



Annual Report
2017



COMPañÍA ELECTRO METALÚRGICA S.A.

100 / years
1917 - 2017

Annual Report
2017



COMPAÑÍA ELECTRO METALÚRGICA S.A.

Actas

de la Compañía Electro Metal

Soc. Anom.

Sesión 1^a del 7 de Agosto de 1917.
 Se abrió la sesión a las 4 1/2 P.M. con asistencia de los señores Manuel Bunster, Benjamin Errázuriz, Amadeo Heiremans, Juan ...
 ... y Nicolás Vicuña C. Excusó su inasistencia el señor ...
 ... asistieron los señores Emilio Oregó Tardo y Remy ...
 Se trató en primer lugar la elección de Presidente y Vice
 ... resultaron elegidos por unanimidad Don Amadeo
 ... y Don Manuel Bunster como vice-presidente.
 ... de maquinarias. El señor Cardoen dió datos sobre
 ... y expuso que el horno se había pedido por
 ... por carta, todo por intermedio de la casa
 ... por cable, no había todavía contestación.
 ... fuerza. Respecto de la idea insinuada por
 ... de instalar una central propia, se acordó por varias
 ... con corriente arrendada.
 ... terreno. Se trató extensamente de la com
 ... para instalar la industria, examinando la
 ... los varios terrenos visitados por los señ
 ... Cardoen, pues hay conve
 ... desvío //

HISTORIC INFORMATION

1917

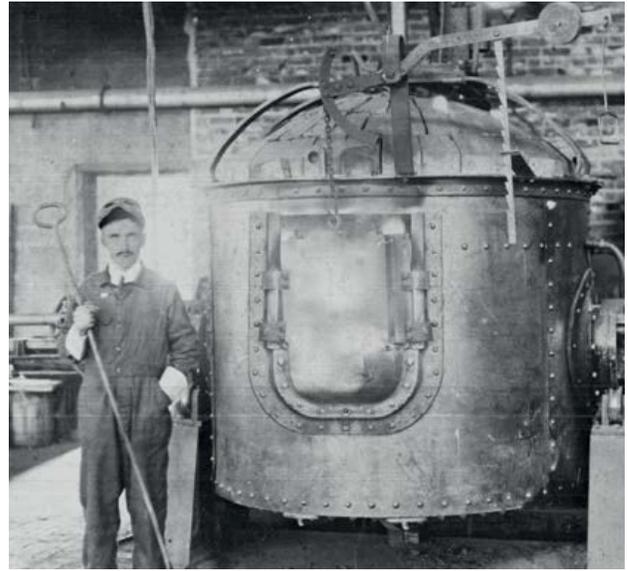
Compañía Electro Metalúgica S.A., Elecmetal was founded in 1917 by Mr. Emilio Orrego Luco, together with a group of important local businessmen and investors.

The project meant installing the first electric steel foundry furnace in Latin America, initially to make steel spare parts for agriculture, mining, industry, and Empresa de Ferrocarriles del Estado.

Minneapolis Electric Steel Casting (“ME”) was founded that same year in the USA in the same sector.

1970

In the mid-1970's, Elecmetal initiated an active investment and diversification plan of its activities. In 1975 the company acquired 46% of the shares of Cristalerías de Chile S.A., a manufacturer of glass containers, in a tender offering convened by the Corporación de Fomento de la Producción (CORFO). After that, it continued buying shares until completing 68.17% of its shareholding. From then on, an important technological and commercial modernization process began; and within it an important technical cooperation agreement celebrated in 1977 with the company Owens-Illinois of the United States, the world's leading producer of glass containers.



1980

As a natural extension of the glass container business, in 1980 the Company expanded its activities, through Cristalerías de Chile S.A., into the plastic container sector. Through that same company and jointly with Owens-Illinois, it continued its diversification policy by acquiring Viña Santa Rita Ltda. that same year, and initiating its involvement in the agro-industrial sector.

1986

In 1986 new steps were taken within its diversification policy. Through its subsidiary, Cristalerías de Chile S.A., it acquired 17% of Marinsa S.A., an investment company with a large shareholding in Compañía Sud Americana de Vapores S.A., in a public tender offer. Later it increased its shareholding in Marinsa S.A. to 52.9%.

1989

Navarino S.A. was born in late 1989, a company that originated from the division of Cristalerías de Chile S.A., into which all investments in the shipping sector were transferred.

In the year 1989 Elecmetal continued with its diversification plan by acquiring, through Cristalerías de Chile S.A., television frequencies tendered by Televisión Nacional de Chile, and creating the company Red Televisiva Megavisión S.A. “MEGA.” Megavisión S.A. was sold in 2012.



1992-1993

The board approved the spin-off of Elecmetal in 1992, creating a new company, Quemchi S.A., into which all the investments in the shipping sector were transferred, with which Elecmetal maintained 68.17% shareholding in Navarino S.A.

Toward the end of 1993, and as a way to finance its modernization and diversification process, Cristalerías de Chile S.A. carried out a capital increase where a large part of the shares were sold in the international markets by means of American Depositary Receipts (ADR) mechanism. As of that moment, and until 2005, its shares



were traded on the New York Stock Exchange, under the ticker symbol «CGW». In this manner, Elecmetal and its subsidiaries reduced their shareholding in Cristalerías de Chile S.A.

1994

In 1994, Elecmetal, through its subsidiary Cristalerías de Chile S.A., expanded its investments in the communications sector by entering the cable television services business in partnership with TCI/Bresnan, currently Liberty Global Inc. Cable systems were acquired and the company Metrópolis S.A. was created. The following year, the board agreed to the merger of Metrópolis S.A. and the cable television company, Intercom, creating Metrópolis-Intercom S.A., where Cristalerías and Liberty participated with 60% of the shareholding. Later, in 2000, Cristalerías de Chile and Liberty bought from their partner the remaining 40% of the shares of Metrópolis-Intercom in equal shares. In 2005 Cristalerías entered into an agreement with LGI Internacional, Inc. (a subsidiary of Liberty Global Inc.) to merge the operations of Metrópolis- Intercom S.A. and VTR GlobalCom S.A., under the latter; leaving Cristalerías de Chile S.A. with 20% of VTR GlobalCom S.A., participation that was sold in 2010.

1995-1996

Through Cristalerías de Chile S.A., a percentage of the shareholding of the financial newspaper “El Diario”, presently “Diario Financiero”, was purchased in 1995. Diario Financiero is the main specialized media source in the country. Subsequently, it acquired Ediciones e Impresos S.A. editor of the business magazine “CAPITAL”.

In 1996, the subsidiary Cristalerías de Chile S.A. acquired an additional 49.9% interest in the plastics sector companies, Cristal Plásticos Ltda. (Crowpla) and Reicolite S.A., completing 99.9% of the holdings in both companies which were later merged to form a new company called Crowpla-Reicolite S.A. Later, in the year 2001, Cristalerías de Chile S.A. and Embotelladora Andina S.A. established a business venture in the plastic container business by means of their respective subsidiaries, Crowpla-Reicolite S.A. and Envases Multipack S.A., forming the company Envases CMF S.A. where they held equal ownership until early 2012, when Cristalerías de Chile sold its share.



The subsidiary S.A. Viña Santa Rita acquired 39.4% of the share capital of Viña Los Vascos in 1996, which was later increased to 43% in 1999. Les Domaines Barons de Rothschild (Lafite), controlled by the Rothschild family, was the principal shareholder, with a holding of 57%.



1999

In 1999, the subsidiary Cristalerías de Chile S.A. acquired 40% of Rayén Curá S.A.I.C., a glass container production company located in Mendoza, Argentina, from the Spanish company Vicasa S.A., who maintains the remaining 60% shareholding. The latter, a subsidiary of the French Multinational Saint Gobain Emballage D.F.A. Rayén Curá S.A.I.C., maintains a technical cooperation agreement with Saint Gobain, which is the world's second largest manufacturer of glass containers.

2001-2003

In 2001, Elecmetal formed the subsidiary ME Global Inc. in Delaware, USA, with the objective of carrying out its globalization project, as a supplier of steel spare parts. With this goal, the company then successfully participated in the acquisition process of the assets of ME International, Inc. and ME West Castings, Inc. Both of the before mentioned companies were under the provisions of Chapter 11 of the US Bankruptcy Law because of the financial problems of their owner, GS Industries Inc. and its holding company GS Technologies Corp. The assets that were purchased were primarily two high-technology furnaces located in Duluth, Minnesota, and Tempe, Arizona, USA.

In 2003 in continuation of the development of the metallurgical business, Elecmetal was awarded 60% of the property of the company Fundición Talleres in the National and International Public Tender of the Furnace Business of the Workshops Division carried out by Codelco, Chile. Subsequently, in 2007, Elecmetal completed 100% of its ownership.

2006-2007

In 2006, the subsidiary Cristalerías de Chile initiated the operation of its second glass container production plant in Chile, located in the municipality of Llay-Llay, in the Fifth Region.

In 2007, Elecmetal and Esco Corp. (USA) signed a Joint Venture agreement and established the company Esco Elecmetal Fundición Limitada, a subsidiary that produces steel spare parts for ground engaging to supply the domestic and export market, for such purposes a modern plant was built in Colina.

2009-2012

As part of the development of new products and markets, Elecmetal began the sale of grinding balls for large mining companies in 2009. In 2011, Elecmetal and Longteng Special Steel Co., Ltd. – an important steel company- established a 50/50 Joint Venture in China, named “ME Long Teng Grinding Media (Changshu) Co. Ltd.”, which has a manufacturing plant in Changshu, China, which, once completed, will produce with technology and ME Elecmetal specifications 500,000 tons of grinding balls annually.



In 2012, Elecmetal continued with its international expansion program by incorporating the subsidiary ME Elecmetal (China) Co., Ltd in the city of Changzhou, China. This subsidiary constructed a modern liner plant which was inaugurated in 2014.

2016

In 2016 the modernization project of the Foundry Workshop located in Rancagua, initiated in 2015, was completed, incorporating the most modern technology in the fabrication of mill coating and other spare parts. Also that year, Elecmetal carried out a reorganization of its productive operations of its metallurgic business in Chile, as part of its long-term strategic development plan, which meant closing the foundry plant located in Santiago and transferring its productive capacity to the Rancagua plant.

In addition, Elecmetal continued with its international expansion program incorporating the subsidiary ME Long Teng Grinding Media (Zambia) Limited in Lusaka, Zambia.

In other business areas, the subsidiary Taguavento of Cristalerías de Chile, inaugurated the Parque Eólico Las Peñas, in Arauco, materializing the entry into non conventional renewable energy.

2017

2017 is the year of the Company's first centennial. The 100 years as of the founding were celebrated by Elecmetal with different activities in Chile, USA, China, and other commercial offices.

The board, shareholders, employees and their families, suppliers, authorities, and friends participated in these celebrations. The tender process for the lot in Vicuña Mackenna also took place this year, concluding successfully during the second semester of the year.

In the area of investments and the expansion of businesses, the construction of a modern grinding ball production plant was initiated in Zambia to service clients in Africa. At the same time, the subsidiary Taguavento consolidated its active participation in the Chilean National Electric System permanently dispatching eolic energy.

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01 *Company Information*

CORPORATE NAME:
Compañía Electro Metalúrgica S.A.
Elecmetal S.A.

LEGAL DOMICILE:
Av. Vicuña Mackenna 1570, Ñuñoa, Chile

TELEPHONE:
(56) 223614010

TAX NUMBER:
90,320,000-6

TYPE OF ENTITY:
Open Corporation, Registered in the Securities Registry of the Securities and Insurance Supervisor N° 45.

MNEMONIC:
ELEC METAL, Santiago Stock Exchange.

WEB PAGE:
www.me-elecmetal.com / www.elecmetal.cl



BOARD OF DIRECTORS

Chairman

Juan Antonio Álvarez Avendaño

I.D. Number 7,033,770-3

Attorney, MBA Pontificia Universidad Católica de Chile; Chairman of the board of directors of Quemchi S.A., Navarino S.A., and Marítima de Inversiones S.A.; Executive Vice President of Parque Arauco S.A.; Director of Cristalerías de Chile S.A.; member of the Advisory Board of Generación Empresarial.

Vice-Chairman

Baltazar Sánchez Guzmán

I.D. Number 6,060,760-5

Commercial Engineer; Chairman of the Board of Directors of Cristalerías de Chile S.A., Ediciones Financieras S.A., and Sociedad Anónima Viña Santa Rita; Vice-chairman of the Board of Directors of Quemchi S.A.; Director of Navarino S.A., ME Global Inc. (USA), Inversiones Siemel S.A, and Sociedad Anónima Jahuel Aguas Minerales y Balneario.

Directors

Carlos F. Cáceres Contreras

I.D. Number 4,269,405-3

Commercial Engineer, MBA Cornell University, ITP Harvard Business School; Member of the board of companies and non profit organizations; President of Instituto Libertad y Desarrollo; Numerary member of the Chilean Academy of Social, Political and Moral Science. As a civil servant he has been a member of the State Committee; Chairman of the Chilean Central Bank, Minister of Finance, and Minister of the Interior.

Jaime Claro Valdés

I.D. Number 3,180,078-1

Industrial Civil Engineer, Vice-chairman of the board of Cristalerías de Chile S.A. and Director of Viña Los Vascos S.A.

José Ignacio Figueroa Elgueta

I.D. Number 7,313,469-2

Attorney, partner of the law firm Juan Agustín Figueroa; postgraduate studies in the Faculty of Law of Universidad de Chile, Universidad Diego Portales, London School Economics and Political Science, Universidad de Salamanca and LLM Company Law in Universidad Católica de Chile; Board member of companies and the Corporación de Adelanto de Farellones.

Fernando Franke García

I.D. Number 6,318,139-0

Commercial Engineer, Master of Finance of Universidad Adolfo Ibañez; and Director of Cristalerías de Chile S.A., Enlasa S.A., Edelpa S.A., Cía. Inversiones la Española S.A and Colegio San José de Lampa.

Alfonso Swett Saavedra

I.D. Number 4,431,932-2

Businessman; Chairman of the board of Forus S.A., Costanera S.A.C.I., and Olisur S.A.; Board member of Cristalerías de Chile S.A., Sociedad Anónima Viña Santa Rita, Corporación Patrimonio Cultural de Chile; and Counselor of SOFOFA.

DIRECTORS' COMMITTEE

Chairman

Carlos F. Cáceres Contreras

Directors

Baltazar Sánchez Guzmán

Alfonso Swett Saavedra

MANAGEMENT ELEC METAL S.A.

General Manager

Rolando Medeiros Soux

I.D. Number 5,927,393-0 / Chemical Engineer. M.Sc Upsala.
Chairman of the Board at Fundación Talleres Ltda., ME Global
Inc. (EE.UU.) and ME Elecmetal (China) Co., Ltd.

Deputy General Manager

José Pablo Domínguez Bustamante

I.D. Number 10,557,722-2 / Commercial Engineer. MBA UC

International Business Manager

Eduardo Muñoz Huerta

R.U.T. 7.311.248-6 / Commercial Engineer

Corporate Management And Development Manager

Eugenio Arteaga Infante

R.U.T. 6.374.575-8 / Commercial Engineer MBA UC

Corporate Comptroller

Carlos Romero Pérez

I.D. Number 12,782,082-1 / Commercial Engineer. MBA UC

Administration And Finance Manager

Nicolás Cuevas Ossandón

I.D. Number 7,050,857-5 / Commercial Engineer

Commercial Manager

Roberto Lecaros Villaruel

I.D. Number 9,982,226-0 / Civil Engineer

Production Manager

Matias Bustos Santamaria

I.D. Number 13,436,386-k / Civil Engineer

Human Resources Manager

Rodrigo Ogalde Contreras

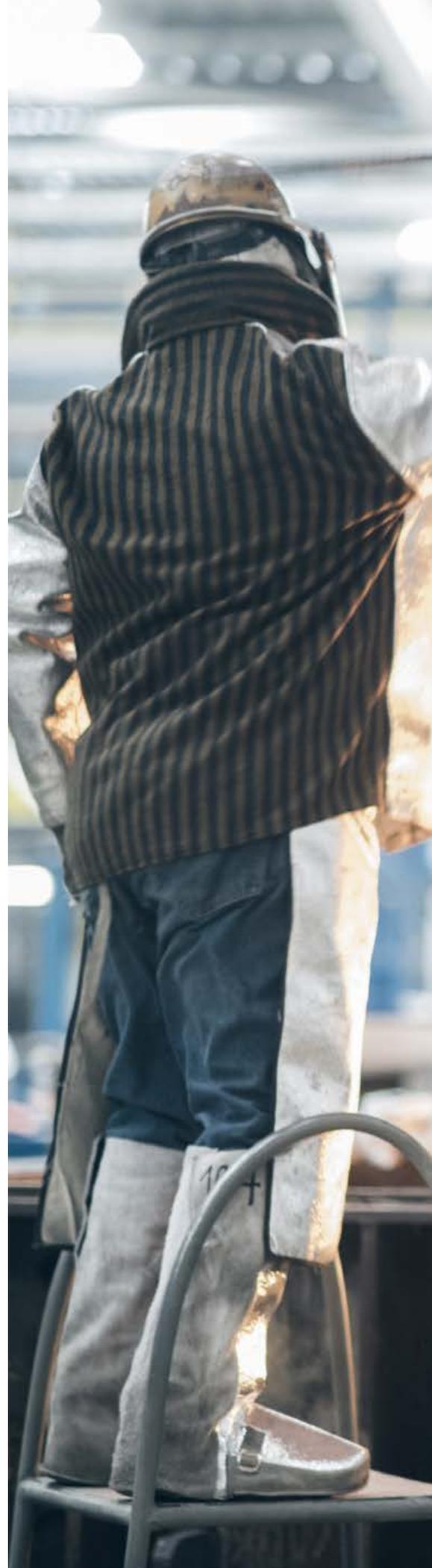
I.D. Number 10,134,671-4 / Commercial Engineer

02

Consolidated Results

The results of the operations for 2017 were total revenue of \$85,393 million, compared with total revenue of \$48,509 million the prior year, this is a 76% gain, due mainly to the sale of the Vicuña Mackenna lot, which represented net revenue of \$32,164 million.

Of the total annual revenue of \$85,393 million (448,509 million the prior year), the amount of \$69,985 million (\$31,013 million the year before) are attributable to the shareholders of the parent and \$15,408 millones (\$17,497 million the prior year) are attributable to the non-controlling participants (minority interest).



100 / *years*



The consolidated sales for the year reached \$654,049 million, 5.6% greater compared to 2016 (\$619,586 million). This increase is mainly due to the increase in sales in the metallurgic business (10.1%) and glass containers (2.1%), compensated in part by a decrease in sales in the wine business (1.5%).

Gross consolidated revenue for the year were \$171,255 million, which is 5.8% greater than the prior year (\$161,863 million). The variation can be explained by a greater gross revenue in the metallurgic business (25.1%), which compensates a decrease in gross revenue in the container business (1.4%) and in the wine business (5.9%).

The consolidated revenue of operational activities reached \$112,302 million, which includes extraordinary revenue of \$43,174 million for the sale of the lot in Vicuña Mackenna. Isolating this extraordinary effect, the consolidated revenue for the operational activities of the year reached \$69,128 million, amount that is 10.9% greater than the year 2016 (\$62,135 million), of which \$25,995 million correspond to the metallurgic business (\$17,356 million in 2016), \$26,160 million correspond to the glass container business (\$27,229 million in 2016), \$17,008 million to the wine industry (\$18,994 million in 2016), and includes a loss of \$35 million in other businesses (loss of \$1,226 million in 2016).

In regards to the non-operational results for the year 2017, the participation in revenue of associates (non-consolidated

subsidiaries) reached a profit of \$7,888 million, that is comparable to the profit of \$8,989 million in 2016, and the variation is due mainly to the lower results in Esco Elecmetal (\$181 million) and in Rayén Cura (\$1,073 million), which are partially compensated by the better results of Viña Los Vascos (\$149 million). Financial expenses reached \$14,339 million, in comparison to \$13,452 million in 2016, due to an increase of \$437 million in the metallurgic business and \$681 million in Taguavento.

The line of Other Non Operational includes the result by readjust unit, the latter was a loss of \$1,483 million (loss of \$1,754 million the previous year). This also includes the result for exchange rate differentials, that represented a revenue of \$3,026 million, in comparison to a revenue of \$2,803 million in 2016, variation that is due mainly to the variation in the exchange rate in both periods.

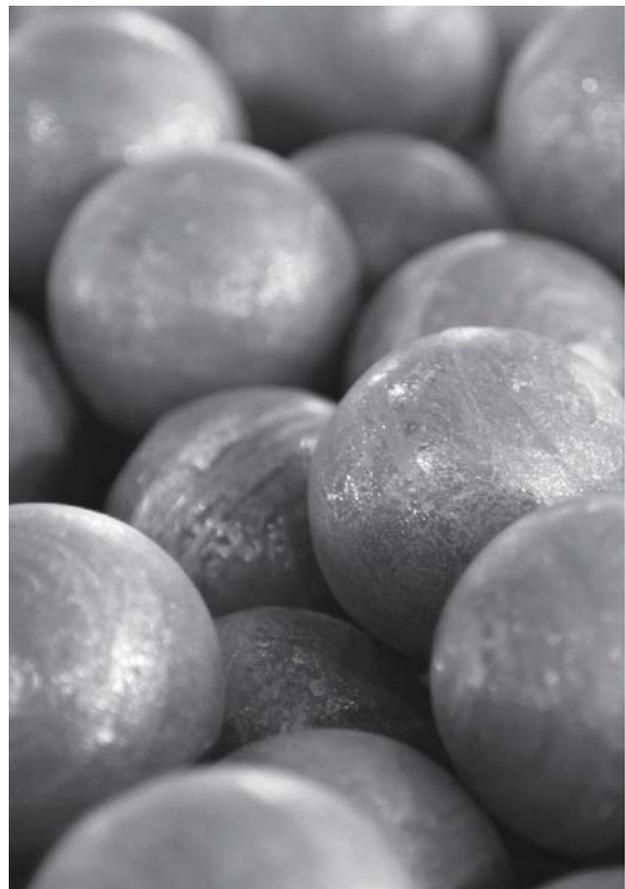
The expense for capital gains tax is a charge of \$23,890 million, that includes \$11,009 million which corresponds to the gains tax for the earnings in the sale of the Vicuña Mackenna lot, and it also considers the effects of the increase in the income tax rate in Chile for the year 2017 (25.55) in comparison to the prior year (24%) and the reduction of the income tax rate in the USA (21% vs 35%) which impacts the subsidiary ME Global (USA). The tax payable in 2016 was \$12,326 million.

Metallurgic Business

Income Statement (B\$)	01-01-2017 31-12-2017	01-01-2016 31-12-2016	Variation	
			MM\$	%
Operational income	363,182	329,740	33,442	10.1%
Operational expense	(294,819)	(275,082)	(19,737)	7.2%
Gross Revenue	68,363	54,658	13,705	25.1%
Revenue from operational activities	69,169	17,356	51,813	298.5%

The sales revenue of the metallurgic business, which includes the individual business of Elecmetal, in addition to its subsidiaries Fundición Talleres, and ME Global (EE.UU.) and ME Elecmetal (China) and the commercialization of products produced by third parties under our specifications, reached \$363,282 million in 2017 (\$329,740 million in 2016).

The consolidated gross earnings of the metallurgic business were \$68,363 million, which represents an increase of 25.1% in comparison to the previous year (\$54,658 million). The consolidated operational activities earnings of the metallurgic business were \$69,169 million, compared to earnings of \$17,356 million in 2016, due mainly to the before mentioned sale of Vicuña Mackenna lot. If this extraordinary effect is isolated Isolating this extraordinary effect, the adjusted consolidated operational revenue for the year reached \$25,995 million, amount that is 49.8% greater than the year 2016, due mainly to the increase in sales in 2017 and because of the specific negative impacts registered in 2016, associated to the production reorganization in Chile, which involved the start-up of the new Rancaguaa plat and the closure of the plant in Santiago.



Container Business

(Cristalerías de Chile S.A Individual):

Income Statement (B\$)	01-01-2017 31-12-2017	01-01-2016 31-12-2016	Variation	
			MMS	%
Operational income	129,391	126,717	2,674	2.1%
Operational expense	(90,358)	(87,144)	(3,214)	3.7%
Gross Revenue	39,033	39,573	(540)	-1.4%
Revenue from operational activities	26,160	27,229	(1,069)	-3.9%



In 2017 income from the sale of glass containers reached \$129,391 million, which is 2.1% greater than the income of the prior year sales (\$126,717 million). The gross revenue for the period was \$39,033 million, which is 1.4% less than that of 2016 (\$39,575 million). The operational expenses were \$90,358 million, increasing in 3.7% in respect to 2016, due mainly to greater sales, costs of energy, and the increase in defined inventory to improve the security margin in attention to our clients. The revenue from operational activities was \$26,160 million, which is 3.9% less than the year 2016 (\$27,229 million).

The total consolidated results of Cristalerías de Chile S.A. as of December 31, 2017 was a revenue of \$34,385 million, which represents a decrease of 12.2% in comparison to the year 2016 (\$39,141 million).

Wine Business

(Viña Santa Rita and its Subsidiaries):

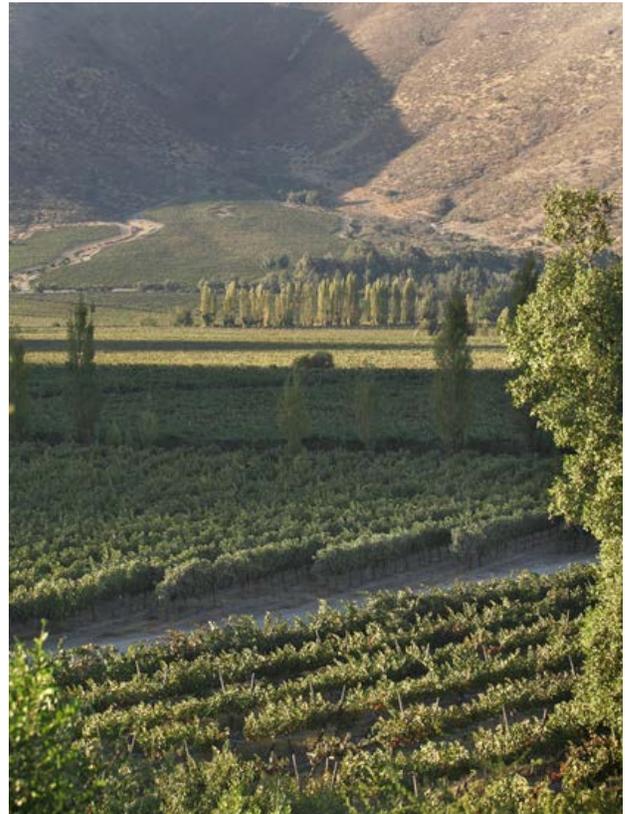
Income Statement (B\$)	01-01-2017 31-12-2017	01-01-2016 31-12-2016	Variation	
			MMS	%
Operational income	163,749	166,247	(2,498)	-1.5%
Operational expense	(98,701)	(97,097)	(1,604)	1.7%
Gross Revenue	65,048	69,150	(4,102)	-5.9%
Revenue from operational activities	17,008	18,994	(1,986)	-10.5%

Viña Santa Rita and its subsidiaries attained sales for \$163,749 million during the year 2017, which represents a decrease of 1.5% against the prior year, due mainly to the devaluation of currency and a decrease in national sales.

In relation to consolidated exports, in the year 2017 Viña Santa Rita and its subsidiaries exported a total of US\$115.6 million. The volume of exports for the period reached a total of 3,609 thousand boxes, which is an increase of 3.0% greater than the prior year. At a consolidated level the medium price decreased in 1.0% in regards to the previous year, reaching US\$32 per box. The before mentioned is due mainly to the depreciation of the British Pound, which decreases against the US Dollar in 3.1%. on the other hand, valued sales in the national market reached \$81,186 million, which implies a decrease in 1.3% in regard to the billing of the year 2016.

The gross revenue for the year was of \$65,048 million, which is a 5.9% lower than the gross revenue reached the previous year. The causes of this decrease are due to three reasons:

Firstly, a decrease in the volume sold in the local market, largely influenced by a price increase; secondly, related to the latter, the significant increase in the cost of wine (7.3% per liter in respect to the prior year) product of the complex harvests of 2016 and 2017; and thirdly, the devaluation of currencies such as the US Dollar, the British Pound and the Canadian Dollar against local currency. The revenue for operational activities in 2017 was \$17,008 million, this is 10.5% lower than the results of 2016 (\$18,994 million).



The results of S.A. Viña Santa Rita and its subsidiaries as of December 31, 2017 was a revenue of \$13,139 million, which is comparable to a revenue of \$14,388 million the year 2016. Of the total revenue indicated, the amount of \$13,139 million is attributable to the shareholders of the controller (\$14,386 million in 2016).

03

Results per Business

Below is the presentation of the results of the different
Business Areas of Elecmetal S.A.



100 / *years*



03.1

Metallurgic Business

ME ELEC METAL IS A GLOBAL COMPANY, LEADER IN INNOVATION AND IN THE DEVELOPMENT OF COMPREHENSIVE SOLUTIONS THAT ADD VALUE TO EXTRACTIVE PROCESSES AND THE PROCESSING OF MINERALS IN DIFFERENT MINING OPERATIONS IN THE WORLD.

ME Elecmetal is one of the leading producers and retailers of special steel parts, grinding means and other products and services for the mining market, through an extensive network of manufacturing plants, joint ventures, licenses and strategic alliances with high level corporations, such as ESCO Corporation and Valley Forge from the USA, Ferry Capitain from France, Long Teng Special Steel Co. Ltd., and Jiangxi Naipu Mining machinery and New Materials Co. Ltd. from China. In addition, it has an extensive network of offices and commercial representations all of the regions of the world. This coverage is a result of its strategic globalization and territorial expansion plan and the extension and innovation of its products and services lines for mining and other target markets.

ME Elecmetal is oriented at satisfying the domestic and international demand of the following groups of products and comprehensive solutions: spares for grinding equipment (coating in steel and white irons for SAG mills, balls, verticals and bars); grinding balls and bars for SAG grinding and secondary grinding;

spares for crusher equipment (wearing parts for rotating crushers, cones, jaws, impact, and others), and spares for ground engaging equipment (knife systems, adaptors, points and bail protectors for mechanical and hydraulic shovels, front loaders and others).

Additionally, it manufactures pump components for the transportation of pulp and industrial applications, large castings for mining and industrial machinery, and delivers high strength steel plates and repair and reconditioning services for mineral processing equipment.

Through its representation lines, it offers a great variety of products and complementary solutions for mining applications, such as, for grinding: bolts and nuts fasteners, rubber products and products composed of ; for crusher wear: bronze components and others, backing epoxy resin, AST application pumps); in addition to a series of services such as failure and high temperature detection sensors, simulations, product repair and productivity improvement of mining operations through solutions denominated ME FIT.

ACQUISITIONS AND STRATEGIC ALLIANCES

ME Global Inc., an affiliate incorporated in 2001 in the United States of America, was the vehicle used for the acquisition of the assets of the companies ME International, Inc. and ME West Castings, Inc. in the USA. As of 2002, ME Elecmetal initiated an asset optimization program, introducing new products and process



technologies and organizational development that has allowed it to attain the highest industry standards at a global level.

In Chile, Fundación Talleres Ltda., which is also dedicated to the manufacturing and commercialization of steel spares in the region, was acquired by means an international tender process for 60% of its property in the year 2004. 100% of the company's property was acquired in 2007.

ESCO Corp., a world leader in the manufacturing of steel parts for the ground engaging, which celebrated its 105-year anniversary in 2018, has been the licensor of ME Elecmetal since 1959 with a license and technical cooperation agreement to manufacture and commercialize its products in Chile. This alliance with ME Elecmetal was extended in 2007 to a 50/50 Joint Venture, incorporating the affiliate company Esco Elecmetal Fundación Ltda. ("Esco Elecmetal").

As part of the development of new products and markets, and its vision to deliver comprehensive solutions to its clients, ME Elecmetal developed the technology, metallurgic as well as process, for the elaboration of balls of special steels of superior quality, which are used in conjunction with coatings in the grinding mills in large-scale mining. It is in this manner that as of 2009, and through an exclusive manufacturing agreements with Longteng Special Steel Co., Ltd., its new products "ME Super SAG" and "ME Ultragrind" began to be successfully commercialized worldwide.

Subsequently, in the year 2011, ME Elecmetal and Longteng Special Steel Co., Ltd. established in China a 50/50 joint venture company "ME Long Teng Grinding Media (Changshu) Co. Ltd." ("ME Long Teng") for the manufacturing of these products, which ME Elecmetal commercializes worldwide.

ME Elecmetal has developed significant commercial and strategic ties with famous international trademarks, in the form of representations that have been maintained for many years. A clear example of these ties is the representation of the trademarks Ferry Captain and CMD, of Groupe CIF of France. The latter is an important conglomerate that supplies the international heavy

industry from its seven plants located in France and Germany, and that provides large cast components, such as gears, pinions, crowns, crusher bodies, and mill caps. Also, continuing with its permanent search of new alliances, ME Elecmetal began to commercialize, in the Chilean market, a line of "ME Elecmetal" high-quality epoxy resins for the application of backing in crusher equipment. With grinding equipment, the company maintains the representation of the liner bolts of the trademark "Valley Forge" of recognized prestige in the global industry.

Continuing with the development of comprehensive solutions for our clients, in 2016 an exclusive representation and product development agreement was entered into with the Chinese company Jiangxi Naipu Mining Machinery and New Materials Co. Ltd., with the objective of supplying rubber parts and rubber/steel parts for the coating of mills for mineral processing. To this day, a series of of new solutios of rubber parts and rubber/steel parts have been developed, showing positive results inSAG mill applications and mill balls.

IMPORTANT INVESTMENT PLAN

ME Elecmetal has carried out an important investment plan to consolidate its leadership and supply the demand of the mining activity at a global level.

ME Elecmetal has special steel foundries for wear parts in the USA, China, and Chile where it operates with the highest standards of industrial security, quality, productivity, and environmental protection standards, which sum up to a 120,000-ton capacity of part production per year.

Additionally, the before mentioned subsidiary, "Esco Elecmetal", inaugurated a state of the art steel foundry in 2012 to exclusively supply from Chile ESCO products, exclusively for Chile and Latin American markets; this product line is a recognized market leader

for the extraction of minerals and ground engaging products in mining and construction sites.

In addition, subsequent to the launching of a pilot plant in 2010, the subsidiary “ME Long Teng”, initiated in 2011 the construction of a modern modular manufacturing plant that manufactures grinding balls in the city of Changshu, China, whose production is commercialized directly by ME Elecmetal worldwide. 2017 marked the initiation of the fifth stage of construction of the plant, which once completed will allow for a total production capacity of 500,000 tons annually, of grinding balls that ME Elecmetal directly

In 2014, the subsidiary “ME Elecmetal (China) Co., Ltd.” completed the construction of a state of the art special steel foundry in the city of Changzhou, province of Jiangsu, China, with a capacity of 30,000 tons of spare parts for grinding equipment. In march 2016 the plant obtained a ISO-9000 and ISO 14,000 certification, which reflects the high level quality of its products and the high clean production standards of its manufacturing standards.

ME Elecmetal continued its international expansion plan in 2016 by incorporating the subsidiary ME Long Teng Grinding Media (Zambia) Limited in the city of Lusaka, Zambia, for the construction of a modern manufacturing plant for grinding balls to service if African clients. This plant will initiate operations in mid 2018.

Also, in Chile, the Company completed the 2016 modernization project of its special steel spare part plant in Rancagua to service the large-scale client market in Chile and South America. This plant, with a production capacity of 36,000 tons of special steel parts, brings together the experience of me Elecmetal in all of its plants worldwide and incorporates the most advances processes and manufacturing equipment for this type of industry. Elecmetal carried out a reorganization of the productive operations operations of its metallurgic business in Chile as part of a long-term strategic development plan, which meant closing the plant located in Santiago and transferring its productive capacity to this modern plant in Rancagua.



On the other hand, ME Elecmetal established manufacturing agreements of some selected casting parts, of a lower technological requirement and for less sophisticated applications, with different foundries in China, North America and Chile. These products are elaborated t under ME Elecmetal’s quality, industrial security, and environmental protection standards and and its technical specifications standards.



TERRITORIAL EXPANSION AND GLOBAL COVERAGE

ME Elecmetal has a worldwide distribution network with technical and sale services capability that covers the five continents. The Company delivers comprehensive solutions in order to ensure to satisfy the needs of its clients distributed in more than 38 countries, working together with them in the design of solutions and productivity improvements using products and services that meet the highest standards of quality and innovation technology. For this purpose

ME Elecmetal has its own specialized personnel that visits different mining sites across the globe from its central installations in Chile, USA and China, and its subsidiary offices in Australia, Brazil, Canada, Mexico, Mongolia, Peru and Zambia. The company also maintains representation alliances in different regions and countries.

DELIVERY OF INTEGRAL SOLUTIONS TO CLIENTS AND INNOVATIONS

The quality and prestige of ME Elecmetal is recognized worldwide and stems from value added solutions for our client's processes, combined with designs, alloys or materials, services and technology tailored to the needs of each client, with the strictest technical regulations, which make it possible to achieve performance levels that significantly reduce mineral processing costs and other materials. This value proposal falls within of VAES philosophy ("Value Added Engineering Services") that includes a series of activities focused on six key areas of the mining operation: Production Increase, Greater Equipment Availability, Effective Cost Reduction, Environmental Protection, Training, and Security.

This philosophy is very appreciated by our clients, and is the base of our leadership position in the wear solutions market for

global mining. An example of this is the leadership obtained in the market of wear components for crushing SAG. In this market, excluding China and Russia/ CIS (where the company has just commenced its penetration), ME Elecmetal boasts more than 50% of worldwide participation. Each project inspired by the VAES philosophy is measures and controlled to validate results and manage progress jointly and in a visible manner for our clients. In this context the ME FIT System is the reflection of the constant search for new comprehensive solutions for our mining client's processes, by integrating product and service solutions in the Mine, Wear and Grinding.

The ME FIT System proposal is based on the synergy obtained when integrating consulting, products, services, people, logistics, and manufacturing, making it possible to add value to the client in a way that could not be achieved otherwise. "FIT" is the acronym for "Fully Integrated Technology" and it refers to the fact that ME Elecmetal integrates the technologies of shielding and grinding equipment with services within the mill, in wear and grinding. The technical service delivered by ME Elecmetal, which generates an effective differentiation with the competition, is oriented at finding most cost effective solution for its clients and includes advisory services in the optimization of loading processes and treatment of minerals and other materials, new designs and on-site service with highly trained and highly experienced staff. In addition to working together with clients in identifying opportunities, finding innovative solutions, and applying improvements in production processes and maintenance practices, this sales strategy through benefits allows for the establishment of real strategic alliances with clients.

Within the new mining products, it is important to highlight the introduction in the Chilean market of ESCO's NEMESYS and ULTRALOCK product line, for hydraulic and cable shovels, which represents major improvements in the management of the mine and that have been proven with great success in Chile. This system's design incorporates significant productive advantages for clients that translate into higher yields, an important reduction of risks in the installation operation and removal of items of wear, and effective reduction of time devoted to these activities. In this



wear products market for ground engaging equipment, clients have recognized the quality, safety, and ease of installation of our products, allowing ME Elecmetal a leadership position in the market of haulage blade for big mining

Complementing its line of business and comprehensive services for its clients, ME Elecmetal consolidated its new business area of Inspection and Early Alert Service, which delivers monitoring, inspection of mining equipment, 3D laser measurements, predictive/symptomatic analysis, and the most advanced technology available in the market with ultrasound, thermography, and laser scanning equipment and a highly qualified technical team. The incorporation of new technologies and the intelligent gathering of data (IoT) is an important part of what this unit does. All these developments and the continued emphasis on high-quality products and service excellence are part of the innovation program that is present in the permanent management of ME Elecmetal's personnel. Working together with the client, the technical knowledge and the application of world-class simulation systems, by our Engineering and Design team, generates the fundamental conditions to increase availability of mining equipment and the processing of minerals, increase the processing rate and the quality of products, obtain gains in the service life, and less exposure to workplace accidents, amongst other benefits and that constitute innovative solutions and best practices for the mining market.

ORGANIZATIONAL DEVELOPMENT

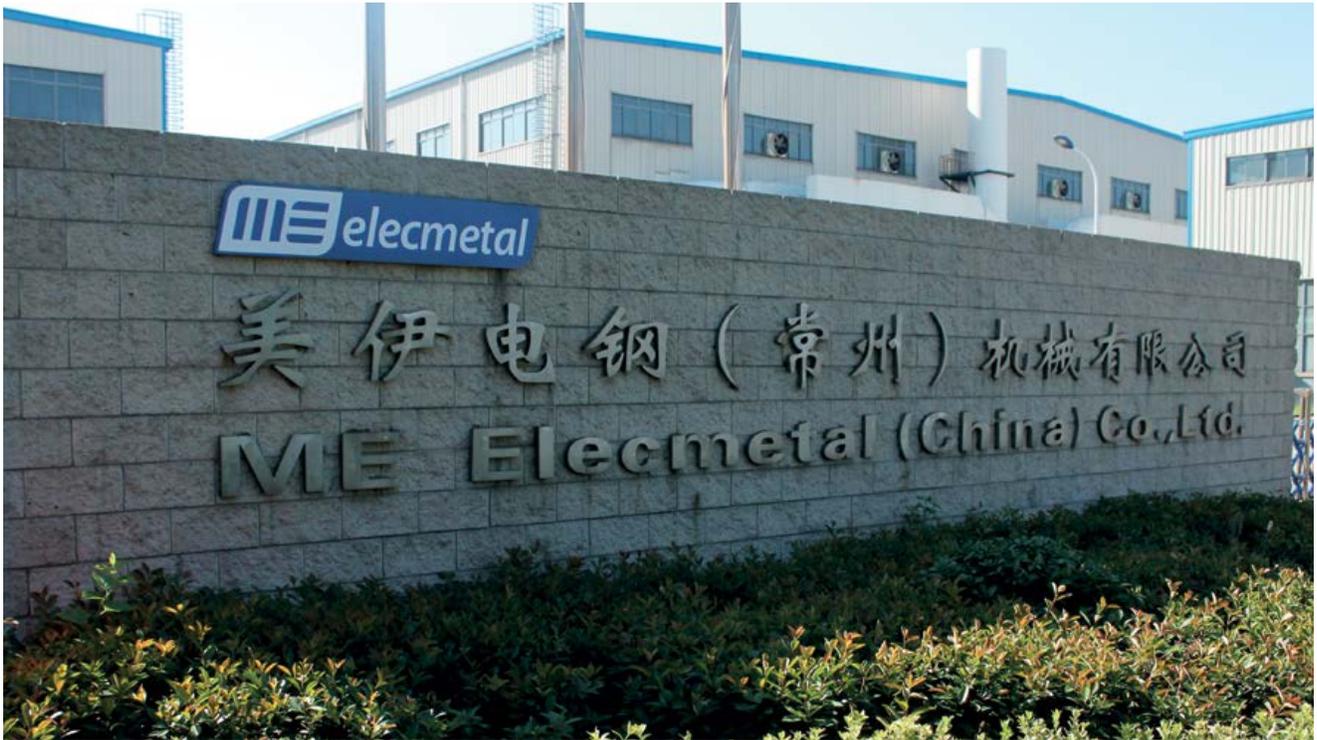
ME Elecmetal's metallurgical business is comprised of close to 1,272 individuals, mainly distributed in Chile, U.S.A., and China, and also in Australia, Brazil, Canada, Mongolia, Peru, England and Zambia. In 2017, ME Elecmetal continued developing its efforts for organizational alignment and for the motivation and

commitment of its staff to achieve its vision of the future: "to be a globally competitive supplier, recognized for its excellence and leadership in delivering comprehensive solutions that add value to mining processes and other target markets." Towards this end, ME Elecmetal advances in fulfilling its corporate mission of satisfying the needs and exceeding the expectations of its shareholders, clients, employees, and the communities where it operates, by providing comprehensive solutions to the market.

The values framework for its work is based on the fundamental principle of respect for the dignity of individuals. The framework consists of a set of corporate values such as comprehensive human development, proactive search for excellence, client oriented, creativity and innovation, teamwork and cooperation, responsibility and integrity, and the commitment to the environment.

In this manner, ME Elecmetal accords the highest priority to establishing work environments where individuals can display their full potential, their creativity, and initiative; so that they feel they are fulfilling themselves in a comprehensive manner through their job. This is the essence of ME Elecmetal's Path to Excellence and the company continues to develop its people management policies oriented to promote the personal and professional development of its collaborators, work security and better life quality for its workers and their families.

On the other hand, it is important to highlight the excellent labor relations that exist in the plants, the spirit of understanding amongst workers and management, and the collaboration and compromise of all to face challenges, which involves many cross-cutting activities at a global level, with involvement of people from different regions of the world where ME Elecmetal is present.



FINANCIAL RESULTS

ME Elecmetal's steel business includes the individual operational business of Elecmetal and the results of Fundición Talleres, ME Global and ME Elecmetal (China), in addition to the commercialization of products by ME Longteng and Esco Elecmetal and by third parties under our specifications. Sales revenue in the metallurgic business reached \$363,182 million in 2017 (\$329,740 million in 2016).

The gross consolidated revenue of the metallurgic business was \$68,363 million, which represents an increase of 25.1% in comparison to the previous period (\$54,6580 million). Earnings

from consolidated operational activities of the metallurgic business was \$25,995 million, amount that is 49.8% higher than the year 2016, which is due mainly to an increase in sales in 2017 and the specific negative impacts registered in 2016 and associated to the productive reorganization in Chile, which involved the start-up of the new Rancagua plant and closure of the plant in Santiago.

03.2

Container Business

CRISTALERIAS DE CHILE IS THE COUNTRY'S LEADER IN THE PRODUCTION AND SALE OF GLASS CONTAINERS; WITH OVER 110 YEARS OF EXPERIENCE. IT SUPPLIES THE WINE, BEER, SOFT DRINK, JUICE, MINERAL WATER, LIQUOR, AND FOOD MARKETS.



The main products manufactured by Cristalerías de Chile S.A. are returnable and non-returnable glass containers, crown and screw cap, wide mouth, decorated, painted, and labelled, all with the quality mandated by national and international markets. The company services more than 250 clients, offering varied complementary technical and commercial services, both in design and development of new containers, as well as their filling, closing, labelling, packaging and distribution management.

In the year 2017 the glass container business registered sales for \$129,391 million, which represents an increase of 2.1% in regards to the previous year (\$126,717 million).

The sale of containers for the wine industry, the company's principal market, measured in pesos, showed an increase in regards to 2016 due mainly to the increase in the sale of wine containers for the export and domestic market and the sale of containers for the sparkling wines.

It is important to point out that in 2017 exports of bottled wine reached 57.2 million boxes, which represents an increase of 5.7% over the prior year.

Regarding the sector of bottles for non-alcoholic drinks, sales of returnable containers increased over 2016, due mainly to the increase in sales in family-sized returnable formats for soft drinks and individual sized non-returnable formats for mineral water.

In relation to the beer market, the consumption of beer showed a similar volume to that of the previous year. The volume of returnable format sales decreased in regards to 2016 and the sale of non-returnable containers experienced an important growth due mainly to the increased sales of individual formats.



The sales of bottles for pisco and liquors and containers for the food sector increased in regards to the previous year, due to the development of new containers for the pisco market and the increase in containers for olive oil and the agroindustry.

In relation to the monetary results of the glass container business, the gross revenue for the period were \$39,033 million, which is 1.4% lower than the gross revenue of the year 2016 (\$39,573 million). This lower result is due mainly to the increase in manufacturing costs, which increased 3.7% in comparison to the previous year, which can be explained by the increase in sales for the year, greater energy expenses and an increase in defined inventory to improve the security spread in attention to our clients. The operational revenue for activities reached \$26,160 million, this is 3.9% lower than the 2016 results (\$27,229 million).

In commercial matters, during 2017 the company carried out different activities with the objective of providing a better service to its clients, studying and promoting the development of new glass containers projects, and highlighting benefits of the latter. Some of the most important activities were:

- The work, jointly with clients, in new container projects and the support with marketing and materials in points of sale for the final product.
- The sponsorship of important wine, beer, and food fairs, where Cristalería de Chile's customers had prominent participation.
- The support of different activities geared towards promoting Chilean wine abroad.
- As in other years, massive glass container recycling campaigns were extended to new locations in the country, which was disseminated through the main means of communication, allowing for the promotion of the ecological advantages of glass containers. Also, the continuation of the collaboration with Corporación de Ayuda al Niño Quemado – COANIQUEM -, an institution of recognized prestige in Chile.

The publication of the magazine “En Vitrina” was maintained. The later is directed to our clients and includes matters regarding the different industries that use glass; information is provided regarding new products packaged in glass and gives information regarding the company. This publication continues to be an excellent contact opportunity with clients and provides communication and information to them.

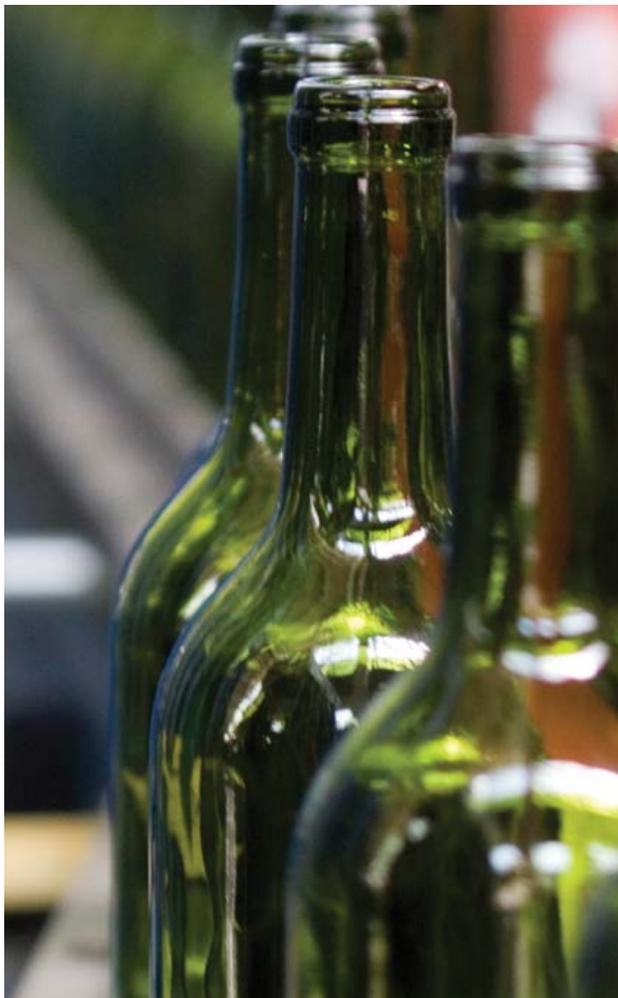
For the third consecutive year the Company positions the trademark Elige Vidrio (Pick Glass) as a citizen's cause to promote the benefits of glass containers, highlighting the positive impact that these have in the quality of life of people and inviting consumers to prefer glass in preference to other containers. During the year the company continued to reinforce to the identity of glass highlighting its most relevant attributes such as quality, the environment, that it is a trend setter and a driver of entrepreneurship. Elige Vidrio (Pick Glass), was promoted through many initiatives during the year amongst which was the marketing campaign under the concept of “Elige Vidrio (Pick Glass), it's a good idea” in digital media and in public spaces. Elige Vidrio (Pick Glass), committed to recycling, it was proposed that the main objective be to avoid that glass containers arrive in land fills. For the latter purpose, a program was created to establish a network of permanent and sustainable recycling along the whole country, through public-private alliances, in order to be a true contributor to the environment and the quality of life of Chileans. In relation to operations, 2017 was marked by the search for flexibility and the increase in the capacity of productive processes, as well as enhancing a culture that looks to constantly improve its levels of excellency. The consistent work with the TPM methodology and the continuous commitment in matters of security, quality and people development was recognized in the consistency certification for the Padre Hurtado Plant and the Excellence certification for the Llay Llay plant granted in March 2017, in the city of Kyoto Japan by the Japanese Institute of Pant Maintenance.

Concerning investments, in April 2017 the Company announced an investment of US\$100 million for the construction of a third glass foundry oven in the Llay Llay plant, which will consolidate the latter as the most modern of its field in Latin-American, both in productive processes and in care for the environment. During the year the Company carried out investments for approximately US\$39.5 million in fixed assets, mainly in the reconstruction and modernization project of Furnace B and the construction of a new warehouse in the Llay Llay plant. Additionally, a third decorating line was acquired, which will allow for an increase in 50% of the

operative capacity, responding to the commitment of Cristal Chile with the satisfaction of our clients, following the market tendencies. Cristalería de Chile's investment policy allows it to be in optimal conditions to supply the growing demand of its clients, with quality, opportunity and granting the best service.

In the year 2017, the Company presented its Third Sustainability Report, maintaining its commitment with Sustainable Development. In the latter, the company described the economic, social, and environmental development during the time frame





between January 1, 2015 to the 31st of December of 2016. The report delivers information regarding the actions in the area of sustainability developed by the different areas of the company.

In relation to the development of associated businesses, 2017 was the first full year of operations for Wine Packaging & Logistic (WPL)'s plant. WPL is a company dedicated to bottling, labelling and storage of wines that is born out an alianca with Compañía con Viñedos Emiliana e Industria Corchera. The plant, inaugurated

in late 2016, is one of the most modern botteling companies in the country, and in its first year it has consolidated itself as a real option for externalizing operations for many companies in the wine industry, with a high standard of quality.

CONSOLIDATED RESULTS

In regards to total results of the company, Cristalerías de Chile S.A. mainly consolidates its results with S.A. Viña Santa Rita, Ediciones Chiloé S.A, Cristalchile Inversiones S.A., and Taguavento SPA.

During the year 2017 consolidated sales of Cristalerías de Chile reached \$290,564 million (\$289,690 million in 2016). This increase of 0.3% is mainly due to the increase in sales of 2.1% in the glass container business, the recognition of the sales for the initiation of operations for the electric generation business, both effects that are compensated in part by the decrease in sales in 1.5% in the wine industry.

The gross consolidated revenue for the year reached \$105,479 million ((\$109,686 million in 2016) and the decrease is due mainly to the increase in 2.8% in the consolidated manufacturing expenses, due mainly to the increase in costs in the wine sector due to complex harvests in 2016 and 2017 and the initiation of the electric generation operations.

The total consolidated earnings of Cristalerías de Chile S.A. as of December 31, 2017 was a revenue of \$34,358 million, which represented a decrease of 12.2% in comparison to the year 2016 (\$39,147 million). Total revenue for the year equals \$34,358 million. The amount of \$29,142 million is attributable to the shareholders of the parent, and the amount of \$4,801 million is attributable to non-controlling participants (minority interest).



03.3

Wine Business

ELEC METAL PARTICIPATES IN THE WINE BUSINESS THROUGH DIRECT AND INDIRECT OWNERSHIP IN SOCIEDAD ANONIMA VIÑA SANTA RITA. VIÑA SANTA RITA COMMERCIALIZES CHILEAN WINES WITH ITS OWN TRADEMARK, IN ADDITION TO THE TRADEMARKS VIÑA CARMEN, SUR ANDINO AND NATIVA. THE COMPANY ALSO SELLS WINES OF ARGENTINIAN ORIGIN WITH THE TRADEMARK DOÑA PAULA AND SUR ANDINO ARGENTINA.

Santa Rita

During the year 2017, the consolidated sales of Viña Santa Rita and its subsidiaries reached \$163,749 million. The latter represents a decrease of 1.5% in comparison to 2016 (\$166,247 million). The variation is due mainly to sales in the export market, which reached \$74,703 million, which represents a decrease in 2.0% in regards to 2016, affected principally by the decrease in the exchange rate; for the sales in the national market which reached 481,186 million, this is 1.35 less than sales the year before, which were affected by the decrease in the representation of pisco and beer, and by the revenue from other sales for \$7,859 million, which is 0.8% higher than the prior year.

Regarding consolidated exports, in 2017 Viña Santa Rita and its subsidiaries exported a total of US\$115.6 million. The volume of exports for the term reached a total of 3,609,000 boxes, which is 3.0% greater than the volume of exports from the previous year. The average FOB price reached US\$32 per box during 2017, in comparison to \$32.4 per box in 2016.

The principle export markets for Viña Santa Rita and its subsidiaries are: Ireland, Brazil, United States of America, United Kingdom, Canada, Japan, Denmark, and China. Notwithstanding a more adverse external context, the Company reached a new record, exceeding the 3.6 million boxes exported to more than 70 countries. We have been able to establish an important presence in certain countries such as Brazil, Ireland, United States, and Canada, positioning ourselves amongst the three leading trademarks of Chilean wine.



50TH ANNIVERSARY

120[®]

Limited Edition

CABERNET SAUVIGNON
D.O. MAIPO VALLEY CHILE

• 2015 •

Santa Rita



In the domestic market in 2017, the volume of sales reached 80.3 million liters, which represents a decrease of 8.2% in comparison to the prior year. The price of sale increased in a 7.5% in regards to 2016, thus valued sales in the domestic market reached an invoicing of \$81.186 million, which translates to a decrease of 1.3% compared to the year 2016.

The domestic market was marked by a more unfavorable economic situation that affected to internal consumption of wine. Viña Santa Rita reached a participation in the market of 29.8% with an important presence in super fine wines. Additionally, the incorporation of new agreements in the area of Representations, adding new trademarks that allow us to reach our clients with a better portfolio.

It is important to highlight the consolidation of Viña Santa Rita's cultural heritage, as a presentation card to our consumers in Chile and abroad, for which work has been invested to build an attractive and valuable turistic proposal during the last five years.

During 2017 Viña Santa Rita and its subsidiaries obtained important recognitions in Chile and abroad. The prestigious British magazine Decanter recognized Casa Real Reserva Especial as an iconic wine, a reference in South America for its trajectory, terroir, and unique conditions. In addition, Floresta Carménère 2017 was named as Chile's "Best Carménère" by the wine guide Descorchados, which additionally recognized it as "Revelation Wine". The prestigious newspaper the Washington



Post chose a 120 Reserva Especial Cabernet Sauvignon 2015 as the best cabernet in the price/quality ratio available in the American market.

Additionally, Viña Carmen was recognized as one of Chile's best vineyards by the influential critic Tim Atkin, who in addition granted Carmen DO Matorral Chileno 95 points, naming it "Red Wine Discovery of the Year". Carmen Gran Reserva Carignan 2014 was clasified with 93 points by James Suckling and with 91 points by Tim Atkin.

During 2017 Santa Rita celebrated the 50 year anniversary of the trademark 120, which is not only the most sold wine in Chile, but also boast an important presence world-wide. To commemorate its five decades of history, a "120 50th Anniversary Limited Edition" was sold, a super premium wine that showcases the

best of Cabernet Sauvignon and positions itself as an excelent exponent of Santa Rita's tradition linked to the Maipo Valley. Through the alianse with Arsenal FC and the global campaign "Vive la Vida 120", Santa Rita has achieved to impact more than 80 million consumers in three continents and be present in the most important soccer fields internationally, such as the the Emirates Stadium in England, the Bird Nest in Beijing, and the Copa Confederaciones 2017, where 120 was present in the most emblematic stadiums of Russia.

During the year two events of "120 Hours with Arsenal" where more than 80 consumers and clients travelled to London to live experiences related with the English team and the british capital, such as enjoying a game in the Emirates Stadium, touring its instalations and sharing with some of the players and legends of the most popular club in London. Additionally, Santa Rita and



Arsenal impulsed different activities in China, where the media and the vineyard's distributors in China were able to share with the starts of the English team in Shanghai and Beijing.

During the year, another aspect to highlight is the recognition obtained in sustainability. Viña Santa Rita was recognized as the second most sustainable vineyard in Chile by the ranking ISC 2017, occupying the place number 30 at a national level, including all industries. In addition, the vineyard was recognized with the Corporate sustainability prize in the Social category by Sofofa, Universidad Adolfo Ibañez, and Capital magazine, for promoting different initiatives of territorial valuation in the community, of which they highlighted the Harvest Project and the Seasonal Concert Series.

DOÑA PAULA VINEYARD

In 2017 marked the 20 year anniversary of Doña Paula, which is currently projected as one of the most important vineyards in Mendoza, recognized worldwide for the quality of its wines. In the year 2017 Doña Paula reached a volume of sales of 495 thousand boxes, which represents an increase of 8.9% against 2016, and invoicing was equivalent to US\$20.2 million, which translates into a an increase of 16.0% en relation to the prior year, registering an average price por box of US\$40.7 per box, which represents an increase of 6.5% in comparison to the previous year. Continuing with the long term strategy , the mix of reserve and superior wines grew 19% against the previous year, reaching 34% of its offer.

During 2017, efforts were made to consolidate Doña paula's position in key markets and continue growing aggressively in the domestic market, due to a change in the distribution model in early 2016. As a result of this change, the vineyard grew in Argentina, 72.9% in volume and 116.9% in value, both in comparison with the year 2016. During 2017 Doña Paula stood out in contests and domestic and foreign publications in its different wine varieties. Selección de Bodage 2015 was qualified with 97 point by Descorchados, positioning it amongst

the best red wines in Argentina. In addition, it graded the 2014 harvest with 96 points, naming it "Mendoza's Choice". Tim Atkin, on the other hand, granted 94 points to the 2013 harvest, while James Suckling graded the 2012 harvest with 94 points. In the Parcel line,



Descorchados highlights Alluvia Parcel 2013 with 96 points and Los Indios Parcel 2013 with 95 points. Tim Atkin gave 95 points to both harvests, while James Suckling graded Alluvia Parcel 2012 with 94 points.

INVESTMENTS

In regards to investments, Viña Santa Rita invested US\$17.3 million in 2017, mainly in the areas of agriculture, production, and trademarks. The agricultural and enological investments were carried out with the main objective of sustaining Viña Santa Rita's and its subsidiaries strategic plan, oriented towards improving the enological efficiency, productivity and achieving a greater self-sufficiency of grapes, and ensuring irrigation availability. One of the principle investments in the wine industry is the WiSe project, translated as wisdom or from the English acronym Wine Sees, whose principle objective is to "plant wine", aligning in an effective, efficient and sustainable manner the production of wines with the projected growth, betting on high quality productive vineyard. Viña Santa Rita continued with its program of planting varieties mainly in the areas of Buin and Palmilla, Casablanca, Pumanque and other areas of the central Valley with the objective of counting on plantations that are more productive, resistant to plagues and sickness, and counting on a better availability of water in the different farms. In addition, in 2017 a 254-hectare farm was acquired in Cauquenes, Maule region.

Currently, Viña Santa Rita and its subsidiaries possess a total of 3,827-planted hectares in Chilean farms (3,120 hectares) and Argentina (707 hectares). In the area of productivity investments were made in new technologies with the objective of producing in a more efficient manner and giving consumers a better product. In this sense bottling lines were modernized and improvement were made in the Palmilla plant and the construction of a new distribution center in Alto Jahuel began.

In addition, with the objective of extending, strengthening and consolidating the sale of Premium wines and differentiators in key markets, Viña Santa Rita acquired Cigar Box, an important emerging wine trademark in the United States.



RESULTS

In relation to the financial results of the year, the consolidated gross revenue for Viña Santa Rita was \$65,048 million, this is 5.9% less than the consolidated gross revenue of the previous year (\$69,150 million). The causes of this decrease are threefold: first of all, the lower volume sold in the local market, strongly influenced by an increase in prices; the second motive is related to first, the significant increase in the cost of wine (7.3% per liter in comparison to the prior year) due to the complex harvest of 2016 y 2017; and third, the devaluation of currencies such as the US Dollar, the Pound, the Euro and the Canadian Dollar against the domestic currency. The revenue from operations activities in 2017 was \$17,008 million, which is 10.5% lower than the result of 2016 (\$18,994 million).

Viña Santa Rita registered earnings in its non-consolidated subsidiaries for \$1,312 million in 2017, against revenue of \$1,166 million the previous year. This is due mainly to the result of Viña Los Vascos S.A., whose controlling shareholder, with 57% of the shares, is Les Domaines Barons de Rothschild (Lafite) and where Viña Santa Rita is the owner of the remaining 43%.

Viña Los Vascos sold 620 thousand boxes in 2017, 27.8% greater than 2016, with an average price of US\$52.6 per box, in comparison to US\$54.9 from the previous exercise. Viña Los Vascos total revenue in 2017 was 22.8% greater than the previous year, measured in dollars, its functional currency, generating revenue of \$1,310 million for Viña Santa Rita in 2017 (\$1,161 millones in 2016) due to participation in earning of associates and joint businesses that were accounted utilizing the participation method.

The total consolidated results of Viña Santa Rita and its subsidiaries as of December 31, 2017, was a profit of \$13,139 million, which is comparable to revenue of \$14,388 million in 2016. Of the before mentioned revenue, the amount of \$13,138 million is attributable to the owners of the controlling shareholder (\$14,386 million in 2016).



03.4

Communications Business

SINCE 1989, ELEC METAL PARTICIPATES IN THE MEDIA AND COMMUNICATIONS SECTOR VIA CRISTALERÍAS DE CHILE S.A., WHO THROUGH ITS SUBSIDIARY EDICIONES CHILOÉ S.A. (OWNER OF SOCIEDADES EDICIONES FINANCIERAS S.A.) IS PRESENT IN THE WRITTEN NEWS BUSINESS WITH “DIARIO FINANCIERO” AND IN THE EDITORIAL BUSINESS THROUGH THE MAGAZINES “CAPITAL”, “ED”, AND OTHERS.



EDICIONES FINANCIERAS S.A.

In the context where the marketing industry in written print projects a fall for the sixth consecutive year (Source; AAM), Ediciones Financieras S.A. has been able to innovate and continue diversifying its income, conquerin new audiences and making its operation more efficient.

2017 was Diario Financiero’s 29th anniversary, miletone that was celebrtrd with a renewed design and distribution of section of the newspaper , a new website, and new mobile application that integrates the functionalities of digital paper, online news, and udates data of the most relevant markets. The focus on specialized results allowed for the launching of dozens of newsletters that connected the newssource with 170,000 readers.

2017 marked a inflexion point in the road towards conquering a new niche of readers with a focus on cross media and cultivating a modern and distinct relationship with the audience. The focus of the digital suscriber have allowed for an increase of 65% of income for this concept, and creates a comminuty in which editors, journalists and digital suscribers can share ideas, information, and opinions.

The income diversification strategy of the company, entering even into the retail business through its own brand Element ED, has resulted that currently, less than 50% of its income originated from traditional publicity.

The administration continues with plans destined to reduce costs, and in this line, in 2017, a change in offices and the restructuring of the commercial area took place.



03.5

Electric Generation Business

PARQUE EÓLICO LAS PEÑAS (ELP), LOCATED IN THE MUNICIPALITY OF ARAUCO, IS THE FIRST ENERGY PROJECT THE GROUP THAT PROMOTE ENERGY SELF-SUFFICIENCY.



The first initiative incorporated the study, construction and operation of an eolic park, inaugurated on the 1st of December of 2016. The ELP parque has four aerogenerators that sum up to 8.4MW of capacity that are injected into the National Electric System (SEN). This project is the first incursion of this subsidiary into renewable energy, positioning it at the vanguard of the development of clean energy solutions, with state of the art technology, renewable, and profitable, which configure a new scenario in generation regarding which the Company wants to be a protagonist as a fundamental part of the solution. In 2017 the ELP park completed the year with a 43.4% factor of the plant, which makes it the eolic project with the best documented and historic performance in al of the country's interconnected system and above the medium in the industry that is situated in a 27% factor of the plant during the year.

In terms of financial results, in 2017 Taguavento achieved income from sales of \$1,509 million, obtaining an operational profit of \$504 million and registering a final revenue of \$331 million.



04

Annual Results and Financial Statements 2017



100 / *years*



04.1

Consolidated Financial Statements 2017

AS OF DECEMBER 31ST 2017 AND 2016 (M\$)

COMPAÑÍA ELECTRO METALÚRGICA AND ITS AFFILIATES

CONSOLIDATED FINANCIAL STATEMENT ENDED AT DECEMBER 31ST 2017 AND 2016

CLASSIFIED STATEMENT OF FINANCIAL POSITION

Classified Statement of Financial Position	12-31-2017	12-31-2016
	M\$	M\$
Current assets		
Cash and cash equivalents	44,202,567	56,949,899
Other current financial assets	6,139,803	8,552,977
Other non-financial assets, current	2,235,844	2,164,391
Trade and other receivables, current	172,725,254	169,294,936
Receivables from related entities, current	4,788,428	3,396,072
Inventory	205,786,288	174,759,120
Biological assets, current	8,902,062	9,190,411
Tax assets, current	20,501,397	21,086,019
Total current assets other than assets or groups of assets for disposal, classified as held for sale or held as distributable to owners	465,281,643	445,393,825
Non-current assets or group of assets for disposal, classified as held for sale or held as distributable for owners	86,937	4,617,164
Total current assets	465,368,580	450,010,989
Non-current assets		
Other financial assets, non-current	2,803,014	2,845,853
Other non-financial assets, non-current	2,328,006	2,005,573
Receivables, non current	895,862	886,229
Investments accounted using equity method	69,236,900	64,547,804
Intangible assets different from capital gain	18,094,930	9,315,620
Capital gain	1,434,585	1,434,585
Properties, plant, equipment	374,274,094	367,674,588
Investment property	2,164,892	2,312,215
Non-current taxes assets	374,419	804,736
Deferred tax assets	8,147,558	8,037,531
Total non-current assets	479,754,260	459,864,734
Total assets	945,122,840	909,875,723

CONSOLIDATED CLASSIFIED STATEMENT OF FINANCIAL POSITION

Classified Statement of Financial Position	12-31-2017	12-31-2016
	M\$	M\$
Equity and liabilities		
Liabilities		
Current liabilities		
Other financial liabilities, current	40,027,828	63,122,944
Trade and other payables, current	107,379,282	104,032,440
Payables to Related Parties, current	6,322,389	3,138,079
Other provisions, current	1,105,577	991,794
Liabilities from taxes, current	16,735,459	5,305,730
Provisions for employee benefits, non-current	8,389,090	7,966,736
Other non-financial liabilities, current	5,509,983	3,886,761
Total current liabilities other than liabilities or groups of liabilities for disposal, classified as held for sale	185,469,608	188,444,484
Total current liabilities	185,469,608	188,444,484
Non-current liabilities		
Other financial liabilities, non-current	232,561,210	222,780,676
Other Payables, non-current	2,357,182	313,922
Other provisions, non-current	-	180,898
Deferred tax liability	20,359,388	22,680,046
Provisions for employee benefits, non-current	13,594,001	12,116,794
Other financial liabilities, non-current	4,843,000	4,820,925
Total non-current liabilities	273,714,781	262,893,261
Total liabilities	459,184,389	451,337,745
Equity		
Share capital	23,024,953	23,024,953
Retained earnings (losses)	326,118,221	291,126,944
Other reserves	(5,817,434)	6,966,324
Total equity attributable to the shareholders of the parent	343,325,740	321,118,221
Non-controlling interest	142,612,711	137,419,757
Total equity	485,938,451	458,537,978
Total equity and liabilities	945,122,840	909,875,723

CONSOLIDATED CLASSIFIED INCOME STATEMENT BY FUNCTION

Income Statement By Function	1-1-2017 12-31-2017 M\$	1-1-2016 12-31-2016 M\$
Profit (loss)		
Revenue from ordinary activities	654,049,209	619,585,568
Cost of sales	(482,795,054)	(457,722,691)
Gross profit	171,254,155	161,862,877
Other income, by function	2,522,759	2,666,077
Distribution Costs	(16,728,625)	(14,139,773)
Administration costs	(87,677,949)	(86,915,157)
Other expenses, by function	(114,485)	(875,444)
Other earnings (loss)	43,046,448	(245,873)
Earnings (loss) from operational activities	112,302,303	62,352,707
Financial revenue	1,889,735	1,897,899
Financial costs	(14,339,099)	(13,452,276)
Participation in earnings (loss) of associates and joint businesses that are accounted using the equity method	7,888,030	8,988,801
Exchange rate differential	3,025,620	2,802,663
Results for indexation units	(1,483,415)	(1,754,365)
Earnings (loss), before taxes	109,283,174	60,835,429
Expenses from income tax	(23,890,436)	(12,326,184)
Earnings (loss) from continued operations	85,392,738	48,509,245
Earnings (loss) from discontinued operations	-	-
Earnings (loss)	85,392,738	48,509,245
Earnings (losses), attributable to		
Earnings (loss), attributable to shareholders of the parent	69,984,785	31,012,545
Earnings (loss), attributable to non-controlling interest	15,407,953	17,496,700
Earnings (loss)	85,392,738	48,509,245
Earnings per share		
Earnings per basic share		
Earnings (loss) per basic share in continued operations	1,597.83	708.05
Earnings (loss) per basic share in discontinued operations	-	-
Earnings (loss) per basic share	1,597.83	708.05

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

Comprehensive Income Statement	1-1-2017	1-1-2016
	12-31-2017	12-31-2016
	M\$	M\$
Earnings (loss)	85,392,738	48,509,245
Other comprehensive income	-	-
Components of other comprehensive income that will not be reclassified to the income of the period, before taxes	-	-
Other comprehensive income, before taxes, earnings (loss) for reevaluation	44,403	(42,170)
Other comprehensive income, before taxes, earnings (loss) from actuarial defined benefit plans	(787,189)	(462,999)
Total other comprehensive income that will not be reclassified to the income of the period, before taxes	(742,786)	(505,169)
Other comprehensive income that will be reclassified to the income of the period, before taxes	-	-
Earnings (loss) from differences currency adjustments, before taxes	(12,568,531)	(13,809,543)
Earnings (loss) from cash flow hedges, before taxes	431,532	(658,926)
Total other comprehensive income that will be reclassified to the income of the period, before taxes	(12,136,999)	(14,468,469)
Total other comprehensive income, before taxes	(12,879,785)	(14,973,638)
Other components of other comprehensive income, before taxes	-	-
Income tax related to actuarial defined benefit plans of other comprehensive income	212,541	125,010
Income tax related to cash flow hedges of other comprehensive income	(116,514)	177,910
Total other comprehensive income	(12,783,758)	(14,670,718)
Total comprehensive income	72,608,980	33,838,527
Comprehensive income attributable to		
Comprehensive income, attributable to shareholders of the parent	57,201,027	16,341,827
Comprehensive income, attributable to non-controlling interest	15,407,953	17,496,700
Total comprehensive income	72,608,980	33,838,527

CONSOLIDATED CASH FLOW STATEMENT (DIRECT METHOD)

Direct cash flow statement	1-1-2017	1-1-2016
	12-31-2017	12-31-2016
	M\$	M\$
Cash flow from (utilized in) operational activities		
Types of charges by operational activities		
Charges from the sale of goods and the provision of services	710,464,478	671,291,089
Types of payments		
Payments to suppliers for the supply of goods and services	(560,594,331)	(506,685,286)
Payments to and on behalf of employees	(92,276,994)	(90,246,718)
Other payments by operational activity	(17,800,399)	(23,380,426)
Net cash flow from (used in) operational activities	39,792,754	50,978,659
Received dividends	5,017,545	9,653,183
Interest paid	(11,881,281)	(10,609,514)
Interest received	1,677,603	1,303,480
Reimbursed income tax (paid)	(14,843,090)	(14,510,220)
Other cash entries (outflows)	2,188,139	(4,519,083)
Cash flow from (utilized in) operational activities	21,951,670	32,296,505
Cash flows from (used in) investment activities		
Cash flows from loss of control of subsidiaries or other business	-	1,564,063
Cash flows used in the purchase of non-controlling interest	-	(45,126)
Other charges for the sale of interest or debt instruments of other entities	13,137,771	29,324,251
Other payments to acquire interest or debt instruments of other entities	(10,255,729)	(35,668,053)
Other payments to acquire interest in joint businesses	(6,271,387)	(1,690,774)
Amounts from the sale of property, plant and equipment	51,048,962	618,354
Purchase of property, plant, and equipment	(41,907,485)	(46,554,439)
Purchase of intangible assets	(4,361,964)	(670,399)
Amounts from other long term assets	-	2,641
Payments derived from futures, forwards, options, and swaps agreements	(2,541,042)	(619,044)
Charges from futures, forwards, options, and swaps agreements	2,040,801	1,650,267
Charges to related entities	-	2,673,076
Other cash entries (outflows)	-	21,440
Net cash flows from (used in) investment activities	889,927	(49,393,743)
Cash flows from (used in) financing activities		
Amounts from long term debt	16,188,804	26,575,751
Amounts from short term debt	103,994,566	75,002,830
Total amounts from debt	120,183,370	101,578,581
Amounts from the issuance of shares	-	74,138
Payments for participation of other interest	-	(2,641)
Debt of related entities	207,311	142,496
Debt payments	(128,680,079)	(61,586,550)
Debt payments of related entities	(8,001)	-
Dividends paid	(24,533,409)	(24,989,176)
Interest paid	(616,278)	(1,161,381)
Other cash outflows	-	(1,365,549)
Cash flows from (used in) financing activities	(33,447,086)	12,689,918
Net increase (decrease) in cash and cash equivalents, before the effect of changes in exchange rates	(10,605,489)	(4,407,320)
Effect of the variation in the exchange rate over cash and cash equivalents	(2,141,843)	(1,565,436)
Net increase (decrease) of cash equivalents	(12,747,332)	(5,972,756)
Cash and cash equivalents at the beginning of the term	56,949,899	62,922,655
Cash and cash equivalents at the end of the term	44,202,567	56,949,899

INDEPENDENT AUDITOR'S REPORT

Sirs. Shareholders and Board Members of
Compañía Electro Metalúrgica S.A.:

We have audited the enclosed consolidated financial statement of Compañía Electro Metalúrgica S.A. and subsidiaries, which includes the consolidated statement of the financial situation as of December 31, 2017 and 2016, and the corresponding consolidated statement of comprehensive income, of changes in equity and cash flows for the years ending on those dates, and the corresponding notes to the consolidated financial statements.

Management's Responsibility for the consolidated financial statements

Management is responsible for the preparation and reasonable presentation of these consolidated financial statements in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board ("ISAB"). This responsibility includes the design, implementation, and maintenance of the pertinent internal controls for the preparation and reasonable presentation of these consolidated financial statements so that they are free from significant incorrect representations, whether due to fraud or error.

Responsibility of the Auditor

Our responsibility consists of issuing an opinion regarding these consolidated financial statements, based on our audits. We have not audited the financial statements of the subsidiaries Viña Doña Paula S.A. and Sur Andino Argentina S.A., subsidiaries over which total control and property exists, and whose financial statements reflect total assets and ordinary income that constitutes 2.0% and 1.95%, respectfully, of the total consolidated to such date. Likewise, we have not audited the financial statements of the associate Viña Los Vascos S.A., and the financial statements of the associate Rayén Curá S.A.I.C., the investment as of the 31 of December 2017 of these associates represent total assets of M\$26,561,316 (M\$29.716.304 as of December 2016) and an accrued net income of M\$6,328,631 for the year ending on such date (M\$7,252,024 as of December 2016). These financial statements were audited by other auditors whose reports have been supplied to us, and our opinion, concerning the amounts included as of December 31, 2016 for Doña Paula S.A., Sur Andino Argentina S.A., and the amounts included as of December 31 of 2017 and 2016 for the associates Viña Los Vascos S.A., and the affiliate Rayén Curá S.A.I.C., are based solely on the reports issued by those auditors. We conducted our audit in accordance with generally accepted auditing regulations in Chile. Those regulations require that we plan and perform our job with the objective of achieving a reasonable degree of security that the consolidated financial statements are free from of material misstatement.

An audit involves carrying out procedures to obtain auditing evidence regarding the amounts and revelations in the consolidated financial statements. The selected procedures depend on the judgment of the auditor, including the evaluation of the risks of material misstatements in the consolidated financial statements, whether due to fraud or error. When carrying out these risk assessments, the auditor considers the pertinent internal controls for the preparation and reasonable presentation of the consolidated financial statements of the entity with the objective of designing auditing procedures that are appropriate to the circumstances, but not with the intention of expressing an opinion on the effectiveness of the internal control of the entity. Consequently, we do not issue an opinion of that nature. An audit also includes, evaluating how appropriate the accounting policies that were used are, and the reasonability of the material accounting estimations carried out by Management, as well as an evaluation of the general presentation of the consolidated financial statements.

We believe that the auditing evidence that we have obtained is sufficient and appropriate to provide a basis to support our auditing opinion.

Opinion

In our opinion, based on our audits and the reports of the other auditors, the consolidated financial statements identified in the first paragraph, reasonably present, in all material respects, the financial position of Compañía Electro Metalúrgica S.A. and Subsidiaries as of December 31, 2017 and 2016 and the results of its operations and cash flows for the years ending on such date, in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board ("ISAB")

The Deloitte logo is written in a stylized, cursive script.

March 1, 2018
Santiago, Chile

A handwritten signature in dark ink, appearing to read 'Mario Muñoz V.'.

Mario Muñoz V.
RUT: 8,312,860-7

4.2

Related Companies.

SUMMARY TABLE OF OWNERSHIP RELATIONS TO 12-31-2017

Issuing Company	Elecmetal	Hendaya	Inversiones Elecmetal	Cristalerías de Chile	Bayona
Hendaya S.A.	99.99%	-	-	-	-
Cristalerías de Chile S.A.	34.03%	10.30%	-	-	9.24%
Inversiones Elecmetal Ltda.	99.99%	0.01%	-	-	-
Fundición Talleres Ltda.	98.00%	2.00%	-	-	-
Esco Elecmetal Fundición Ltda.	50.00%	-	-	-	-
ME Global Inc.	-	-	99.00%	-	0.10%
ME Long Teng Grinding Media (Changshu) Co. Ltd.	-	-	50.00%	-	-
ME Elecmetal (China) Co. Ltd.	-	-	100.00%	-	-
ME Hong Kong Co. Limited	-	1.00%	99.00%	-	-
ME Elecmetal Comercial Perú S.A.C.	0.10%	-	-	-	-
ME Elecmetal Brasil Representacao Comercial Ltda.	0.10%	-	-	-	-
ME MNG LLC (Mongolia)	-	-	100.00%	-	-
ME Elecmetal Australia Pty Ltd.	-	-	100.00%	-	-
ME Longteng Grinding Media (Zambia) Limited*	-	-	50.00%	-	-
ME Elecmetal Canadá Ltd.	-	-	100.00%	-	-
Soc.Com. ME Elecmetal México S de RL de CV	-	0.01%	99.99%	-	-
Las Vegas S.A.	20.00%	80.00%	-	-	-
Indesa S.A.	99.87%	-	-	-	-
Bayona S.A.	-	80.00%	-	-	-
S.A. Viña Santa Rita	1.92%	-	-	60.56%	23.52%
Cristalchile Inversiones S.A.	-	-	-	99.99%	-
Malaga Ltda.	-	20.00%	-	-	80.00%
Ediciones Chiloé S.A.	-	0.08%	-	99.92%	-
Ediciones Financieras S.A.	-	0.349%	-	-	-
Viña Los Vascos S.A.	-	-	-	-	-
Viña Carmen S.A.	-	-	-	-	-
Viña Centenaria S.A.	-	-	-	-	-
Distribuidora Santa Rita Ltda.	-	-	-	-	-
Rayén Curá S.A.I.C.	-	-	-	-	-
Viña Doña Paula S.A.	-	-	-	-	-
Sur Andino S.A	-	-	-	-	-
Serv. Compartidos Tichel Ltda.	20.00%	20.00%	-	20.00%	-
Nativa Eco Wines S.A.	-	-	-	-	-
Sur Andino Argentina S.A	-	-	-	-	-
Taguavento S.P.A	-	-	-	100.00%	-
Wine Packaging & Logistics Ltd.	-	-	-	34.00%	-

*Direct and indirect participation

MAIN RELATED COMPANIES

INVERSIONES ELEC METAL LTDA.		
Equity	MUSD\$ 232,075	
Type of entity	Limited Liability Company	
Corporate purpose	Investments	
Unique Tax Number	99.506.820-6	
Chairman	Jaime Claro Valdés	(Elecmetal Director)
Vice Chairman	Baltazar Sánchez Guzmán	(Elecmetal Director)
Director	Rolando Medeiros Soux	(Elecmetal General Manager)
General Manager	Rolando Medeiros Soux	(Elecmetal General Manager)
Direct interest	99.99%	
Direct and indirect interest	100%	
Portion of investments over individual assets	24.65%	

ME GLOBAL INC. (EEUU)		
Equity	MUSD\$ 275,278	
Type of entity	Closed Corporation	
Corporate pupose	Steel foundry	
Chairman	Rolando Medeiros Soux	(Elecmetal General Manager)
Directors	Jaime Claro Valdés	(Elecmetal Director)
	Baltazar Sánchez Guzmán	(Elecmetal Director)
	Alfred Fulton	
	Eduardo Muñoz Huerta	
CEO	Alfred Fulton	
Indirect interest	100%	

SERVICIOS Y CONSULTORÍAS HENDAYA S.A.		
Equity	M\$ 97,040,776	
Type of entity	Closed Corporation	
Corporate purpose	Investments in companies and provision of services and consultancies	
Unique Tax Number	83.032.100-4	
Chairman	Juan Antonio Álvarez Avendaño	(Elecmetal Chairman)
Directors	José Ignacio Figueroa Elgueta	(Elecmetal Director)
	Patricio García Domínguez	
	Rolando Medeiros Soux	(Elecmetal General Manager)
	Alfonso Swett Saavedra	(Elecmetal Director)
General Manager	Luis Grez Jordán	
Direct interest	99.99%	
Portion of investment over individual assets	16.33%	

CRISTALERÍAS DE CHILE S.A.		
Equity	M\$ 320,308,438	
Type of entity	Open Corporation	
Corporate purpose	Manufacture of glass and investments in companies	
Unique Tax Number	90.331.000-6	
Chairman	Baltazar Sánchez Guzmán	(Elecmetal Director)
Vice Chairman	Jaime Claro Valdés	(Elecmetal Director)
Directors	Juan Antonio Álvarez Avendaño	(Elecmetal Chairman)
	Joaquín Barros Fontaine	
	José Ignacio Figueroa Elgueta	(Elecmetal Director)
	Fernando Franke García	(Elecmetal Director)
	Arturo Concha Ureta	
	Alfonso Swett Saavedra	(Elecmetal Director)
	Juan Andrés Olivos Bambach	
	Antonio Tuset Jorratt	
General Manager	Eduardo Carvallo Infante	
Direct interest	34.03%	
Direct and indirect interest	53.57%	
Portion of investments over individual assets	15.08%	(Direct)

SOCIEDAD ANÓNIMA VIÑA SANTA RITA		
Equity	M\$ 159,236,735	
Type of entity	Open Corporation	
Corporate purpose	Production and commercialization of wines	
Unique Tax Number	86.547.900-K	
Chairman	Baltazar Sánchez Guzmán	(Elecmetal Director)
Vice Chairman	Arturo Claro Fernández	
Directors	Gregorio Amunategui Prá	
	Joaquín Barros Fontaine	
	José Ignacio Figueroa Elgueta	(Elecmetal Director)
	Andrés Navarro Betteley	
	Pedro Ovalle Vial	
	Alfonso Swett Saavedra	(Elecmetal Director)
General Manager	Andrés Lavados Germain	
Direct interest	1.92%	
Portion of investment over individual assets	57.92%	

FUNDICIÓN TALLERES LTDA.		
Equity	M\$ 1,873,203	
Type of entity	Limited Liability Company	
Corporate purpose	Steel foundry	
Unique Tax Number	99.532.410-5	
Chairman	Rolando Medeiros Soux	(Elecmetal General Manager)
Directors	Eugenio Arteaga Infante	
	José Pablo Domínguez Bustamante	
	Alfred Fulton	
	Edwin Gong	
	Eduardo Muñoz Huerta	
	Zhenyu Xu	
General Manager	José Pablo Domínguez Bustamante	
Direct interest	98%	
Direct and indirect interest	100%	
Portion of investments over individual assets	0.32%	

CRISTALCHILE INVERSIONES S.A.		
Equity	(M\$ 4,071,510)	
Type of entity	Closed Corporation	
Corporate purpose	Investments, both in Chile and abroad, in all types of goods, tangible and intangible, shares and corporate interest	
Unique Tax Number	96.972.440-5	
Chairman	Jaime Claro Valdés	(Elecmetal Director)
Directors	Pedro Jullian Sánchez	
	Baltazar Sánchez Guzmán	(Elecmetal Director)
General Manager	Cirilo Elton González	
Indirect interest	53.56%	

RAYÉN CURÁ S.A.I.C. (REPÚBLICA ARGENTINA)		
Equity	M\$ Arg. 503,050	
Type of entity	Closed Corporation	
Corporate purpose	Manufacture and sale of glass objects	
Chairman	Michelle Giannuzzi	
Vice Chairman	Cirilo Elton González	
Directors	Damián Fernando Beccar Varela	
	Walter Formica	
	Mauricio Palacios Silva	
	Aleixio Raia Falci (substitute)	
	Pedro Nicholson (substitute)	
	Juan Pablo Chevallier (substitute)	
	Horacio Beccar Varela (substitute)	
General Manager	Walter Formica	
Indirect interest	21.43%	

ESCO ELECMETAL FUNDICIÓN LIMITADA

Equity	M\$ 33,732,201	
Type of entity	Limited Liability Company	
Corporate purpose	Steel foundry	
Unique Tax Number	76.902.190-6	
Directors	José Pablo Domínguez Bustamante	(Fundición Talleres General Manager)
	Mike Fillion	
	Dan Haddad	
	Raoul Meunier Artigas	
Site Manager	Ramón Alarcón Arias	
Direct interest	50%	
Portion of investments over individual assets	2.92%	

ME ELECMETAL (CHINA) CO., LTD.

Equity	MUSD\$ 28,045	
Type of entity	Wholly Foreign Owned Enterprise	
Corporate purpose	Steel foundry	
Chairman	Rolando Medeiros Soux	(Elecmetal General Manager)
Directors	Eugenio Arteaga	
	José Pablo Domínguez Bustamante	
	Alfred Fulton	
	Edwin Gong	
	Eduardo Muñoz Huerta	
	Zhenyu Xu	
Plant Manager	Edwin Gong	
Indirect interest	100%	

SUMMARY OF FINANCIAL STATEMENTS OF SUBSIDIARIES

SUMMARY OF FINANCIAL STATEMENTS OF MAIN SUBSIDIARIES

In accordance to current regulations issued by the Superintendence of Securities and Insurance (current CMF), below is the summary of the Financial Statements of Subsidiaries. Such financial statements may be consulted, in full, in the offices of Compañía Electro Metalúrgica S.A. and the Superintendence of Securities and Insurance (current CMF).

INVERSIONES ELEC METAL LTDA. (CONSOLIDATED)		
	2017	2016
	MUS\$	MUS\$
Current assets	124,247	112,804
Non-current assets	253,052	236,735
Total assets	377,299	349,539
Current liabilities	60,307	56,986
Non-current liabilities	84,917	87,892
Equity	232,075	204,661
Total liabilities and equity	377,299	349,539
Revenue from ordinary activities	348,585	288,952
Gross earnings	62,730	48,599
Earnings of the period	24,593	14,035
Variation of net cash and cash equivalents	(7,880)	(10,916)
Cash and cash equivalents at the end of the period	8,864	16,744
ME GLOBAL INC (U.S.A.)		
	2017	2016
	MUS\$	MUS\$
Current assets	93,705	80,311
Non-current assets	181,573	177,291
Total assets	275,278	257,602
Current liabilities	22,120	22,229
Non-current liabilities	13,367	19,640
Equity	239,791	215,733
Total liabilities and equity	275,278	257,602
Revenue from ordinary activities	205,699	169,101
Gross earnings	50,704	38,965
Earnings of the period	24,332	13,232
Variation of net cash and cash equivalents	(9,092)	(9,506)
Cash and cash equivalents at the end of the period	5,216	14,308

SERVICIOS Y CONSULTORÍAS HENDAYA S.A. (CONSOLIDATED)

	2017	2016
	M\$	M\$
Current assets	6,564,532	6,968,212
Non-current assets	92,453,949	89,828,869
Total assets	99,018,481	96,797,081
Current liabilities	1,066,869	1,006,791
Non-current liabilities	910,836	881,873
Equity	97,040,776	94,908,417
Total liabilities and equity	99,018,481	96,797,081
Revenue from ordinary activities	1,550,740	1,518,218
Gross earnings	280,521	306,956
Earnings of the period	8,900,329	9,856,944
Variation of net cash and cash equivalents	164,730	(8,969)
Cash and cash equivalents at the end of the period	3,258,638	3,093,908

CRISTALERÍAS DE CHILE S.A. (CONSOLIDATED)

	2017	2016
	M\$	M\$
Current assets	232,056,298	231,706,856
Non-current assets	285,404,391	265,882,106
Total assets	517,460,689	497,588,962
Current liabilities	65,575,427	77,213,559
Non-current liabilities	131,576,824	111,415,971
Equity	320,308,438	308,959,432
Total liabilities and equity	517,460,689	497,588,962
Revenue from ordinary activities	290,564,389	289,690,497
Gross earnings	105,479,197	109,686,087
Earnings of the period	34,358,288	39,147,454
Variation of net cash and cash equivalents	(1,809,593)	(2,680,032)
Cash and cash equivalents at the end of the period	29,042,985	30,852,578

SOCIEDAD ANÓNIMA VIÑA SANTA RITA S.A. (CONSOLIDATED)		
	2017	2016
	M\$	M\$
Current assets	129,932,938	125,705,416
Non-current assets	135,029,020	127,179,806
Total assets	264,961,958	252,885,222
Current liabilities	35,730,548	44,568,765
Non-current liabilities	69,994,675	51,368,000
Equity	159,236,735	156,948,457
Total liabilities and equity	264,961,958	252,885,222
Revenue from ordinary activities	163,748,614	166,247,443
Gross earnings	65,047,621	69,150,085
Earnings of the period	13,139,486	14,387,541
Variation of net cash and cash equivalents	5,329,808	(9,918,641)
Cash and cash equivalents at the end of the period	7,397,578	2,067,770
FUNDICIÓN TALLERES LTDA. (CONSOLIDATED)		
	2017	2016
	M\$	M\$
Current assets	53,520,254	36,699,347
Non-current assets	79,274,542	83,108,907
Total assets	132,794,796	119,808,254
Current liabilities	47,946,162	33,148,459
Non-current liabilities	82,975,431	85,723,930
Equity	1,873,203	935,865
Total liabilities and equity	132,794,796	119,808,254
Revenue from ordinary activities	60,661,533	36,238,883
Gross earnings	11,119,285	2,359,608
Earnings of the period	908,791	(5,552,982)
Variation of net cash and cash equivalents	661,879	123,056
Cash and cash equivalents at the end of the period	1,980,705	1,318,826

CRISTALCHILE INVERSIONES S.A.

	2017	2016
	M\$	M\$
Current assets	1,655,500	792,559
Non-current assets	10,327,926	11,663,596
Total assets	11,983,426	12,456,155
Current liabilities	-	-
Non-current liabilities	16,054,936	15,785,242
Equity	(4,071,510)	(3,329,087)
Total liabilities and equity	11,983,426	12,456,155
Earnings of the period	3,695,691	5,145,729

ESCO ELEC METAL FUNDICIÓN LIMITADA

	2017	2016
	M\$	M\$
Current assets	10,787,674	8,270,112
Non-current assets	32,159,971	32,804,384
Total assets	42,947,645	41,074,496
Current liabilities	3,514,671	3,437,497
Non-current liabilities	5,700,773	7,026,757
Equity	33,732,201	30,610,242
Total liabilities and equity	42,947,645	41,074,496
Earnings of the period	3,121,959	3,482,703
Variation of net cash and cash equivalents	1,991,203	(1,138,705)
Cash and cash equivalents at the end of the period	3,756,458	1,765,255

ME ELEC METAL (CHINA) CO., LTD.

	2017	2016
	MUS\$	MUS\$
Current assets	18,867	19,292
Non-current assets	37,740	38,038
Total assets	56,607	57,330
Current liabilities	27,436	21,886
Non-current liabilities	1,126	10,498
Equity	28,045	24,947
Total liabilities and equity	56,607	57,330
Revenue from ordinary activities	39,699	29,684
Gross earnings	10,458	8,453
Earnings of the period	1,561	1,561
Variation of net cash and cash equivalents	1,106	(1,455)
Cash and cash equivalents at the end of the period	3,340	2,234

4.3

Statement Of liability

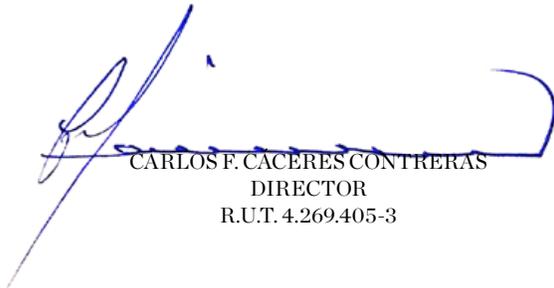
The signing parties, acting as Board Members and General Manager of Compañía Electro Metalúrgica S.A., Elecmetal S.A., registered in the Securities Registry No. 045, swear under oath that the information contained in the Annual Report of the Company is true and that it is sent to the Financial Market Commission duly signed by the majority of its Board Directors.



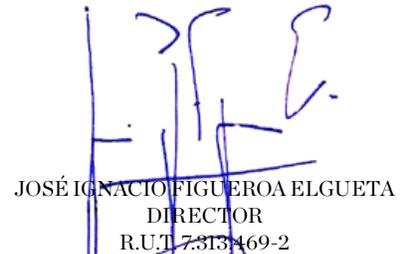
JUAN ANTONIO ÁLVAREZ AVENDAÑO
PRESIDENTE
R.U.T. 7.033.770-3



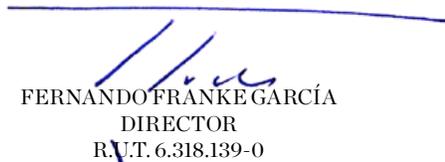
BALTAZAR SÁNCHEZ GUZMÁN
VICEPRESIDENTE
R.U.T. 6.060.760-5



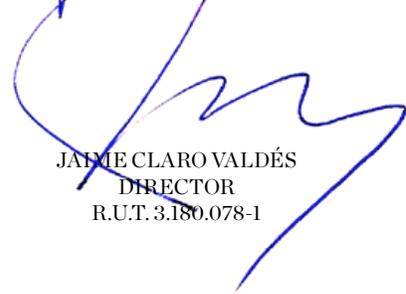
CARLOS F. CACERES CONTRERAS
DIRECTOR
R.U.T. 4.269.405-3



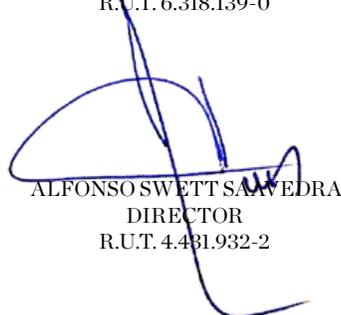
JOSÉ IGNACIO FIGUEROA ELGUETA
DIRECTOR
R.U.T. 7.313.469-2



FERNANDO FRANKE GARCÍA
DIRECTOR
R.U.T. 6.318.139-0



JAI ME CLARO VALDÉS
DIRECTOR
R.U.T. 3.180.078-1



ALFONSO SWETT SALVEDRA
DIRECTOR
R.U.T. 4.431.932-2



ROLANDO MEDEIROS SOUX
GERENTE GENERAL
R.U.T. 5.927.393-0



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