4Q 2013 Results

Invexans' revenues, which correspond mainly to income from leases and services, amounted to US$363 thousand in 4Q 2013, 249.0% above the previous period.

Operating income reached a gain of US$17,656 thousand, up 31.3% from 4Q 2012, mainly due to higher negative goodwill related to Invexans' investment in Nexans in 4Q 2013.

Non-operating income amounted to a loss of US$71,261 thousand, compared to a gain of US$773 thousand in the previous quarter. This negative variation is primarily explained by Invexans' accounting of its proportional investment in Nexans, which amounted to a loss of US$69,634 thousand during the quarter, reflecting Nexans' results for the second half of the year.

The fourth quarter of 2012 included a gain from discontinued operations of US$882 thousand, which corresponds primarily to the result of the flexible packaging (Alusa), brass mills (Madeco Mills), and profiles (Indalum) business units, which were transferred to Madeco in 2013. Income tax during the quarter was lower than in 2012. Thus, net income for 4Q 2013 amounted to a loss of US$54,010 thousand, which compares unfavorably to the gain of US$11,586 thousand reported in 4Q 2012.



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## MADECO

| | Quarter | | | Quarter | Full Year |
|---|---|---|---|---|---|
| | 4Q 13 | | | 4Q 13 | 2013 |
| | MCh$ | MUS$[8] | | ThUS$ | ThUS$[9] |
| Sales | 16,720 | 31.9 | | **103,472** | **415,861** |
| Operating income | 5,850 | 11.2 | | **4,423** | **69,339** |
| Net income (loss) Controller | (8,227) | (15.7) | | **(17,713)** | **2,259** |
| Total assets | 295,372 | 563.0 | | | **563,031** |
| Shareholders' equity | 53,780 | 102.5 | | | **102,514** |

Madeco carries its accounting in US dollars, and translates it 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. Madeco'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 and shown in the last column of the table.

Madeco was spun-off from Invexans (previously Madeco), as of January 1, 2013, and therefore only presents financial statements for 4Q 2013 and full year 2013.

### Full Year 2013 Results

Madeco's sales amounted to US$415,861 thousand in 2013, corresponding to flexible packaging (84.4%) and profiles (15.6%). Sales of flexible packaging reflect sales in Chile, Argentina, Peru and Colombia, as well as exports to the rest of Latin America. Sales of profiles are concentrated in Chile.

Gross income reached US$86,106 thousand, generated mainly by the flexible packaging unit, followed by profiles. Operating income amounted to US$69,339 thousand, mainly reflecting gross income boosted by negative goodwill of US$29,690 thousand related to the investment in Peruplast, and a non-recurring gain from the sale of part of Peruplast's old production facilities of US$26,184 thousand, partially offset by sales and administrative expenses, distribution costs, restructuring costs and provisions.

Non-operating income for the year amounted to a loss of US$13,710 thousand, primarily attributable to financial costs and exchange rate losses. Income tax expense amounted to US$14,736 thousand. 2013 also includes a net loss from discontinued operations of US$15,456 thousand, corresponding to Madeco's subsidiary in Argentina (Decker), whose operations were suspended on September 30, 2013, and the closure of the brass mills unit in Chile (Madeco

[8] Converted to US$ at the observed exchange rate on December 31, 2013 (Ch$524.61 = US$1.00).
[9] Corresponds to Financial Statements in US dollars as reported by Madeco to the Superintendency of Securities and Insurance (SVS).



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Mills), towards the end of the year. Thus, net income for 2013 reached a gain of US$2,259 thousand, primarily explained by taxes and the non-operating result that mostly offset operating income. It is worth noting that Peruplast and Empaques Flexa are fully consolidated.

### 4Q 2013 Results

Madeco's sales amounted to US$103,422 thousand in the fourth quarter of 2013, corresponding to flexible packaging (85.3%), and profiles (14.7%). Sales of flexible packaging reflect sales in Chile, Argentina, Peru and Colombia, as well as exports to the rest of Latin America. Sales of profiles are concentrated in Chile.

Gross income reached US$19,805 thousand, generated mainly by the flexible packaging unit, followed by profiles. Operating income amounted to US$4,423 thousand, mainly reflecting sales and administrative expenses, as well as provisions amounting to approximately US$8.5 million related to the decision to close the profiles business unit.

Non-operating income for the quarter amounted to a loss of US$3,801 thousand, primarily attributable to financial costs, and to a lesser extent to exchange rate losses. Income tax expense for the quarter amounted to US$3,958 thousand. The quarter also includes a net loss from discontinued operations of US$9,037 thousand, corresponding to Madeco's subsidiary in Argentina (Decker), whose operations were suspended on September 30, 2013, and the closure of Madeco Mills' operations in Chile in December 2013. Thus, net income for 4Q 2013 reached a loss of US$17,713 thousand, primarily explained by the discontinued operations, non-operating losses and taxes, which more than offset operating income. It is worth noting that Peruplast and Empaques Flexa are fully consolidated.

## FINANCIAL SEGMENT

The following table details the contribution of the investments in the Financial Segment during 2012 and 2013 to Quiñenco's net income:

| | Quarters | | | | Full Year | | | |
|---|---|---|---|---|---|---|---|---|
| | 4Q 12 | | 4Q 13 | | 2012 | | 2013 | |
| | MCh$ | MUS$ | MCh$ | MUS$ | MCh$ | MUS$ | MCh$ | MUS$ |
| LQIF holding | (2,173) | (4.1) | (3,088) | (5.9) | (10,232) | (19.5) | (5,874) | (11.2) |
| Banking sector | 35,046 | 66.8 | 33,233 | 63.3 | 118,684 | 226.2 | 130,004 | 247.8 |
| Total Financial Segment | 32,872 | 62.7 | 30,145 | 57.5 | 108,451 | 206.7 | 124,130 | 236.6 |

As of December 31, 2013 and 2012, Quiñenco's ownership of LQIF was 50.0%. LQIF's economic rights in Banco de Chile were 39.8% as of December 31, 2012 and 39.9% as of December 31, 2013.

### LQIF Holding – Full Year 2013

LQIF holding registered a loss of Ch$11,762 million in 2013, lower than the loss of Ch$20,489 million in 2012, primarily due to a non-recurring gain of Ch$5,445 million generated by an extraordinary amortization of the Subordinated Debt with the Central Bank due to the sale of options on shares in Banco de Chile's capital increase. To a lesser extent, the improvement is also explained by lower amortization of intangibles, and lower losses arising from



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the effect of inflation on liabilities denominated in UFs (indexed to inflation), due to lower inflation in 2013. Financial costs, however, increased with respect to the previous period. Finally, LQIF holding's net result was boosted by an income tax credit in 2013, compared to income taxes in the previous year.

## LQIF Holding - 4Q 2013 Results

LQIF holding registered a loss of Ch$6,183 million in 4Q 2013 compared to a loss of Ch$4,352 million mainly due to higher financial costs in 4Q 2013, as well as a lower income tax credit, partially compensated by lower amortization of intangibles in the current quarter.

## 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 Subordinated Debt with the Chilean Central Bank.

## BANCO DE CHILE

| | Quarters | | | | Full Year | | | |
|---|---|---|---|---|---|---|---|---|
| | 4Q 12 | | 4Q 13 | | 2012 | | 2013 | |
| | MCh$ | MUS$ | MCh$ | MUS$ | MCh$ | MUS$ | MCh$ | MUS$ |
| Operating revenues | 387,919 | 739.4 | **393,107** | 749.3 | 1,342,039 | 2,558.2 | **1,456,025** | 2,775.4 |
| Provision for loan losses | (50,606) | (96.5) | **(67,796)** | (129.2) | (188,190) | (358.7) | **(241,613)** | (460.6) |
| Operating expenses | (177,099) | (337.6) | **(169,190)** | (322.5) | (633,819) | (1,208.2) | **(622,944)** | (1,187.4) |
| Net income (loss) | 137,940 | 262.9 | **132,882** | 253.3 | 465,850 | 888.0 | **513,602** | 979.0 |
| Loan portfolio | | | | | 18,761,765 | 35,763.3 | **20,869,511** | 39,781.0 |
| Total assets | | | | | 23,261,066 | 44,339.7 | **25,933,870** | 49,434.6 |
| Shareholders' equity | | | | | 2,007,057 | 3,825.8 | **2,284,314** | 4,354.3 |
| Net financial margin | 5.5% | | **5.4%** | | 4.9% | | **5.1%** | |
| Efficiency ratio | 42.1% | | **43.0%** | | 46.3% | | **42.8%** | |
| ROAE | 26.1% | | **20.9%** | | 23.3% | | **21.3%** | |
| ROAA | 2.5% | | **2.1%** | | 2.1% | | **2.1%** | |

## Full Year 2013 Results

Banco de Chile reported net income of Ch$513,602 million in 2013, 10.3% higher than in 2012, reflecting strong growth in loans, particularly in more profitable segments, greater balances of current accounts and demand deposits, competitive funding, and higher revenues from the Bank's net asset position in UFs, offsetting higher loan loss provisions during the period.

Operating revenues, which include net financial income, fee income and other operating income, grew by 8.5% to Ch$1,456,025 million in 2013. This growth is mainly due to an 8.7% annual growth in average loans, based mostly on growth in retail banking where average loans increased 12.2% annually, a 10.2% rise in average balances of current accounts and demand deposits, offsetting a decline in nominal interest rates, which allowed an increased contribution of non-interest bearing liabilities in the financing of productive assets, mitigating the unfavorable effect



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of lower inflation in 2013. Also, 2013 includes a positive exchange rate effect on the hedge of loan loss provisions related to US$ denominated loans, and higher revenues from the management of the AFS portfolio and trading securities. These favorable variations more than compensated a charge in 2013 related to the adoption of counterparty value adjustment for derivative positions, in order to represent the credit risk related to these instruments. Fee income remained stable.

Provisions for loan losses amounted to Ch$241,613 million up 28.4% from 2012. This increase is mainly attributable to the 10.9% annual growth in loans to individuals and SMEs; additional provisions in view of the slowdown experienced by the local economy and the Bank's expectations of higher volatility over the next years; a negative effect on provisions for loans denominated in US$ derived from the increase in the exchange rate; and higher provisions related to the financial deterioration of certain corporate clients, and to a lesser extent a gradual deterioration of credit conditions in the SME business.

Operating expenses decreased by 1.7% to Ch$622,944 million compared to 2012, mostly due to lower other operating expenses, due to operational write-offs incurred in 2012, contingency provisions, and expenses directly related to credit cards, classified in 2013 as fee expenses. On the other hand, personnel expenses increased over 2012, reflecting the effect of inflation on salaries, a slight increase in headcount, and an extraordinary bonus to celebrate 120 years of the Bank. Administrative expense also increased, although to a lesser extent, based on increased expenses on purchases of password generating devices for clients, higher IT expenses, and higher rentals and insurance expenses.

As of December 2013, the Bank's loan portfolio posted a strong annual expansion of 11.2%, placing the Bank as number 2 in total loans. This growth is the result of a special focus on retail banking, which expanded by 10.9% in 2013, in response to the commercial efforts targeted at the most profitable segments. Wholesale loans increased by 11.6%, boosted by the purchase of a commercial loan portfolio from a local competitor. Discounting this acquisition, wholesale loans would have gone up by 6.2%. In terms of type of loans, residential mortgage loans grew by 12.7%, commercial loans by 11.5%, and consumer loans by 8.1%.

Banco de Chile is the second ranked bank in the country with a market share of 18.3% of total loans, according to information published by the Chilean Superintendency of Banks for the period ended December 31, 2013. Its return on capital and reserves after taxes (annualized) reached 22.5%, compared to 14.8% for the local financial system, according to the same source.

## 4Q 2013 Results

Banco de Chile reported net income of Ch$132,882 million in the fourth quarter of 2013, decreasing by 3.7% with respect to the fourth quarter of 2012. This decrease is primarily explained by higher loan loss provisions and higher operating expenses, which more than offset growth in operating revenues.

Operating revenues, which include net financial income, fee income and other operating income, increased by 1.3% to Ch$393,107 million in the fourth quarter of 2013. This increment is mainly attributable to 10.2% growth in total average loans, a higher contribution from the Bank´s net asset position in UFs due to a higher exposure to inflation and more convenient funding, an 11.9% annual increase in average balances of demand deposits, and a positive



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exchange rate effect on the hedge of US$-indexed loan provisions. These positive variations were partially offset by a decrease in fee income during the quarter.

Provisions for loan losses amounted to Ch$67,796 million, increasing by 34.0% with respect to 4Q 2012. This variation is mainly explained by 10.2% growth in average loans, a negative exchange rate effect on US$-indexed loan loss provisions, and credit risk deterioration of a specific wholesale customer.

Operating expenses decreased by 4.5% to Ch$169,190 million, mainly due to lower other operating expenses, which in 2012 included expenses directly related to credit cards, classified in 2013 as fee expenses. On the other hand, personnel expenses increased, reflecting a special bonus for the celebration of the Bank's 120 years of existence together with a higher headcount, and additional impairments related to software and goodwill arising from the acquisition of Legg Mason's operations in Chile.

### Interest Subordinated Debt – Full year 2013

In 2013 accrued interest expense of the Subordinated Debt with the Chilean Central Bank decreased by 5.4% with respect to 2012, due to the lower rate of inflation in 2013.

### Interest Subordinated Debt – 4Q 2013

In the fourth quarter of 2013 accrued interest expense of the Subordinated Debt with the Chilean Central Bank was 6.8% lower than the fourth quarter of 2013, mainly due to the effect of the lower rate of inflation in 4Q 2013 as compared to the same period in 2012.

## ENERGY SEGMENT

The following table details the contribution of the investments in the Energy Segment during 2012 and 2013 to Quiñenco's net income:

| | Quarters | | | | Full Year | | | |
|---|---|---|---|---|---|---|---|---|
| | 4Q 12 | | 4Q 13 | | 2012 | | 2013 | |
| | MCh$ | MUS$ | MCh$ | MUS$ | MCh$ | MUS$ | MCh$ | MUS$ |
| Enex | 45 | 0.1 | 5,252 | 10.0 | 28,387 | 54.1 | 18,971 | 36.2 |
| Total Energy Segment | 45 | 0.1 | 5,252 | 10.0 | 28,387 | 54.1 | 18,971 | 36.2 |

As of December 31, 2012 and 2013, Quiñenco controlled 100% of the energy segment.



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## ENEX[10]

| | Quarters | | | | Full Year | | | |
|---|---|---|---|---|---|---|---|---|
| | 4Q 12 | | 4Q 13 | | 2012 | | 2013 | |
| | MCh$ | MUS$ | MCh$ | MUS$ | MCh$ | MUS$ | MCh$ | MUS$ |
| Sales | 350,564 | 668.2 | **522,399** | 995.8 | 1,340,623 | 2,555.5 | **1,757,693** | 3,350.5 |
| Operating income (loss) | 1,446 | 2.8 | **6,727** | 12.8 | 7,613 | 14.5 | **25,003** | 47.7 |
| Net income (loss) Controller | 45 | 0.1 | **5,252** | 10.0 | 28,387 | 54.1 | **18,971** | 36.2 |
| Total assets | | | | | 522,561 | 996.1 | **732,278** | 1,395.9 |
| Shareholders' equity | | | | | 331,373 | 631.7 | **467,656** | 891.4 |

### Full Year 2013 Results

During 2013 Enex reported sales of Ch$1,757,693 million, up by 31.1% from 2012, based on a higher sales volume of fuels, boosted by the acquisition of Terpel Chile at the end of June, 2013. The total volume of dispatches amounted to 3.0 million cubic meters during the period, of which 95.8% were fuels.

Gross income during the period reached Ch$127,332 million, growing 34.9% over 2012, reflecting the higher sales volume in 2013 explained above, as well as an improved margin in fuels and asphalts, partially offset by a lower margin in lubricants, due to the impact of selling inventories at historical cost in the context of diminishing prices of imports. Operating income more than tripled, reaching Ch$25,003 million in 2013, primarily due to the growth in gross income, partially offset by higher sales and administrative expenses, also reflecting the addition of Terpel Chile's operations in the second half of 2013.

Non-operating income amounted to a loss of Ch$4,136 million, higher than the loss of Ch$2,547 million reported in 2012. The variation is mostly explained by higher financial costs and exchange rate losses in 2013.

Net income for the year reached Ch$18,971 million, lower than the Ch$28,387 million reported in 2012, largely explained by an income tax credit in 2012. This non-recurring item offset the strong growth in operating income achieved during the year.

### 4Q 2013 Results

Enex's consolidated sales during 4Q 2013 reached Ch$522,399 million, up by 49.0% from 4Q 2012, mainly based on 53.7% growth in total volume, boosted by the addition of Terpel's sales in 4Q 2013. The total volume dispatched during the quarter amounted to 919 thousand cubic meters, of which 96.4% corresponded to fuels.

Gross income during the period reached Ch$33,145 million, increasing 35.3% over 4Q 2012, mainly reflecting the incorporation of Terpel in the 4Q of 2013. Operating income during the quarter reached a gain of Ch$6,727 million, substantially higher than that of the previous quarter, primarily due to the growth in gross income explained above,

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



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partially offset by higher sales and administrative expenses, also reflecting the consolidation with Terpel's operations.

Non-operating income amounted to a loss of Ch$1,148 million, higher than the loss of Ch$477 million reported in 4Q 2012. The variation is mostly attributable to higher financial costs, mainly reflecting higher bank debt, and higher exchange rate losses in 2013.

Net income for 4Q 2013 amounted to Ch$5,252 million, substantially higher than the gain reported in 4Q 2012, mainly due to the strong growth in operating income during the quarter.

## OTHER SEGMENT

The following table details the contribution from investments in the Other Segment during 2012 and 2013 to Quiñenco's net income:

| | Quarters | | | | Full Year | | | |
|---|---|---|---|---|---|---|---|---|
| | 4Q 12 | | 4Q 13 | | 2012 | | 2013 | |
| | MCh$ | MUS$ | MCh$ | MUS$ | MCh$ | MUS$ | MCh$ | MUS$ |
| IRSA (CCU) [11] | 14,962 | 28.5 | 13,085 | 24.9 | 37,500 | 71.5 | 37,690 | 71.8 |
| CSAV | (4,371) | (8.3) | (15,174) | (28.9) | (59,351) | (113.1) | (37,163) | (70.8) |
| SM SAAM | 3,127 | 6.0 | 2,820 | 5.4 | 8,542 | 16.3 | 12,664 | 24.1 |
| Quiñenco & other | 1,547 | 2.9 | 9,149 | 17.4 | 1,940 | 3.7 | (460) | (0.9) |
| **Total Segment Others** | **15,266** | **29.1** | **9,881** | **18.8** | **(11,370)** | **(21.7)** | **12,730** | **24.3** |

As of December 31, 2013 and 2012, Quiñenco's ownership of CCU was 30.00% and 33.06%, respectively. As of December 31, 2013 and 2012, Quiñenco's ownership of CSAV was 46.0% and 37.44%, respectively. As of December 31, 2013 and 2012, Quiñenco's ownership of SM SAAM was 42.44% and 37.44%, respectively.

The contribution from CSAV 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$1,271 million in 2013, and to Ch$1,334 million in 2012 (this adjustment corresponds to the periods July-December 2011 for Ch$957 million, and January-December 2012 for Ch$377 million which were both reported in 2012). In the case of SM SAAM the adjustment for 2013 amounted to Ch$2,048 million, and to Ch$2,264 million in 2012.

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



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## CCU

| | Quarters | | | | Full Year | | | |
|---|---|---|---|---|---|---|---|---|
| | 4Q 12 | | 4Q 13 | | 2012 | | 2013 | |
| | MCh$ | MUS$ | MCh$ | MUS$ | MCh$ | MUS$ | MCh$ | MUS$ |
| Sales | 332,211 | 633.3 | **372,966** | 710.9 | 1,075,690 | 2,050.5 | **1,197,227** | 2,282.1 |
| Operating income | 69,205 | 131.9 | **73,590** | 140.3 | 176,710 | 336.8 | **189,225** | 360.7 |
| Net income (loss) | 45,509 | 86.7 | **48,606** | 92.7 | 114,433 | 218.1 | **123,036** | 234.5 |
| Total assets | | | | | 1,328,710 | 2,532.8 | **1,727,720** | 3,293.3 |
| Shareholders' equity | | | | | 613,220 | 1,168.9 | **988,676** | 1,884.6 |

### Full Year 2013 Results

As of 2013, CCU has defined 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 CCU Argentina (beer, cider, and spirits), Uruguay (mineral water and soft drinks), and since December 2013, Paraguay (soft drinks, water, juices and beer). CCU's sales grew by 11.3% in 2013 compared to 2012, mainly as a result of 10.1% higher consolidated sales volumes. The increment in sales volume was led by the Chile business segment with 12.4% growth, where non-alcoholic beverages posted a 19.8% increase, spirits were up by 3.8%, and beer Chile grew 1.9%. The Río de la Plata segment followed with 5.9% growth, reflecting the contribution from the new business in Uruguay, compensating a slight drawback in sales volume of CCU Argentina. However, higher average prices more than compensated the drop in volume, translating into an 8.6% increase in sales at CCU Argentina. Sales volume of the Wine segment remained stable.

Gross profit rose by 13.4% to Ch$660,530 million, higher than the growth in sales, mainly due to the lower rate of growth in costs. The gross profit as a percentage of sales increased from 54.2% in 2012 to 55.2% in 2013.

Operating income increased by 7.1% to Ch$189,225 million in 2013, based on the strong growth in gross profit, partially offset by a 15.0% increase in administrative expenses, reflecting higher distribution costs in Chile and Argentina, and also a favorable variation in other gains/losses, which include a gain related to hedges on exchange rate variations affecting income tax in 2013, as compared to loss due to the same concept in 2012. EBITDA amounted to Ch$252,512 million, increasing 7.0% over 2012.

CCU reported non-operating losses of Ch$21,615 million, 38.6% higher than the loss reported in 2012, mainly due to higher financial costs, primarily attributable to a higher level of debt in Argentina and higher exchange rate losses, partially compensated by a lower rate of inflation in 2013 and therefore lower losses from liabilities indexed to inflation (denominated in UFs).

Net income in 2013 amounted to Ch$123,036 million, 7.5% higher than in 2012, primarily due to the higher operating income explained above, partially offset by an increase in non-operating losses, and lower income tax during the year, mostly due to a one-time positive effect of Ch$2,510 million arising from a tax provision reversal related to deposits for returns of bottles and containers.



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## 4Q 2013 Results

CCU's sales grew by 12.3% in the fourth quarter of 2013 compared to the same period in 2012, mainly as a result of 8.3% higher consolidated sales volumes. The increment in sales was led by the Chile business segment with 15.2% growth, where non-alcoholic beverages posted a 19.3% increase, spirits were up by 12.0%, and beer Chile grew 12.3%. The Río de la Plata segment followed with 8.3% growth, mainly reflecting the performance of CCU Argentina. The Wine segment also posted a positive quarter with an increase of 1.7% in sales.

Gross profit rose by 13.3% to Ch$215,191 million. The gross margin as a percentage of sales increased from 57.2% in 4Q 2012 to 57.7% in 4Q 2013.

Operating income reached Ch$73,590 million, increasing by 6.3% from 4Q 2012, lower than the strong growth in gross profit due to an increase of 16.5% in sales and administrative expenses. This increment is explained by higher distribution costs, due to rising real salaries related to low unemployment in Chile and higher inflation in Argentina. As a percentage of sales, SG&A expenses rose from 36.5% in 4Q 2012 to 37.9% in 4Q 2013. 4Q 2013 EBITDA amounted to Ch$90,569 million, increasing 7.2% with respect to 4Q 2012.

CCU reported non-operating losses of Ch$6,582 million compared to a loss of Ch$7,215 million in 4Q 2012. The variation is mainly explained by a higher loss from exchange rate differences in 4Q 2013, which more than offset lower losses derived from the effect of inflation on financial obligations denominated in UFs, due to a lower level of debt in UFs in 4Q 2013, and slightly lower net financial expenses, reflecting higher financial income during the quarter.

Net income for the fourth quarter of 2013 amounted to Ch$46,292 million, up by 1.7% from the same quarter in 2012, primarily due to the higher operating results, partially offset by increased non-operating losses, explained above, and by higher income taxes.

## CSAV

| | Quarters | | Full Year | |
|---|---|---|---|---|
| | 4Q 12 | 4Q 13 | 2012 | 2013 |
| | ThUS$[12] | ThUS$ | ThUS$ | ThUS$ |
| Sales | 774,662 | **737,802** | 3,431,782 | **3,205,950** |
| Operating income (loss) | 7,250 | **(108,359)** | (196,765) | **(221,178)** |
| Net income (loss) Controller | (23,923) | **(60,747)** | (313,611) | **(169,042)** |
| Total assets | | | 2,482,650 | **2,377,113** |
| Shareholders' equity | | | 855,437 | **1,016,423** |

[12] Correspond to Financial Statements in US dollars as reported by CSAV to the Superintendency of Securities and Insurance (SVS)



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## Full Year 2013 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 revenues and cost of sales of US$49 million in 2013 and of US$8 million in 2012.

CSAV's consolidated sales in 2013 decreased by 6.6% with respect to 2012, primarily due to lower freight rates, and to a lesser extent a 2.8% decrease in transported volumes.

During 2013 gross income amounted to a loss of US$4.5 million, compared to a gain of US$43.3 million reported in 2012, mostly due lower freight rates together with high oil prices, oil being one of the main components of costs. These negative effects were partially compensated by a positive effect on costs of US$12 million, due to the merger of two subsidiaries in Brazil. Operating income was a loss of US$221.2 million in 2013, 12.4% greater than the loss in 2012, due to the decline in gross income explained above, together with a provision of US$40 million for the potential costs that the company may be liable to pay in the future as a result of the antitrust investigations in the car carrier business. A non-recurring gain of US$57 million from the prepayment of the AFLAC loan partially compensated these unfavorable variations, as well as a 7.1% reduction in administrative expenses, mostly due to lower expenses on salaries and communications during the period.

Non-operating income for the year amounted to a loss of US$27.5 million, significantly lower than the loss of US$44.0 million reported in 2012. This positive variation is primarily due to exchange rate losses in 2012 versus gains in 2013, reflecting lower net liabilities in currencies other than the US$.

Since the restructuring of CSAV's operations was concluded in 2012, in 2013 there is no loss from discontinued operations. The loss from discontinued operations in 2012 amounted to US$126.2 million (after taxes), corresponding to onerous contracts subscribed in 2012, and provisions for estimated costs of excess fleet in 2012 and 2013.

CSAV reported a net loss of US$169.0 million in 2012, an improvement of 46.1% over the loss reported in 2012, based on lower losses from discontinued operations, improved non-operating results explained above, and a higher income tax credit in 2013, which includes US$48 million related to deferred taxes arising from the merger of two subsidiaries in Brazil.

## 4Q 2013 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$70.0 million in 4Q 2012 and of US$1.9 million in 4Q 2013.



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CSAV's consolidated sales in 4Q 2013 reached US$737.8 million, decreasing by 4.8% with respect to 4Q 2012, mainly due to lower freight rates of container shipping services, partially compensated by an increase of 4.0% in transported volume, reaching 481,816 TEUs in 4Q 2013, as well as a 14.5% decrease in revenue from other shipping services. The container rate index of CSAV, which includes freight and other cargo related revenue, dropped 16.6% with respect to 4Q 2012. During 4Q 2013, volume transported in the South American region represented 76.9% of the total volume.

During 4Q 2013 gross income amounted to a loss of US$52.6 million, compared to the gain of US$76.8 million reported in 4Q 2012, mostly due to higher costs in line with the growth in transported volumes. Operating income reached a loss of US$108.4 million in 4Q 2013, compared to a gain of US$7.3 million obtained in 4Q 2012, explained by the lower gross income during the quarter, despite a 20.4% decrease in administrative expenses, due to the implementation of savings programs and lower consultancy costs.

Non-operating income for the quarter amounted to a loss of US$6.2 million as compared to a loss of US$3.4 million reported in 4Q 2012. This variation is primarily due to lower exchange rate gains in 4Q 2013, partially offset by higher results from equity investments.

Discontinued operations registered a net loss of US$20.3 million in 4Q 2012 only, since the restructuring process was completed in 2012.

CSAV reported a net loss of US$60.7 million in 4Q 2013, compared to a loss of US$23.9 million reported in 4Q 2012, primarily due to lower operating income during the quarter, reflecting the drop in freight rates, and higher non-operating losses, partially compensated by the absence in 4Q 2013 of losses from discontinued operations and an income tax credit in the current quarter.

## SM SAAM

| | Quarters | | Full Year | |
|---|---|---|---|---|
| | 4Q 12 | 4Q 13 | 2012 | 2013 |
| | ThUS$[13] | ThUS$ | ThUS$ | ThUS$ |
| Sales | 116,365 | **120,656** | 448,047 | **478,942** |
| Operating income | 15,883 | **9,856** | 59,177 | **66,199** |
| Net income controller | 19,751 | **15,705** | 59,511 | **73,531** |
| Total assets | | | 1,014,582 | **1,070,712** |
| Shareholders' equity | | | 655,982 | **684,092** |

### Full Year 2013 Results

In 2013 SM SAAM's consolidated sales reached US$478.9 million, up by 6.9% from 2012, based on improved performance of the tug boat and port terminals business segments. Revenues of the tug boat segment increased 13.3% and revenues of the port terminals segment grew by 13.1%. Revenues from the logistics segment, however,

[13] Correspond to Financial Statements in US dollars as reported by SM SAAM to the Superintendency of Securities and Insurance (SVS)



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decreased 3.2%. Consolidated revenues can be broken down as follows: tug boats (42.6%), logistics and others (34.9%), and port terminals (22.5%).

During 2013 operating income amounted to US$66.2 million, 11.9% higher than 2012, primarily due to a pre-tax gain of US$14.7 million on the sale of the company's stake in Cargo Park, and to a lesser extent a pre-tax gain on the sale of the company's stake in Puerto Panul of US$0.2 thousand. The result derived from the business segments decreased by 5.1%, due to lower operating income from logistics and port terminals, partially compensated by growth of tugboats. SM SAAM's consolidated EBITDA reached US$94.3 million in 2013, increasing by 5.8% over 2012.

Non-operating income for the year amounted to a gain of US$21.8 million, 18.7% higher than the gain reported in 2012. This variation is mainly explained by better results from affiliated companies and a gain from exchange rate differences compared to a loss during the previous period, partially offset by higher financial costs, reflecting a higher level of debt.

SM SAAM reported a net gain of US$73.5 million in 2013, 23.6% above 2012, based mainly on the non-recurring gain on the sale of the company's stake in Cargo Park of US$12 million after taxes, higher non-operational results, and lower income tax during the period.

### 4Q 2013 Results

In the fourth quarter of 2013 SM SAAM's consolidated sales reached US$120.6 million, up by 3.7% from 4Q 2012, based on improved performance of the tug boat and port terminals business segments. Revenues of the tug boat segment increased 13.9%, mainly explained by the operations in Mexico, Uruguay, and Brazil, and also the new operations in Honduras and Colombia. Revenues of the port terminals segment grew 14.4% during the quarter, resulting from the addition of TMAZ (Mazatlán), and higher revenues in ITI (Iquique). Revenues from the logistics segment decreased 12.5%, primarily explained by the container depots and workshop business in Chile, port operations in ports not under concession, and lower volumes in the cargo terminals in Chile. Consolidated revenues can be broken down as follows: tug boats (44.4%), logistics and others (33.0%), and port terminals (22.6%).

During 4Q 2013 operating income amounted to US$9.9 million, 37.9% lower than the previous period, primarily due to a lower result of logistics and tug boats. Overall sales and administrative expenses increased 13.0%, attributable to the tug boats and port terminals segments. EBITDA reached US$19.6 million in 4Q 2013, decreasing by 7.3% over 4Q 2012.

Non-operating income for the quarter amounted to a gain of US$5.3 million, lower than the gain of US$7.4 million reported in 4Q 2012. This variation is mainly explained by lower results from affiliated companies, and increased net financial costs.

SM SAAM reported a net gain of US$15.7 million in 4Q 2013, down 20.5% from 4Q 2012, due to lower operating and non-operating results during the quarter, partially compensated by an income tax credit in 4Q 2013.



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## QUIÑENCO and Others

### Full Year 2013 Results

The decrease of Ch$2,400 million in Quiñenco and others, is primarily explained by a lower contribution from Banchile Vida, reflecting a drop of 59.0% in its net income, primarily due to lower operating income, reflecting the termination in June 2012 of the contract for disability and survivorship insurance for the AFPs, and also a release of reserves reducing the cost of sales in 2012, arising from a change in the mortality table used by the company. To a lesser extent, the variation is also explained at the corporate level by lower financial income, due to a lower cash balance, and higher financial costs in line with an increment in the level of debt, partially compensated by operating gains and lower exchange rate losses.

### 4Q 2013 Results

The variation of Quiñenco and others is mainly explained by a lower contribution from Banchile Vida, reflecting a 75.4% drop in its quarterly result, primarily due to a non-recurring gain reported in 4Q 2012.

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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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