



VIÑA CONCHA Y TORO

A N N U A L R E P O R T 2 0 1 7

VIÑA CONCHA Y TORO

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THE COMPANY'S NEW STRATEGY WILL ENABLE US TO ACHIEVE THE AMBITIOUS GOALS THAT WE HAVE SET FOR 2022. THESE OBJECTIVES ARE ALIGNED WITH A NEW VIÑA CONCHA Y TORO, A COMPANY IN WHICH FLEXIBILITY, COLLABORATION, SPECIALIZATION, SIMPLICITY AND EXCELLENCE IN THE LEVEL OF SERVICE WILL BE THE DRIVERS OF CHANGE AND THE KEYS TO FULFILLING OUR OBJECTIVES.



CHAPTER 1

VIÑA CONCHA Y TORO

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LETTER FROM THE CHAIRMAN



DEAR SHAREHOLDERS ,

The profound changes that we have observed in recent years in the global wine industry and the need to increase profitability led us to initiate a review of our production and commercial model in 2017. This has resulted in an ambitious five-year strategic plan whose objective is to increase the company's value and ensure the sustainability of the business, maintaining Viña Concha y Toro's leadership and competitiveness.

We believe that the results we obtained in the fourth quarter of the year are beginning to demonstrate the effects of the new strategic guidelines, which is reflected in cost and expenditure containment, and an increase in operating profitability and margins. This is the start of a journey that will enable us to achieve our objectives for 2022.

In 2017, the holding's consolidated sales reached Ch\$643,785 million, 2.2% lower than in the previous year. This primarily reflects the lower volume sold, in line with the focus on value, which was the guideline in the year. During 2017, the company raised prices across its product portfolio and reduced promotional activities.

A decrease of 11.8% in operating profit was observed, resulting from higher production costs due to lower harvest yields in Chile and Argentina, in addition to the negative effect of exchange rate variations, and some extraordinary costs and expenses associated with the internal restructuring process that we carried out in 2017. Net income in the year reached Ch\$49,575 million, an increase of 3.4%, primarily due to higher exchange rate differences resulting from our hedging policy to mitigate the effects of exchange rate fluctuations.

Our value-based strategy is focused on providing fresh impetus to the premium category. The Casillero del Diablo brand, through new higher-price extensions such as Reserva Privada, maintained its appeal and

growth in its main markets. The new launches, such as Red Blend and Diablo, will continue to contribute in terms of innovation and volume. For their part, the company's priority premium brands—such as Cono Sur Bicicleta, Trivento Reserve from Argentina, and Bonterra and 1000 Stories from the United States—demonstrated growth in terms of both volume and value.

In terms of markets, the greatest dynamism was observed in Asia, where annual revenue increased by 10% following a significant recovery in the fourth quarter of the year (39%). The region represented 12.1% of consolidated sales in 2017. In 2017, we celebrated the 40 year anniversary of our presence in Asia Pacific, and consolidated our relationship with important partners in Japan, South Korea, China and Singapore.

It fills us with pride that our commitment to winemaking excellence is acknowledged by renowned experts, confirming our leading position. Almaviva 2015 was named Wine of the Year by prestigious wine critic James Suckling, who awarded it the maximum score of 100 points. Having tasted 16,000 wines in the year, Suckling also awarded 98 points to Don Melchor 2014, its highest score obtained to date in this ranking.

Our commitment and vision on environmental, social and corporate governance issues have always been a priority within the work that we carry out, and in 2017 Viña Concha y Toro's initiatives in this field were also acknowledged. The company was included in the Top 10 of the 2017 Dow Jones Sustainability Index Beverages category, one of the most prestigious international sustainability indices. Viña Concha y Toro was also one of 17 Chilean companies to form part of the Dow Jones Sustainability MILA Pacific Alliance Index, which included just 42 companies from Latin America.



It fills us with pride that
our commitment to winemaking
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leading position.

Furthermore, it was selected as the Leading Company in Sustainability 2017 in Chile last October by British magazine The European, as part of The European's Global ESG Leaders Awards.

These achievements add to Fetzer Vineyards' accomplishments in environmental matters on a global level. We feel great pride in the 'Momentum for Change' Climate Solutions Award that the UN Climate Change Secretariat awarded to our winery in California for its dedication to sustainable production, becoming the first in the state to operate on 100% renewable energy and the first Zero Waste certified wine company in the world.

Fetzer Vineyards also received the Environmental Leader Project of the Year Award for the installation of an innovative water treatment system, becoming the first winery in the United States to recycle 100% of its liquid waste. These awards support the positioning of its Fetzer, Bonterra and 1000 Stories brands.

In November, Viña Concha y Toro again achieved a prestigious position in the 2017 edition of the Corporate Reputation Monitor (MERCOR) ranking, being placed fifth out of the 100 companies with the best corporate reputation on a national level. Furthermore, it maintained first place in the wine industry. Similarly, the company was placed second in the RepTrak Chile 2017 study carried out by international consultancy firm Reputation Institute, which evaluated 100 companies in key national industries, with Viña Concha y Toro's level of strength being considered 'robust'.

In 2017, two managers with outstanding careers left their executive positions in the company. In April, Andrés Larraín Santa María left his position as Agricultural Manager following 46 years contributing to the development, modernization and management of the division. Andrés

will continue to contribute to the company as a director. Meanwhile, in June, Carlos Halaby Riadi retired as Winemaking Manager following an outstanding 27-year career. I'm sure that the professionalism of both executives was transmitted to the new generations that today assume the challenge in this new period that we are initiating as a company.

These and other modifications that we have made during the last year aim to ensure a structure that enables us to serve and respond to our customers' needs in the best possible way. I'm certain that all of these changes will drive a renewal of our efforts to continue positioning the company as one of the most admired and outstanding in the global wine industry.

Alfonso Larraín Santa María
Chairman of Viña Concha y Toro



STRATEGIC PLAN

In recent years, the global wine industry has faced profound structural shifts. To respond to these challenges and maintain leadership in the demanding current environment, we recently completed an extensive review of the way in which we operate.

This process is encapsulated by a project that we have named 'ROIC', an acronym in Spanish for our four key pillars: Profitability, Optimization, Innovation and Growth. This enabled us to identify opportunities for improvement and to implement important projects that will generate operational efficiencies and cost savings in different areas of the company. This process has resulted in a major transformation that aims to ensure growth in the profitability of our business, and will constitute a source of value creation for our shareholders.

As a result, we have provided new guidelines for our commercial strategy, outlining a new roadmap with objectives for 2022. Our goal is to double the company's operating profit in five years, and increase the operating margin from 10.7% in 2016 (base year) to an approximate range of between 16% and 16.5%. These objectives are aligned with a new Viña Concha y Toro, a modern company in which flexibility, collaboration, specialization,

simplicity and excellence in the level of service will be the drivers of change and the keys to fulfilling our objectives.

To achieve our goals, we have outlined several actions, including:

- Reorientation of the commercial strategy with a clear shift towards the premium category, which has high growth and margins. This has required profitability objectives to be set by product, and structuring of the different wine brands under a Brand Matrix according to their relevance and potential. This tool will enable us to align sales objectives and marketing investment in each of them. Similarly, we have made changes in the organizational and commercial structure to attend to markets in a more specialized way, and continue strengthening the premium focus of our wineries in Chile, Argentina and the United States.
- Special focus on the Casillero del Diablo brand, the extension of its lines in higher-price segments and continued brand building. This has implied a strong drive in innovation to maintain the brand's appeal.
- Prioritization of premium brands that have solid positioning and performance, such as Cono Sur Bicicleta, Trivento Reserve, Bonterra and 1000 Stories.

- Focus on key markets where we have our own distribution and a solid market position.
- Increase of profitability in the domestic Chilean, United States and Argentinean markets, which have registered performance below expectations. This has required us to identify correct price positioning for the portfolio, improve the product mix and implement changes to ensure efficient distribution that is aligned with our commercial objectives. In the case of Chile, our domestic distribution carried out by VCT Chile has also aimed to generate efficiencies and cost savings, which required the closure of some branches throughout the country and adjustments to the sales force in line with the new guidelines. Similarly, new technology and capabilities have been incorporated to increase the efficiency of our customer service.

In the United States, we completed the repositioning of the product portfolio towards higher prices, emphasizing the focus on priority brands, and we have made investments that have generated significant operational efficiencies.

- Internal restructuring process focused on generating operating synergies and cost savings, which we expect to be finalized during the second half of 2018. We estimate that this will generate savings of approximately Ch\$18,000 million per year from 2019, equivalent to 2.5% of sales.
- Continued innovation in the non-wine category, identifying growth opportunities, whether through the distribution or development of new products that respond to emerging market trends.

Together with the implementation of our strategic plan, in order to maximize the value of certain agricultural assets that have high potential capital gains and optimize invested capital, we decided to enter the real

estate sector through the creation of a specialized subsidiary. This is a medium to long-term project, but we have already identified the plots that are suitable for development in Chile's Metropolitan Region, as well as initiating the processing of permits and feasibility studies to implement each project in an associative way. Similarly, we will make some industrial plots located in urban areas available for sale, which will generate greater value for our shareholders.

The internal restructuring process required by this strategic shift has been difficult for all of us at Viña Concha y Toro, as it has involved the relocation and departure of some employees in order to direct the company towards a modern and more efficient vision, in line with current times. However, I strongly believe that all of these changes will strengthen our efforts to maintain our position as one of the leaders of the global wine industry.



Eduardo Guilisasti Gana
CEO of Viña Concha y Toro

We have implemented a major transformation that aims to ensure growth in the profitability of our business and will constitute a source of value creation for our shareholders.

FINANCIAL OVERVIEW

[CONSOLIDATED FIGURES IN MILLION CHILEAN PESOS]

INCOME STATEMENT	2017	2016	2015	2014	2013
Net Revenues	643,785	658,448	636,194	583,313	475,622
Gross Profit	231,705	246,066	244,689	223,182	164,235
Operating Result ⁽¹⁾	61,912	70,185	71,022	63,010	36,213
EBITDA ⁽²⁾	86,267	92,701	93,432	83,425	54,973
Net Income	49,575	47,931	49,797	43,051	33,174
AS A PERCENTAGE OF REVENUES					
Gross Margin	36.0%	37.4%	38.5%	38.3%	34.5%
Operating Margin	9.6%	10.7%	11.2%	10.8%	7.6%
EBIDTA Margin	13.4%	14.1%	14.7%	14.3%	11.6%
Net Income	7.7%	7.3%	7.8%	7.4%	7.0%
BALANCE					
Total Assets	1,056,827	1,015,839	982,687	918,011	849,863
Total liabilities	505,593	498,132	528,352	475,030	419,769
Total Equity	551,233	517,707	454,336	442,981	430,095
Net Financial Debt ⁽³⁾	230,657	191,858	205,582	216,629	225,298
ROA ⁽⁴⁾	4.8%	4.9%	5.2%	4.7%	3.9%
ROE ⁽⁵⁾	9.3%	9.6%	11.1%	10.0%	7.7%
ROIC ⁽⁶⁾	7.2%	7.3%	8.1%	7.3%	6.1%
Financial Debt / Equity	41.8%	37.1%	45.2%	48.9%	52.4%
Earnings per Share (\$)	66.36	64.16	66.66	57.63	44.41
Dividends per share ⁽⁷⁾ (\$)	24.00	27.30	27.50	24.00	18.90
Share Price as of December, 31 (\$)	1,164.6	1,074.9	1,061.5	1,186.7	986.5

(1) Operating result = Gross profit - Distribution costs + Administrative expenses - Other expenses

(2) EBITDA= Gross Profit - Distribution costs - Administrative expenses + Other incomes - Other expenses + Depreciation + Amortization.

(3) Net Financial Debt = Other financial liabilities - Derivatives - Cash and cash equivalents.

(4) Assets Profitability = Profit / Average assets.

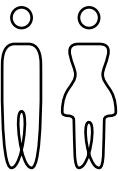
(5) Return on equity = Profit / Average equity.

(6) ROIC= (Operating result + Exchange difference) * (1 - Taxes) / (Average equity + Average net debt).

(7) Dividends per share refer to the declared interim and final dividends, corresponding to the profits of the indicated year. For 2017, it is included the final dividend proposed by the board of directors to the Ordinary Shareholders' Meeting.

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE SUMMARY

	UNIT OF MEASUREMENT	2017	2016	2015
Carbon footprint	Thousands of tCO2e	273	275	272
Water footprint	Liters/glass	ND	77	58
Internal electricity consumption	Terajoules	182	181	177
Use of lightweight bottles	(%)	96	98	99
GHG emissions per 750cc bottle	Kg of CO2	1.07	1.13	1.03
Staff	No. of people	3,169	3,486	3,450
Training	Hours	86,430	84,018	65,700
Accident Rate	(%)	4.48	5.25	5.4
CRI extension activities	Number of activities	40	53	57
Investment in R&D	Ch\$ millions	2,513	2,426	1,547



3,169

Staff



273

Thousands of tCO2e
Carbon footprint



Ch\$ **2,513** million
Investment in R&D



182

Terajoules
Internal electricity consumption

RESULTS 2017



The 2017 results reflect a challenging year for the wine industry, primarily because we faced higher raw material costs as a result of lower harvest yields, in addition to an unfavorable foreign exchange impact. Nevertheless, the results achieved also demonstrate significant progress in line with the new strategic focus defined by the company, and the extensive restructuring process carried out during the year. We are certain that all of the actions implemented in 2017 have strengthened our company, and will enable us to maintain Viña Concha y Toro's leadership, responding to the new challenges facing the wine industry.

Indeed, the results in the fourth quarter of the year indicate a positive trend, demonstrated by the 18.8% increase in operating profit, operating margin expansion of 150 basis points, a better sales mix, and an increased contribution of the VCT Chile, Fetzer Vineyards and Trivento Bodegas y Viñedos subsidiaries. The positive trend in profitability observed sequentially throughout the year is encouraging, as it reflects the preliminary results of the new strategy that will enable us to achieve the goals set for 2022.

In 2017, the holding's consolidated sales reached Ch\$643,785 million, a decrease of 2.2% compared to 2016. This result reflects the new commercial orientation and focus that we have implemented, which favors growth in value and increased profitability. During the year, price adjustments were carried out in the main markets, and we also conducted more targeted promotional activities, which resulted in a decrease of 3.8% in the volume sold.

Sales in overseas markets (exports from Chile and sales of distribution subsidiaries) reached Ch\$418,303 million, a decrease of 3.4%. The increases in average prices recorded in local currency in the main markets (+8.5% in British pounds; +2.0% in US dollars; and +2.1% in euros), were offset by the decrease of 2% in sales volume and a negative foreign exchange effect. Export sales in constant currency increased by 0.8%.

Growth in value (measured in US dollars) was generated in Asia (9.7%), Canada (2.9%) and Europe (1.8%), with a more dynamic fourth quarter that indicated recovery following the price increases that were implemented

during the first quarters of the year. In Asia, the company continued its brand building efforts, growing by 29.4% in China and 5.6% in Japan, its largest market in the region.

In Chile, wine sales grew by 6.9% compared to 2016, reaching Ch\$75,696 million. This can be explained by the increase of 12.4% in average prices, which was partially offset by the decrease of 4.9% in volume. The positive results in the domestic market reflect the objectives set by the company, which aims to grow in value and increase profitability through distribution operations that are more efficient, modern and aligned with its commercial objectives. In 2017, premium wine sales grew by 11.6% in value and 5.6% in volume. Meanwhile, the non-premium category grew by 5% in value and decreased by 5.8% in volume. This has resulted in an improved sales mix, with the premium category representing 30.4% of sales value (+130 bps).

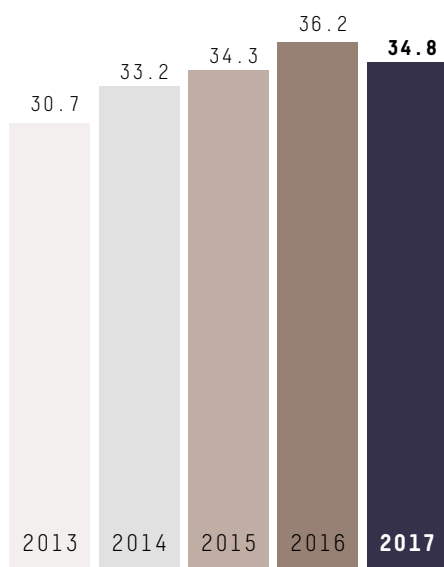
Sales in Argentina, excluding shipments to distribution subsidiaries, reached Ch\$24,865 million, a decrease of 10%. This result reflects lower volumes and the exit from the non-premium segment, in a scenario of price increases in line with lower availability of wine and rising costs following two historically low-yield harvests observed in Argentina. We can highlight the 12% increase in volume of Trivento Reserve, driven by solid 18% growth in its main market, the United Kingdom, where the brand is the leader in the Argentinean Malbec category.

Fetzer Vineyards' sales reached Ch\$68,229 million, 0.4% higher than the previous year (excluding shipments to distribution offices). Sales in the domestic United States market increased by 3.8% in US dollars as a result of higher volume (2.5%) and an average price increase of 2.2%. This increase was achieved with mix and greater focus on its premium brands. Some of the main brands also performed well in the year: Bonterra grew by 14.0% with 558,000 cases sold, maintaining its position as the undisputed leader of the organic wine category. For its part, 1000 Stories, the innovative super premium Zinfandel, grew by 36%, reaching 113,300 cases.

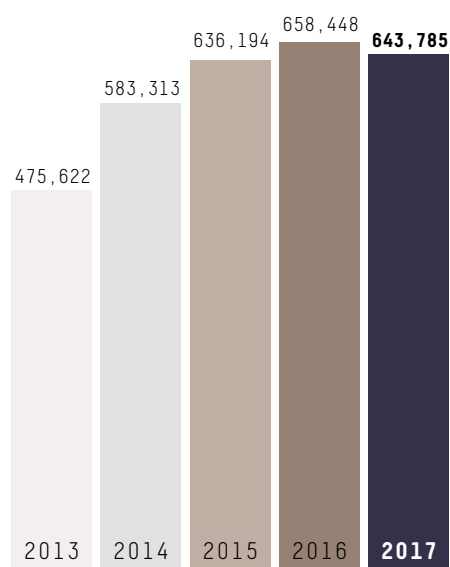
Administrative and sales expenses decreased by 4.4%, representing 27.1%



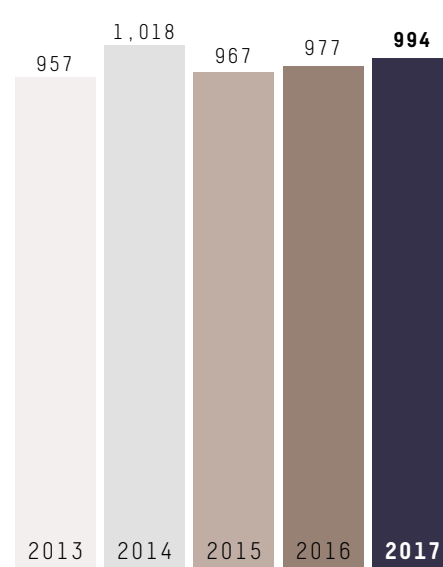
CONSOLIDATED VOLUME
MILLIONS OF CASES



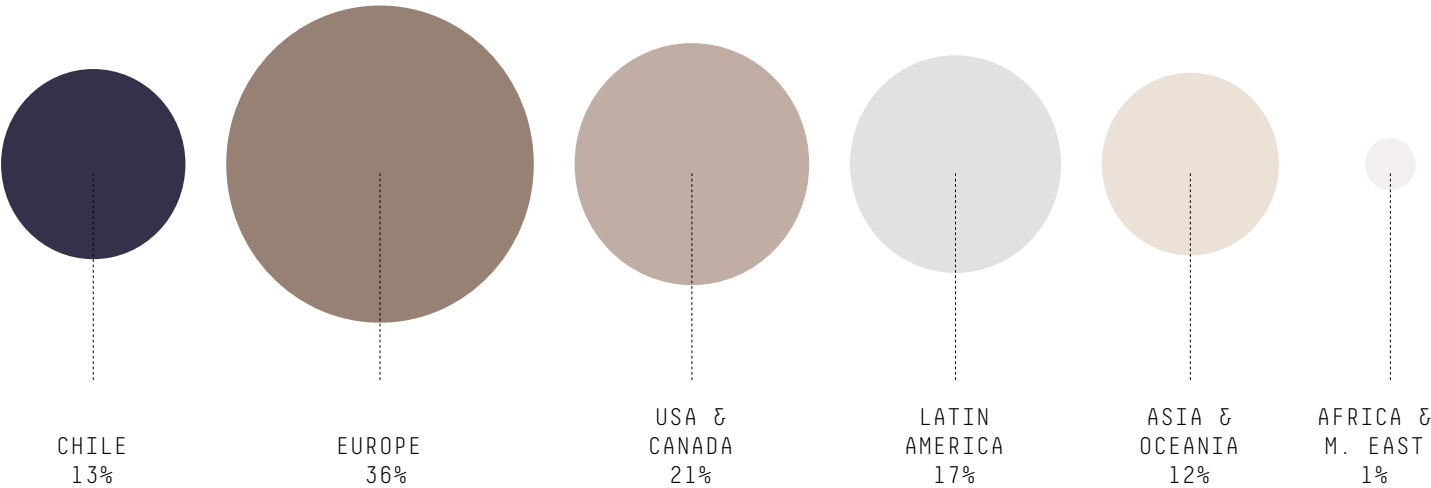
CONSOLIDATED SALES
MILLIONS OF CHILEAN PESOS



CONSOLIDATED SALES
MILLIONS OF US DOLLARS



SALES BY REGION
% OF TOTAL VALUE



of sales, a reduction of 60 basis points compared to 2016. This result is due to cost savings and greater efficiencies attained throughout the organization. During 2017, the company registered extraordinary expenses of Ch\$3,881 million associated with the restructuring process carried out in the year, principally severance packages and external consultancy fees. Adjusted administrative and sales expenses, excluding extraordinary expenses, decreased by 6.2% in 2017, representing 26.5% of sales.

Operating profit reached Ch\$61,912 million, a decrease of 11.8% compared to the previous year. The operating margin was 9.6%, a decrease of 100 basis points. This primarily reflects the increase in the cost of wine in the period, negative foreign exchange impacts, and extraordinary expenses associated with the internal restructuring process. The operating profit adjusted for extraordinary expenses decreased by 5.8%, and the adjusted operating margin was 10.1%, slightly below the 10.4% recorded in 2016.

In the fourth quarter of the year, the company demonstrated a shifting trend in its results, registering growth in operating profit and margin expansion. These results are even more relevant due to the fact that they were achieved in a context of higher cost of wine and negative foreign exchange impacts. Similarly, it is important to highlight the recovery of profitability of VCT Chile and Fetzer Vineyards, which was reflected primarily in the fourth quarter of the year. The subsidiary VCT Chile achieved an operating margin of 3.8%, compared to -2.7% in 4Q16; and the Californian subsidiary Fetzer Vineyards registered an operating margin of 5.2% in 4Q17, compared to 2.4% in the same quarter of 2016.

In 2017, EBITDA decreased by 6.9%, reaching Ch\$86,267 million. Meanwhile, the EBITDA margin was 13.4%, below the margin of 14.1% achieved in 2016. EBITDA adjusted for extraordinary expenses reached Ch\$89,095 million, and the adjusted margin was 13.8%, slightly below the margin in 2016.

In relation to the real estate business, during the year, two initial projects were established that will launch the work of the real estate subsidiary El Llano: an apartment building project in La Cisterna and a housing project in Puente Alto (Tocornal). Although these are medium-term projects, they have progressed on schedule in the processing of permits and feasibility studies required for the submission of project proposals. In parallel, in 2017, the sale of an industrial plot in Punta Arenas and another in Casablanca of 2.5 hectares was completed, generating profit for the real estate business of Ch\$1,961 million net of expenditure.

The holding's investments totaled Ch\$55,874 million and, in line with the company's strategic focus, these were oriented towards the purchase of land, vineyard plantations, the increase of capacity of Bodega Lontué, the increase of capacity of the Vespucio 2 bottling plant, and the acquisition of an additional share in the premium craft beer company Kross, among others.

Finally, net income attributable to the company's controllers reached Ch\$49,575 million, an increase of 3.4% compared to the net income obtained in 2016.

DISTRIBUTION OF VINEYARDS
HECTARES

	PRODUCTIVE VINEYARDS	VINEYARDS IN DEVELOPMENT	TOTAL VINEYARDS PLANTED ⁽¹⁾	FALLOW LAND ⁽²⁾	TOTAL AGRICULTURAL LAND AREA ⁽³⁾
CHILE					
Limarí	928	161	1,089	223	1,312
Casablanca	391	30	421	-	421
Aconcagua	97	-	97	-	97
Leyda	130	-	130	-	130
Maipo	771	73	844	19	863
Cachapoal	1,234	296	1,530	70	1,600
Colchagua	1,955	248	2,202	102	2,304
Curicó	633	61	694	3	697
Maule	2,054	656	2,710	546	3,256
Bío - Bío	-	-	-	212	212
Total Chile	8,193	1,525	9,717	1,175	10,892
ARGENTINA					
Mendoza	1,117	23	1,140	285	1,425
Total Argentina	1,117	23	1,140	285	1,425
USA					
California	390	72	462	4	466
Total USA	390	72	462	4	466
Total Holding	9,700	1,620	11,319	1,464	12,783

(1) The total of vineyards planted includes some long-term leases that the company has in Chile in the Casablanca, Maipo and Colchagua, valleys, and in the USA, in California.
(2) Includes three hectares of fruit trees in California.
(3) The Total Agricultural Area does not include company land unusable for agriculture such as forests, hills, roads, etc.

CHILE

10

Valleys

15

Cellars

55

Vineyards

4

Production plants

9,717

Ha. planted

ARGENTINA

3

Valleys

2

Cellars

9

Vineyards

1

Production plant

1,140

Ha. planted

USA

2

Valleys

1

Cellar

14

Vineyards

1

Production plant

462

Ha. planted



3
PRODUCTIVE ORIGINS

140
COUNTRIES OF DESTINATION

14
DISTRIBUTION SUBSIDIARIES

a	Chile VCT Chile	f	Canada Escalade Wine & Spirits ⁽³⁾	k	Southafrica VCT Africa & Middle East
b	Argentina Trivento	g	United Kingdom Concha y Toro UK	l	Singapore VCT Asia
c	Brazil VCT Brasil	h	Norway VCT Norway	m	China Gan Lu Wine Trading
d	Mexico VCT & DG Mexico ⁽¹⁾	i	Sweden VCT Sweden	n	Japan VCT Japan ⁽⁴⁾
e	USA Excelsior Wine Company ⁽²⁾	j	Finland VCT Finland		

(1) JV 51% Viña Concha y Toro - 49% Digrans S.A.
(2) JV 50% Viña Concha y Toro - 50% Banfi Vintners.
(3) JV 50% Viña Concha y Toro - 50% Charton Hobbs.
(4) JV 41% Viña Concha y Toro - 41% Mercian Co. - 18% Mitsubishi Co.

POSITION IN EXPORTS TO MAIN MARKETS

COUNTRY	POSITION	% OVER EXPORTED VOLUME OF BOTTLED WINE
China	#1	10.6%
United States	#1	29.8%
Japan	#1	30.1%
Brazil	#1	16.5%
United Kingdom	#1	42.3%
Holand	#1	23.9%
Canada	#1	33.2%
Ireland	#2	26.4%
South Korea	#1	22.5%
Mexico	#1	50.2%
Germany	#1	23.7%

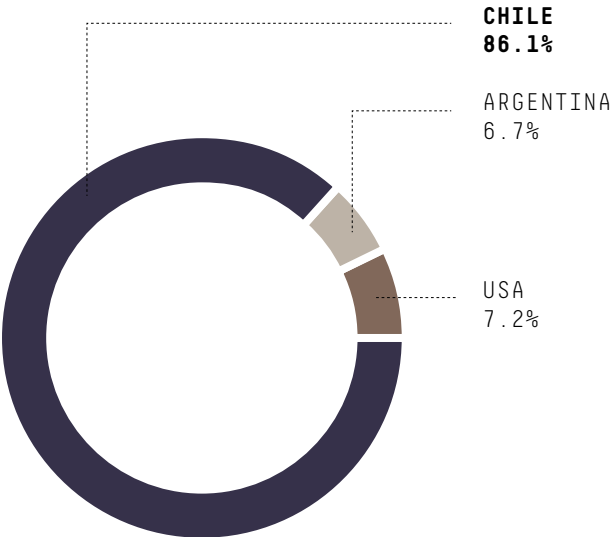
OUR SUBSIDIARIES

SALES OF BOTTLED WINE
IN THOUSANDS OF CASES

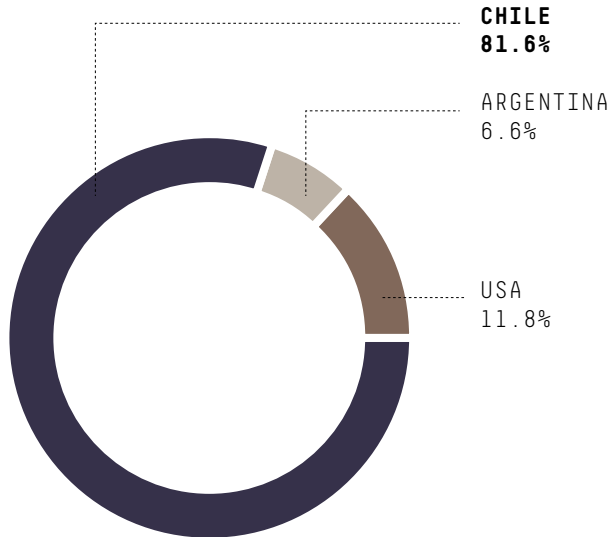
<div> <div>CT</div> <div>CONCHAYTORO</div> <div>DESDE 1883</div> </div>	15,833
<div> <div>Cono Sur</div> </div>	5,178
<div> <div>VINA</div> <div>MAIPO</div> </div>	2,110
<div> <div>PALO ALTO</div> </div>	540
<div> <div></div> <div>CANEPA</div> </div>	216
<div> <div>ma ycas</div> <div>DEL LIMARI</div> </div>	80
<div> <div></div> <div>TRIVENTO</div> </div>	2,160
<div> <div>FETZER VINEYARDS</div> <div>ESTD. IN 1968</div> </div>	2,496

Source: Vinos de Chile.

SALES BY ORIGIN VOLUME



SALES BY ORIGIN VALUE





BOARD OF DIRECTORS

1

CHAIRMAN

Alfonso Larraín Santa María
Businessman

RUT 3.632.569-0

Director of the company since 1969. General Manager between 1973 and 1989.

2

VICE-CHAIRMAN

Rafael Guilisasti Gana
Degree in History

RUT 6.067.826-K

Director of the company since 1998.

3

DIRECTOR

Mariano Fontecilla de Santiago Concha
Diplomat

RUT 1.882.762-K

Director of the company in various periods (since 1949 and 1995).

4

DIRECTOR

Pablo Guilisasti Gana
Commercial Engineer

RUT 7.010.277-3

Director of the company since 2005.

5

DIRECTOR INDEPENDIENTE

Jorge Desormeaux Jiménez
Commercial Engineer

RUT 5.921.048-3

Director of the company since 2011.

6

DIRECTOR

Andrés Larraín Santa María
Viticulturist

RUT 4.330.116-0

Director of the company since 2017. Previously between 1981 and 1989.

7

DIRECTOR

Rafael Marín Jordán
Commercial Engineer

RUT 8.541.800-9

Director of the company since 2017.

STRUCTURE AND MANAGEMENT

CHIEF EXECUTIVE OFFICER

Eduardo Guilisasti Gana
Civil Engineer

CHIEF FINANCIAL OFFICER
Osvaldo Solar Venegas
Commercial Engineer

**OPERATIONS AND SUPPLY
CHAIN DIRECTOR**
Lía Vera Pérez-Gacitúa
Civil Engineer

**CORPORATE EXPORT DIRECTOR
NORTHERN ZONE**
Thomas Domeyko Cassel
Commercial Engineer

**CORPORATE CONTROLLING AND
IT DIRECTOR**
Daniel Durán Urizar
Civil Engineer

**CORPORATE EXPORT DIRECTOR
SOUTHERN ZONE**
Cristián Ceppi Lewin
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**MARKETING DIRECTOR
ORIGIN WINES**
Isabel Guilisasti Gana
Degree in Visual Arts

**CORPORATE EXPORT
DIRECTOR ASIA**
Cristián López Pascual
Publicist

**CORPORATE MARKETING DIRECTOR
GLOBAL BRANDS**
Cristóbal Goycoolea Nagel
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EXPORT DIRECTOR USA
Ignacio Izcue Elgart
Commercial Engineer

HUMAN RESOURCES DIRECTOR
Cecilia Cobos Zepeda
Commercial Engineer

**PROCUREMENT AND SERVICES
CORPORATE DIRECTOR**
Tomás Larraín León
Agricultural Engineer

AGRICULTURAL DIRECTOR
Max Larraín León
Agricultural Engineer

HEAD OENOLOGIST DON MELCHOR
Enrique Tirado Santelices
Agricultural Engineer
and Enologist

TECHNICAL DIRECTOR
Marcelo Papa Cortesi
Agricultural Engineer
and Enologist

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CHAPTER 2

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Viña Concha y Toro is a leading company in the global wine industry. With production operations in three countries—Chile, Argentina and the United States—the company has consolidated its global position with a presence in more than 140 countries. The company's wines enjoy a high-standing image and preference, distinguishing themselves through their hallmark of quality, an attribute which has been emphasized since its origin.

Viña Concha y Toro is vertically integrated and participates in all stages of the production process; from the planting of proprietary vineyards, winemaking and bottling to the supply and distribution chain. This model ensures control of the production process, and the high standards of excellence defined by the company.

A sustained investment in proprietary vineyards, technology, and production, winemaking and technical capacity has enabled growth to be maintained and increasingly high levels of quality to be achieved, a decisive factor to compete successfully in the premium wine category. The company has developed an extensive product portfolio, through which it participates in all market segments. Through its various brands, wine lines and subsidiary wineries, it offers outstanding quality that satisfies the varying preferences of its consumers on a global level.

On the other hand, the investment in brand building has been consistent over time, through innovative marketing campaigns, new product launches, innovation and the search for new styles for increasingly demanding global consumers. These efforts, permanently supported by excellence and a focus on quality, has strengthened the prestige and

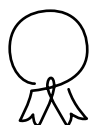
international recognition of wines produced by Concha y Toro and its subsidiaries.

Similarly, the company has a solid distribution network, which has enabled it to reach new markets, focus its commercial efforts, understand local realities, and strengthen its leading position in the world.

Moving forward, the company has outlined a strategic program that aims to achieve sustained growth in value and the increasing profitability of its business. During 2017, progress has been made on generating production efficiencies and cost savings. On the other hand, a reorientation of the commercial strategy with a focus on the premium wine category will provide fresh impetus and growth in the most dynamic and profitable segment of the market.

Along those lines, the company will place special emphasis on the Casillero del Diablo brand, promoting extensions of the line towards higher-price segments and continued brand building. Similarly, premium brands that have solid positioning and performance will be prioritized, such as Cono Sur Bicicleta, Trivento Reserve in Argentina. and Bonterra and 1000 Stories in the United States.

The company also aims to achieve sustainable growth within the framework of its Strategic Sustainability Plan, ensuring in this way a balance between sustained growth, value creation for its stakeholders, and its commitment to becoming a leader in environmental practices.



PRODUCTIVE EXCELLENCE

Our commitment and participation in every stage of the production process allow us to ensure the quality and traceability of our wines, responding to the trust given to us by millions of consumers worldwide.



SUSTAINABILITY

Viña Concha y Toro holding's vision of sustainability is to understand that economic success goes hand in hand with caring for the environment, making rational use of natural resources, and committing to people and communities. This virtuous circle is essential in the company's business model.



INNOVATION

Innovating is part of Viña Concha y Toro's vocation. The Center for Research and Innovation (CRI) reflects this spirit in an expert team that develops applied winemaking research with state-of-the-art technology to improve processes and create innovative products. This way, the company seeks to position itself as a leader in research, development and innovation in the global wine industry.

RESEARCH AND DEVELOPMENT



Innovation is one of Viña Concha y Toro's differentiating pillars. Through the Center for Research and Innovation (CRI), the company has driven R&D initiatives, together with training and dissemination of new knowledge for the wine industry.

One of the main milestones in 2017 was the consolidation of its equipment and the automation of the molecular biology laboratory, the only one of its kind in Latin America, which has enabled the generation of knowledge on genetic grapevine material with cutting-edge technology.

One of the investments made in 2017 was the incorporation of the Hamilton STARLet system, the only one in operation in Chile, which will enable more efficient and precise advances in research on the prevention of grapevine diseases through an increase in sample analysis capacity and a reduction in execution times, as well as almost totally eliminating human error associated with sample preparation and analysis.

During the year, under the framework of the "Strengthening the production area of plant materials" strategic program, the CRI initiated the implementation of Chilean Economic Development Agency Corfo's R&D Portfolio project, whose objective is to promote innovation and entrepreneurial initiatives with high-impact projects, enabling new investments to be made and strengthening research lines to produce grapevines of superior phytosanitary quality, bringing us closer to the vineyard of the future.

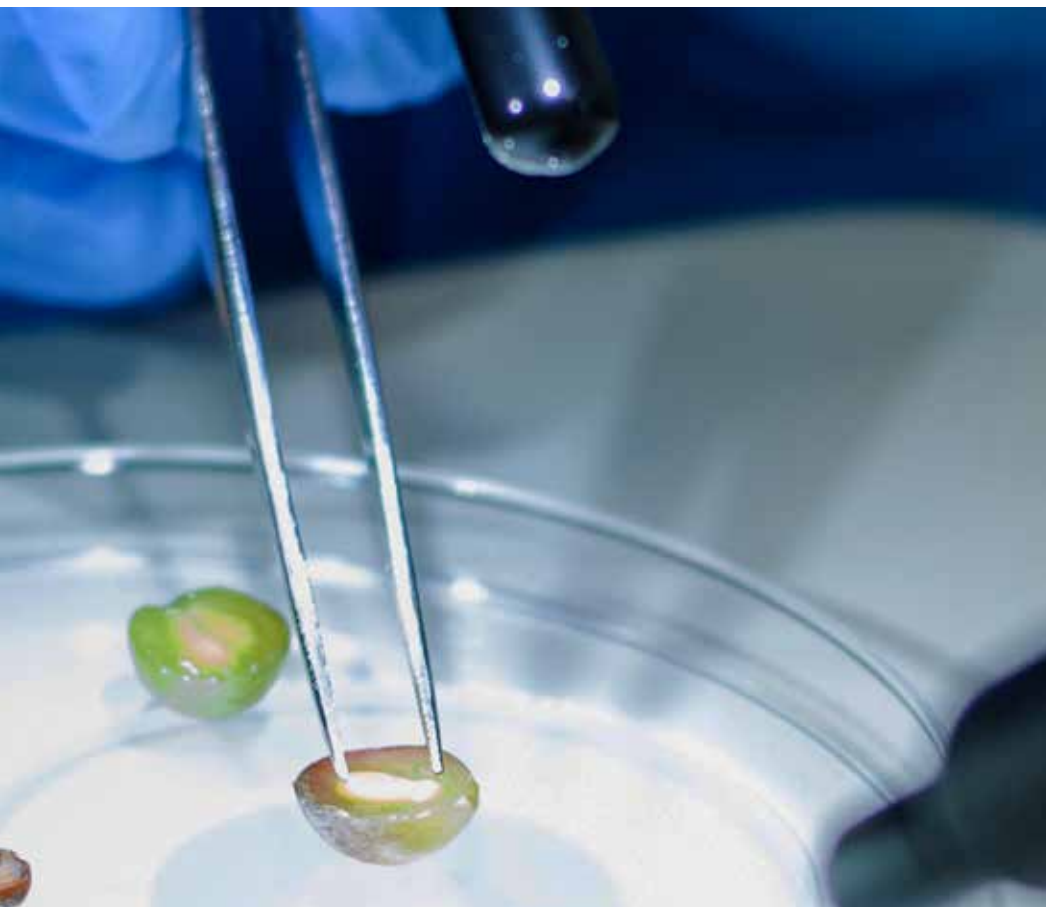
A significant part of the work carried out at the CRI is related to the dissemination and transfer of knowledge generated in research conducted both in Chile and in the United States with the participation of Fetzer Vineyards. During the last year, the CRI consolidated its position within the industry's innovation and research network, participating in important international forums such as Open Eureka Innovation Week in Barcelona and GiESCO on sustainable viticulture in Mendoza. Within the new product

design research line, the CRI worked together with winemakers and the marketing team on the development of Jacked. This brand is the result of an extensive analysis in which the wine's attributes were identified and managed, adjusting them to the tastes of new consumers. Jacked is available in white and red varieties, together with the characteristics that are valued most by millennial consumers such as smoky, cinnamon, tea, coffee, ginger and botanical flavors. It also has innovative packaging, becoming the first product in the wine category to have a pull-off label.

During 2017, the CRI conducted 54 extension activities, from visits to schools and universities to master classes given by internationally-renowned researchers leading the scientific advances in winemaking globally. Similarly, in 2017, the CRI received the Intendant of Chile's Maule Region, the Minister of Agriculture, and wine thought leaders in the panel on "The wine industry and innovation: A necessary leap for the sustainability of the sector".

The transfer of knowledge is also focused within the company through workshops directed towards the agricultural and technical areas in Chile and Argentina, which directly receive the benefits obtained from the various research lines. The activities organized by the CRI included the participation of grape growers, winemakers and several Viña Concha y Toro professionals.

Through strategic partnerships with important industry players such as UC Davis, Mercier Group, Wines of Chile's R&D consortium, Oenoviti International Network, ASEV and Centro de Innovación UC, the CRI has maintained its position at the forefront of advances in science and technology for wine production on a national and international level, generating and sharing knowledge to benefit the industry as a whole.



Microscopic observation of the development of a seed at the beginning of veraison. Microbiology room, molecular biology laboratory, CRI.

CRI IN FIGURES 2017

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Members of the CRI's team.

54

Extension activities in 2017.

1,500m²

Of modern modular construction.

More than 70

Ongoing R&D initiatives, associated with resource optimization, production quality and sustainability.

5

Strategic R&D programs.

Ch\$ 2,513 million

Investment in VCT R&D.

As part of its permanent commitment to sustainable development, both Viña Concha y Toro and its subsidiaries Viña Cono Sur and Fetzer Vineyards released sustainability reports during 2017. Viña Concha y Toro's sustainability report is prepared in accordance with Global Reporting Initiative (GRI) guidelines, a standardized and globally-recognized methodology.

OUR SUSTAINABILITY COMMITMENTS
AND OBJECTIVES

2017 was a crucial year, during which the company conducted a comparative analysis of its Sustainability Strategy with the 17 United Nations Sustainable Development Goals (SDGs) in order to align the initiatives, programs and specific objectives established in the strategy.

From its position as a key global wine industry player, Viña Concha y Toro is aware of the importance of these goals. The company forms part of this global challenge, and has committed to the SDGs through its strategic pillars.



STAKEHOLDER RELATIONS

Viña Concha y Toro's corporate reputation is based on the excellence that has defined the company's actions throughout its history. Excellence is the hallmark of trust, admiration and respect that the company conveys in its environment, supported by solid foundations: leadership, integrity and proximity, with a sustainable and innovative vision. The result is the renowned quality of its wines, making Viña Concha y Toro a company that generates value for all of its stakeholders.

PRODUCT

In order to comply with the standards of quality and excellence that the company has set, it has obtained the BRC, IFS, HACCP and Food Defense certifications. During the last year, it also developed a project together with the Marketing departments to establish the sustainable attributes of each brand. Thanks to these efforts, the main brands have identified unique attributes to highlight.

Viña Concha y Toro also initiated the Responsible Consumption corporate program last year, a campaign which promotes the link between wine and a healthy lifestyle, based on responsible, moderate consumption that is restricted when it represents a risk to society.

As part of this program, the corporate principles of Responsible Consumption were developed, which express the company's conviction on this matter, and its intention to establish new and better ways of engaging in wine consumption. Through educational talks and the provision of promotional material, almost 1,000 employees were impacted during the year on executive, administrative and technical levels. Similarly, a website was developed (<http://disfrutaelvino.conchaytoro.com>) which provides content on the issue and digital internal promotion campaigns.

SUPPLY CHAIN

The company has incorporated ethical requirements throughout its supply chain. The main focus of work in this area has been suppliers and their ethical conduct, the raw materials that are delivered to the company, and Viña Concha y Toro's efforts to instill a sustainability culture in its suppliers.

The first stage aimed to differentiate sporadic suppliers from permanent suppliers. Subsequently, selection was conducted based on ethical criteria, and suppliers that may constitute a risk to the company were identified. At the close of the financial year, approximately 650 suppliers of various products and services had been incorporated.

In collaboration with these suppliers, information was collected, an assessment of their current status was carried out, and meaningful indicators (quantitative and/or qualitative) were defined that have been managed to progress towards aligning ethical standards.

On the other hand, through visits to their facilities, action plans have been developed to reduce significant gaps in human rights and corporate ethics (United Nations Guiding Principles on Business and Human Rights), the aim of which is to ensure that suppliers in the high-risk group are transferred to the medium or low-risk group by 2020.

Through the incorporation of sustainability criteria in packaging supplier selection, a Supplier Sustainability Index was generated which includes this dimension in the supplier assessment parameters, rewarding those that stand out for their environmental and social performance.

The Californian subsidiary Fetzer Vineyards carried out a major upgrade of its infrastructure last year, replacing bottling lines to improve efficiency and environmental performance. Furthermore, this will generate significant savings in the use of bottling and packaging materials for more than 2.5 million cases per year. Additionally, through a shift to energy efficient labels, it will also contribute to reducing waste.



TOP #10
BEVERAGES CATEGORY
VIÑA CONCHA Y TORO
Dow Jones Sustainability™
Chile Index



CUSTOMERS

Viña Concha y Toro aims for its customers to share the sustainability and ethical values that define the company, so that, in turn, these attributes reach the end consumer. For this reason, during 2017, a customer survey was conducted in all geographic regions in which Viña Concha y Toro operates, including general mapping and an up-to-date assessment of their human rights and ethical performance, in accordance with the methodology proposed by the United Nations Guiding Principles on Business and Human Rights.

The company sells its wines in different markets through proprietary and independent distributors, and includes the requirement to act in accordance with Viña Concha y Toro's Code of Ethics and Conduct and Corporate Ethics Standard in their contracts.

During 2017, a self-assessment and customer evaluation was carried out in markets in which the company was present in 2016. Viña Concha y Toro is currently working with these customers on a risk analysis for the value chain to end consumers.

With regard to audits, 24 ethical audits were carried out last year under the BSCI standard in wineries, plants and estates. 14 of these audits were carried out in the company's wineries and estates, and 10 were carried out on external grape suppliers, with positive results being obtained from this evaluation.

PEOPLE

During 2017, Viña Concha y Toro initiated the implementation of the Social Accountability International (SAI) SA8000 standard, a voluntary certification which aims to promote improved working conditions, beginning in the wine cellars. This process was carried out through a compliance review of the requirements included in the Corporate Ethics Standard, which culminated in the SA8000 pre-audit.

In order to strengthen the various skills and competencies of the company's staff, during 2017, an average of 31 hours of training per person were provided.

STAFF

At December 31, 2017 the total number of employees corresponding to the permanent personnel of Viña Concha y Toro, was distributed as follows:

	HEAD OFFICE	SUBSIDIARIES IN CHILE	SUBSIDIARIES ABROAD	CONSOLIDATED
Managers, assistant managers and main executives	88	23	72	183
Professionals and technicians	568	141	268	977
Operators, sales and administrative staff	1,113	390	506	2,009
Total	1,769	554	846	3,169

DIVERSITY IN THE ORGANIZATION

		DIRECTORS	MANAGERS	EMPLOYEES
Gender	Man	7	66	2,265
	Woman	0	12	826
Nationality	Chileans	7	57	2,240
	Foreigns	0	21	851
Age	Younger than 30 years old	0	0	593
	Between 30 and 40 years old	0	22	1,217
	Between 41 and 50 years old	1	34	745
	Between 51 and 60 years old	0	20	397
	Between 61 and 70 years old	3	2	128
	Older than 70 years old	3	0	11
Years in the company	Less than 3 years	2	7	859
	Between 3 and 6 years old	0	11	697
	Between 6 and 9 years old	1	7	473
	Between 9 and 12 years old	1	9	374
	More than 12 years old	3	44	688

Viña Concha y Toro values people’s merits and abilities, and provides equal opportunities for its employees. Therefore, there are no differences in remuneration within the company between men and women for the same position.

Below is the wage gap according to the position of female and male employees, where the average base wage of female employees is indicated as a percentage of the average basic salary of male employees.

The differences are explained by the range of each category, which does not specify employees’ profiles, positions and experiences.

	2017
Managers and Assistant Managers	83%
Professionals and Technicians	106%
Administrative Staff	97%
Salespeople	88%
Operators	93%
Total	93%

SOCIETY

During 2017, the company strengthened its commitment to Chile’s Maule Region, which it has been promoting for years. Continuing its work in the village of Corinto, in Péncahue Municipality, which aims to promote the quality of life and wellbeing of its inhabitants, the company maintained its support last year for the Corinto Children’s Soccer School, an initiative which aims to educate and develop skills among children aged 7-15 years through soccer practice. This support included the provision of sports attire donated by our strategic partners, Manchester United Football Club. In addition, through the subsidiary Viña Palo Alto, a solar energy project was sponsored in the Santa Laura de Lo Figueroa school. This project entailed the installation of 16 solar panels that will enable greater efficiency to be achieved in the school’s energy consumption. The investment reached Ch\$15 million, and will generate significant energy savings, benefiting more than 200 enrolled students, teachers and officials. As a result of this initiative, Viña Palo Alto obtained first place in the Best Green Launch category of the prestigious Green Awards 2017 held by British magazine The Drinks Business.

In the village of Idahue, in Chile’s VI Region, Viña Concha y Toro ceded use of a plot to Club Deportivo Idahue and the community as a whole, enabling soccer practice to be held on a special pitch built by the company.

Last year, the company also initiated the ‘Cultivate’ program, which generates long-term formal agreements with educational institutions in the municipalities in which it operates. 10 technical schools were selected, and agreements were signed to generate employment opportunities in the company, giving students access to internships and/or professional development. This initiative aims to strengthen links with the neighboring community.



During 2017, the Production Partnerships Program was restructured, having been initiated together with Agricultural Development Institute (INDAP) in 2014. In this new stage, the number of producers was increased and the program's objectives were redefined. In general, the Production Partnerships Program has had a positive effect on introducing technologies, directing new investments and improving participants' assets in order to enhance the production process. Under the new modality, one of the objectives was for 50% of producers to market their production with the company, which was greatly exceeded, reaching 93%. Progress was also made on the traceability of their production. On the other hand, a pre-audit of Good Agricultural Practices (GAPs) was carried out, and projects were put forward for the Investment Development Program, several of which were approved

ENVIRONMENT

In this strategic pillar, the company focuses on ensuring responsible and efficient management of the resources that are used for wine production, and preventing the occurrence of negative environmental externalities. To achieve this, with regard to water consumption, Viña Concha y Toro has continued its efforts to ensure rational water use, and projects that enable

water recirculation. Last year, the company inaugurated the first natural wetland system for cleaning and reuse of liquid waste from the Limarí Winery and Nueva Aurora Winery, which will enable reuse of 100% of water used in vineyard irrigation. Additionally, the company has measured its water footprint since 2011, releasing its first report to CDP Water and receiving the award in the global leadership A-list category. In 2016, the measurement found that 77 liters of water per glass of wine were used, 36% below the industry average.

With regard to greenhouse gas (GHG) measurements, the company has measured its carbon footprint since 2007. In 2017, the level of GHG emissions per 750 cc bottle of wine was 1.07 kg of CO2. Furthermore, during 2017, the carbon footprint was certified for the first time through Carbon Trust, which will enable products to be ecolabeled in the future, with this information being provided to consumers in several markets.

Another focus in this pillar is on working to improve the transport efficiency of products to their final destinations. Given Viña Concha y Toro's extensive global presence, the transport of products is considered to be a key issue. In this regard, efforts have been made to improve logistical efficiency, and emissions due to transport have been reduced by 12% compared to 2014.

In terms of energy, an important milestone last year was the signing of



The Native Forest Conservation Project has obtained surprising findings regarding the flora and fauna that inhabits these areas, even detecting the existence of species that were thought to be extinct, threatened or endangered.



supply contracts with renewable energy generators, which will enable the company to increase the proportion of renewables used to service its operations to 60% from April 2018. Simultaneously, the first solar energy tender for estates in northern Chile was carried out, which will begin to supply the company from the second half of 2018.

In terms of waste management, 95% of industrial waste was reused and/or recycled in 2017. Through the Alternative Sludge Valuation initiative, the use of sludge for compost on third-party agricultural plots was implemented. Similarly, the company continued its participation in the Clean Production Agreement (CPA) under the extended producer responsibility (EPR) law, in collaboration with the Chilean Agency for Climate Change and Sustainability and Centro de Envases y Embalajes (CENEM).

In 2017, the company strengthened its commitment to the biodiversity that coexists together with vineyards through a pioneering Native Forest Conservation Project. This project has progressed gradually, obtaining surprising findings regarding the flora and fauna that inhabits these areas, even detecting the existence of species that were thought to be extinct, threatened or endangered. Today, Viña Concha y Toro has developed conservation plans for each protected forest zone, as each area requires different conservation management alternatives. The implementation of these plans will be initiated in 2018.

Finally, the company's sustainability strategy received significant awards and accolades last year. The presence of Viña Concha y Toro in the global Top 10 companies of the Dow Jones Sustainability Index 2017 is of special

significance. The company also registered major progress on each of the dimensions assessed, improving its scores compared to the previous year in all areas, standing out within the Beverages category.

For its part, the subsidiary Viña Cono Sur installed solar plants in five of its estates in order to reduce greenhouse gas emissions and the costs associated with electricity generation. This type of initiative led Viña Cono Sur to receive the Gold Category Energy Efficiency Seal this year, awarded by the Ministry of Energy and the Chilean Energy Efficiency Agency. Similarly, the subsidiary obtained second place in The Drinks Business Green Awards 2017 for its work on biodiversity.

The subsidiary Fetzer Vineyards was acknowledged by the United Nations, which granted it the Momentum for Change award during its Climate Change Conference held in Germany. Being recognized by the UN's Net Positive Wine program, Fetzer Vineyards was acknowledged for its constant dedication to sustainable practices, becoming the first wine company in the world to obtain the Zero Waste certification, and the first winery in California to operate with 100% renewable energy, among other initiatives.

Trivento Bodegas y Viñedos entered the Argentinean Business Council for Sustainable Development (CEADS) in 2017, and adhered to the UN Global Compact, reaffirming its commitment to society and a different way of doing business.



3



CHAPTER 3

OUR WINERIES

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Viña Almaviva







98points

Don Melchor 2014
Top 100 Wines of the Andes
James Suckling

96points

Don Melchor 2014
Top 100
Wine Spectator

95points

Terrunyo Sauvignon Blanc 2016
Wine & Spirits

93points

Casillero del Diablo Leyenda 2015
James Suckling

Concha y Toro
#2 Most Admired
Wine Brand

Drinks International



CONCHA Y TORO

In line with the strategic guidelines, the performance of Concha y Toro's wines reflects its focus on the premium category, favoring profitable growth. Sales of Concha y Toro's portfolio reached US\$457 million, slightly higher than in the previous year, with a volume of 15.8 million cases, a decrease of 2.9%, demonstrating streamlining of its portfolio in line with this strategy.

The Concha y Toro family's main brand, Casillero del Diablo, registered an increase in value of 1.9%, with revenue of US\$205 million. In volume, it sold 5.2 million cases, a decrease of 3.7%, against a backdrop of price increases implemented during the year. The Chinese (53%), Japanese (28%), Irish (59%) and Chilean (10%) markets stood out for their growth in value.

With the objective of moving towards higher-value segments, Casillero del Diablo continued to strengthen its brand portfolio. During 2017, the Reserva, Devil's Collection and Reserva Privada lines launched two new products. Casillero del Diablo Red Blend and Diablo are aimed at younger and innovative consumers, in a segment that has become increasingly attractive due to its growth on a global level.

Red Blend is a new red variety that forms part of Casillero del Diablo's classic Reserva line, with innovative packaging and a rebellious look. Meanwhile, Diablo is a disruptive and high-quality product, which stands out for its imposing and appealing presentation.

In terms of quality, the various product lines were acknowledged by James Suckling, who awarded 93 points to Casillero del Diablo Leyenda 2015 and 91 points to Casillero del Diablo Reserva Privada Cabernet Sauvignon 2016. For its part, the Chilean guide Descorchados 2018 awarded 90 points to Casillero del Diablo Rosé 2017. Once again, Casillero del Diablo was acknowledged by the Branding Hall of Fame Chile, this time being named a Great Chilean Brand due to its international relevance.

With the objective of maintaining high levels of awareness among its consumers in key markets, Casillero del Diablo continued its global marketing campaigns and communications. Within the framework of its partnership

with Manchester United, this year, the campaign launches led by Zlatan Ibrahimovic and subsequently by club ambassador Sir Bobby Charlton stood out, which were watched by more than 10 million people around the world.

The super premium and ultra-premium segments again achieved significant acknowledgments in their key markets, confirming their excellence.

The company's iconic Cabernet Sauvignon, Don Melchor, continued to consolidate its position as the most highly accoladed Chilean wine, and one of the best in its variety on a global level. With 96 points, its 2014 vintage appeared in the Top 100 Wines of 2017 ranking produced by prestigious magazine Wine Spectator, a distinction which it obtained for the ninth time in its history. Similarly, for a second consecutive year, the 2014 vintage was awarded 98 points by James Suckling. Additionally, it was placed eighth in the Top 100 Wines of the Andes ranking, as well as achieving a prominent

position in the Top 100 Wines of 2017, both by James Suckling.

Meanwhile, Terrunyo Sauvignon Blanc 2016 was awarded 95 points by the magazine Wine & Spirits, the highest score received to date by a Chilean Sauvignon Blanc in the main global wine rankings. Reaffirming its commitment to searching for the best origins for each variety, the Marques de Casa Concha line launched two new wines: Marques de Casa Concha Rosé Cinsault 2017 and Marques de Casa Concha Etiqueta Negra 2016. The former was named "Best Revelation Wine" by the Descorchados guide a few weeks after its launch, and "Best Rosé" by the guide Mesa de Cata de La Cav, Chile's most highly renowned wine publication. The latter is a new red blend, under the supervision of winemaker Marcelo Papa, originating from Puente Alto and produced with Cabernet Sauvignon, Cabernet Franc and Petit Verdot.





The company's iconic Cabernet Sauvignon, Don Melchor, continued to consolidate its position as the most highly accoladed Chilean wine, and one of the best in its variety on a global level.



Marques de Casa Concha Etiqueta Negra 2016 is a new red blend, created under the supervision of winemaker Marcelo Papa.

VIÑA CONO SUR



In 2017, Viña Cono Sur's total sales reached US\$124 million and 5.1 million cases, with growth of 8.4% in value and 8.6% in volume compared to 2016. The Cono Sur brand accounted for 50% of this volume, contributing to the medium-term goal of selling 3 million cases per year. This was achieved in line with the strategy of focusing on premium wines, the Cono Sur Bicicleta brand, and innovative brand positioning.

With regard to the performance in different markets, the winery has a highly diversified presence which covers close to 80 countries, including the addition of Switzerland in 2017. Among these countries, the Chinese market stands out, with growth of more than 122% in US dollar terms in 2017.

In North America, Canada registered an increase of 14.1% in value (US dollars), while a decrease of 12.5% was observed in the United States following the suspension of shipments in the last quarter of the year due to a change of importer.

At the end of May, and as part of a four-year sponsorship deal between

Cono Sur and Tour de France, the Bicicleta Limited Edition label was launched. The launch was particularly successful in the United Kingdom, with annual growth of around 16% enabling it to maintain its position as the country's number one Pinot Noir in terms of sales (IRI).

With regard to agricultural investment, a new estate was acquired in the village of Mulchén in Bio Valley. A total of 212 hectares were acquired, of which 184 will be planted with cool-climate varieties, such as Gewürztraminer, Chardonnay, Riesling, Pinot Noir and Sauvignon Blanc.

In November, Cono Sur was awarded the Chilean Wine Producer of the Year trophy by the International Wine & Spirit Competition (IWSC), one of the most important competitions in the United Kingdom.

Ocio Pinot Noir 2014, Cono Sur's iconic wine, obtained high scores. The magazine Wine Spectator awarded it 93 points. Meanwhile, Wine Advocate gave a score of 95 points, and it was also selected as one of the best wines of the year by Luis Gutiérrez, one of the publication's critics.



95 points

Ocio Pinot Noir 2014
Wine Advocate

**Chilean Wine Producer
of the Year**

Viña Cono Sur
Wine & Spirits Competition

QUINTA DE MAIPO



En 2017, Quinta de Maipo—which comprises the Chilean wineries Viña Maipo, Palo Alto, Maycas del Limarí and Canepa, as well as the marketing of products from Argentine wineries Trivento, Pampas del Sur and La Chamiza—maintained a strategy focused on developing its key markets.

In a challenging scenario, Quinta de Maipo obtained revenue of US\$132 million, an increase of 3% compared to 2016, and a volume of 5.1 million cases, a decrease of 5%. This result reflects the average price increase, which was partially offset by the lower sales volume.

Viña Maipo maintained its sales volume in 2017, despite the changing scenario in the relevant UK market, where the company lost distribution. It maintained a positive performance in its other markets, principally Nordic countries Sweden, Norway, Finland and Iceland, where it grew by 14% in value and 10% in volume, becoming the number one wine sold in those countries.

Strengthening its presence in the Asian market, in 2017, Viña Maipo carried out important actions in several countries in the region. For a second consecutive year, it renewed the strategic partnership between its Reserva Vitral line and the renowned ATP World Tour tennis tournament in Tokyo. During the competition, the brand achieved unprecedented visibility, with more than 100,000 spectators at the event and a television audience of 18 million people in 178 countries.

Viña Maipo received significant acknowledgments last year, in particular those obtained for the Protegido 2014 vintage in the International Wine Challenge, where it received a Gold Medal and the “Chilean Cabernet Blend Trophy”. Similarly, it obtained 93 points in the most recent James Suckling Wines of Chile review, the same as the score awarded by Chilean guide Descorchados. Additionally, it was named as “The Best Chilean Cabernet Sauvignon” (US\$20-50 category) by the prestigious Annual Wines of Chile Awards (AWoCA), consolidating its position as one of the most outstanding Cabernet Sauvignon wines in the country.

For its part, Palo Alto registered sales growth of 13% in value, principally

reflecting the strong performance in markets such as the Netherlands, China and Chile.

The boutique winery Maycas del Limarí achieved major acknowledgments in 2017, positioning itself as one of the most highly accoladed on a national level. The Quebrada Seca 2016 and San Julián 2015 lines obtained 93+ points in Robert Parker’s latest Chile report. These wines also obtained 94 points in James Suckling’s ranking. Quebrada Seca 2016 was awarded 96 points in the Descorchados guide, while San Julián 2016 obtained 94 points and was selected as “One of the Best Chilean Pinot Noirs” by the same publication. Meanwhile, the Sumaq Reserva line’s Pinot Noir 2017 variety obtained 91 points, and was named a “Revelation Wine” by the Chilean guide. In turn, San Julián 2016 was awarded 94 points, and was selected as the “Best Chilean Pinot Noir” by Chilean guide Mesa de Cata de La Cav.

For Viña Canepa, 2017 was a very positive year, in which it registered sales growth of 16% in volume. The brand’s performance in two of its key markets was significant in its result; the Netherlands, where together with its customer Jumbo it achieved growth of 51%, and Brazil, where it was positioned among the three most-sold wine brands on online portal Wine.com, achieving an increase of 65% in volume compared to the previous year.



96points

Maycas del Limarí Quebrada
Seca, Chardonnay 2016
Guía Descorchados 2018

93+points

Maycas del Limarí San
Julián, Pinot Noir 2015
Robert Parker



The Best Chilean Cabernet Sauvignon (US\$20-50 category)

Viña Maipo Protegido
Cabernet Sauvignon 2014
AWoCA 2017

TRIVENTO BODEGAS Y VIÑEDOS



94points

Trivento Golden Reserve
Malbec 2015
James Suckling

95points

**Best Argentinian Red
Rhône Varietals**

Platinum medal

Trivento Golden Reserve
Syrah 2013
Decanter World Wine Awards

**No. 1 Argentinean
brand in Europe**

Global Data

+12%

In volume
Trivento Reserve

The results obtained by Trivento demonstrate a strong focus on the premium category, in line with the group's profitability guidelines in a challenging year for the Argentinean wine industry.

In 2017, Trivento's revenues reached US\$65 million and a volume of 2.16 million cases, which represents a decrease of 3.7% in value and 15.3% in volume. These results primarily reflect an average price increase in US dollars of 14%, and a lower volume sold in the entry-level segment, against a backdrop of lower wine availability and raw material price increases following two lower-yield harvests in Argentina.

In line with the strategy followed by the winery, we can highlight the growth of 12% in value registered by the premium category, increasing its share of sales to 52% compared to 45% in 2016. The flagship Trivento Reserve brand grew by 12% in volume with a very strong performance in its main market, the UK. Trivento became the number one Argentinean brand in Europe according to a study conducted by Global Data, a globally-renowned business information and analysis company that reviewed overall sales in 2016, with the UK being the key market that enabled this position to be achieved.

Although the 2017 harvest was historically low in terms of yield, it was exceptional in terms of quality and health, with excellent attributes for Trivento's red wines. This is the first harvest in many years in which this level of quality, concentration and balance has been observed. The combination of these three factors enabled exceptional wine quality to be obtained in all segments, particularly Malbec and Cabernet Sauvignon.

In terms of acknowledgments, James Suckling highlighted Trivento Golden Reserve Malbec 2015 in his annual Argentina report, awarding it 94 points. In the 2017 edition of the Decanter World Wine Awards, Trivento Golden Reserve Syrah 2013 received a platinum medal with 95 points, and led the Best Argentinian Red Rhône Varietals category. For its part, Trivento Private Reserve Malbec 2015 obtained a gold medal in The Drinks Business Global Malbec Masters.

The year was also marked by new launches, such as the Trivento Sparkling Extra Brut, with a compelling renovation of the line's image. Additionally, Lejanamente Juntos, a new line of ultra-premium wines with limited production, was also launched. James Suckling awarded 93 points to the Malbec-Cabernet Sauvignon 2013, and 91 points to the Semillon-Sauvignon Blanc 2016.

The special edition of Trivento Golden Reserve Black Series was extended with a Malbec and a Pinot Noir. For its part, the line's Cabernet Franc received 94 points in Descorchados from Patricio Tapia, and led the ranking of the best Cabernet Franc wines. The Malbec was also highlighted in the ranking of the best wines from the Uco Valley with 95 points.

Among its prominent partnerships, Trivento accompanied the 2017 Dakar Rally on its journey across Argentina, Paraguay and Bolivia, and signed a sponsorship deal with Major League Soccer in the United States for the 2018-2020 period.



FETZER VINEYARDS

Fetzer Vineyards' results in 2017 demonstrate a positive evolution which responds to its strategy of price repositioning, focus on its premium and superior brands, and greater production efficiencies. Fetzer Vineyards reached sales of US\$116 million, with growth of 4.5% compared to 2016.

In this line, the Fetzer brand has consolidated its position in the North American market with a higher average price, and has improved its value perception in the premium segment. Several awards validate the brand's positioning this year, including the score of 88 points for Fetzer Sundial Chardonnay 2016 by Wine Spectator, which also included the wine in its Best Value category.

For its part, the 1000 Stories was named as an Impact Hot Prospect brand due to its growth of 36% in volume and sales of 113,300 cases. In addition to this successful Zinfandel, Half Batch was also introduced, a new product elaborated based on Petite Syrah, expanding the line's offering.

The premium Bonterra line registered growth of 14% with a sales volume of 558,000 cases, maintaining its leadership in the United States organic wine category.

With the objective of strengthening the super premium segment, Adorada Rosé and Pinot Gris varieties were launched, which were very well received by consumers and demonstrated good sales performance. Promotion was supported by the launch of the website Adoradawines.com, which aims to be their main sales channel.

To expand its portfolio towards ultra-premium and luxury brand segments, the subsidiary partnered with Kentucky Peerless Distilling Co. for the national launch of Peerless Straight Rye Whiskey. This was classified as the best rye whiskey in the world, and number 15 of the 20 best whiskeys in the world in 2017, according to Whisky Advocate.

Receiving the Momentum for Change Climate Solutions Award from the United Nations Climate Change Secretariat for leading the implementation of sustainable practices in the wine sector for decades was a special milestone for the company.



IMPACT Hot Prospect Brand

1000 Stories

Momentum for Change

Fetzer Vineyards
United Nations Climate
Change Secretariat



VIÑA ALMAVIVA

The year was marked by the celebration of the 20th anniversary of Almaviva with a ceremony held at Château Mouton Rothschild in Pauillac, France, headed by Philippe Sereys de Rothschild, Chairman of the Board of Directors of Baron Philippe de Rothschild S.A., and Alfonso Larraín Santa María, Chairman of Viña Concha y Toro S.A. The anniversary was attended by important figures in wine, politics and culture, who celebrated the winery's success. In September, Almaviva 2015 was successfully launched in Place de la Bourse, reaching a record price of US\$920 per 9-liter case.

Without doubt, 2017 will be remembered as a special milestone in Almaviva's history, with the 100 points that James Suckling awarded to its 2015 vintage and its selection as his Wine of the Year, an accolade that had never been awarded to a Chilean wine by the renowned American critic. This major recognition confirms the commitment to quality and excellence that have characterized Almaviva during the last two decades. The announcement of the perfect score was made in Hong Kong during the Great Wines of the World event, which was attended by important figures from the global wine industry.

From its beginnings, Almaviva has prioritized care for the environment. During 2017, it worked on the implementation and subsequent certification of the Chilean wine industry's Sustainability Code. This code is a voluntary tool focused on incorporating sustainable practices in Chilean wine companies in areas such as vineyard management, energy efficiency and corporate ethics. Almaviva is highly committed to the Sustainability Code, in its capacity as a dynamic company in constant evolution, ready to assume future challenges.



2017 will be remembered as a special milestone in Almaviva's history, with the 100 points that James Suckling awarded to its 2015 vintage and its selection as his Wine of the Year.

4



CHAPTER 4

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HISTORY



Don Melchor Concha y Toro, outstanding Chilean politician and businessman, founds Viña Concha y Toro.



Its shares begin to be traded on the Santiago Stock Exchange, and the company makes its first export.

The company is constituted as a corporation and broadens its bylaws to wine production in general.

Eduardo Guillisasti Tagle joins the Board of Directors. During his management, he laid the foundation for the company's expansion.



Acquisition of Viña Maipo.



Casillero del Diablo marks the beginning of the production of more complex wines.

1883

1922

1933

1957

1966

1968

2001

2005

2006

2010

2011

2013

Concha y Toro buys the winery Francisco de Aguirre, assets that a year later would form Viña Maycas del Limarí.

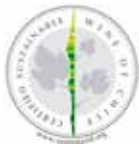


The company seals a strategic partnership with the English soccer club Manchester United.

Creation of Quinta de Maipo.



Launch of Viña Palo Alto.



Concha y Toro obtains the Sustainability Certification granted by Wines of Chile.

Acquisition of Fetzer Vineyards, in California, USA, a pioneer winery in sustainable practices.

FETZER VINEYARDS
ESTD. IN 1968

Concha y Toro is chosen Most Admired Wine Brand in the World, Drinks International.

The first distribution subsidiary outside of Chile is created: Concha y Toro UK.

Foundation of Trivento Bodegas y Viñedos, in Argentina.


TRIVENTO



Launch of the first vintage of Don Melchor, the first ultra- premium wine in the Chilean industry.



Concha y Toro is the first winery in the world to trade its shares on the New York Stock Exchange.

Signing of the joint venture agreement with the French winery Baron Philippe de Rothschild to produce Almaviva.

Almaviva

Creation of Viña Cono Sur.

Cono Sur

1987

1993

1994

1996

1997

2014



Viña Concha y Toro forms part of the Dow Jones Sustainability Chile Index, the Santiago Stock Exchange's first sustainability index,



Concha y Toro is selected as the World's Most Powerful Wine Brand by Intangible Business.



CENTRO DE INVESTIGACIÓN E INNOVACIÓN

Inauguration of the Center for Research and Innovation (CRI).



2016



Bonterra, a subsidiary of Fetzter Vineyards, is named American Winery of the Year by Wine Enthusiast.

Viña Concha y Toro is the most highly evaluated company in the RepTrak Chile corporate reputation ranking.

2017

Almaviva 2015 is selected as Wine of the Year by renowned critic James Suckling, obtaining a perfect score of 100 points.



Viña Concha y Toro enters the top 10 of the global Dow Jones Sustainability Index Beverages Category.

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

Name : Viña Concha y Toro S.A.
Tax ID No. (RUT) : 90.227.000-0
Type of entity : Publicly traded corporation
Corporate domicile : Santiago
Head office address : Avda. Nueva Tajamar 481, Torre Norte,
Piso No. 15, Las Condes, Santiago, Chile
Telephone : (56-2) 2476-5200
PO box : 213, Correo Central, Santiago
Email : webmaster@conchaytoro.cl
Website : www.conchaytoro.com
Ticker number Chilean Stock Exchange : CONCHATORO
Ticker number New York Stock Exchange : VCO
Trading name : VICONTO
Investor relations
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Telephone : (56-2) 2476-5768
Claudia Cavada, Head of Investor Relations
-claudia.cavada@conchaytoro.cl
-Telephone : (56-2) 2476 5768
Website
-www.conchaytoro.com

Incorporation Documents

Viña Concha y Toro S.A was incorporated as a corporation (Sociedad Anónima) on December 31, 1921, through a public deed signed before the Santiago Notary Mr. Pedro N. Cruz. The excerpt was registered in folio 1,051, numbers 875 and 987 of the Real Estate Registrar of Santiago's Trade Register for 1922, and published in Official Journal, issue No. 13,420 of November 6, 1922. The Authorization Decree was issued on October 18, 1922, with the number 1,556. The company is currently registered in folio 15,664 No. 12,447 of the Real Estate Registrar of Santiago's Trade Register for 1999, and in the Register of the former Superintendence of Securities and Insurance (SVS, according to its acronym in Spanish), now the Commission for the Financial Market (CMF, according to its acronym in Spanish), under number 0043.

Viña Concha y Toro S.A. is subject to compliance with corporate governance regulations in the jurisdictions in which its stock is traded, i.e., Chile and the United States. In Chile, every year the company assesses its practices according to General Standard No. 385 and, with expert advice, analyzes other standards that may be incorporated. Viña Concha y Toro is aware that this is a dynamic process which requires permanent analysis.

For this reason, Viña Concha y Toro S.A.'s Board of Directors has approved several measures which aim to ensure proper corporate governance. These include the following, among others:

- Corporate Governance Code.
- Code of Ethics.
- Protocol on Transactions with Related Parties.
- Induction Procedure for Directors.
- Policy on Recruitment of Advisors by the Board of Directors.
- Policy on Nomination and Election of Directors.

Similarly, employees, suppliers, customers, shareholders or third parties have an anonymous complaints channel that enables them to make confidential claims regarding relevant matters for the company and its stakeholders.

However, as indicated previously, each year the Board of Directors, together with the CEO, analyzes ways of implementing improvements in its functioning as part of its dynamic assessment process on these issues. Information on the corporate governance criteria and practices adopted by Viña Concha y Toro S.A. is available on the company's website (Holding/Legal information/Corporate governance practices).

STAKEHOLDERS

To develop its business strategy, the company has identified its stakeholders in order to foster dialogue and mutual trust with each of them. The groups identified are: Shareholders and Investors, Employees, Customers, Suppliers, Local Communities, and the group that includes Authorities, Trade Unions and Associations.

Based on this definition, Viña Concha y Toro has created several mechanisms of communication and feedback that are in constant development and expansion. In this way, the company can learn from its stakeholders, understand their expectations and concerns, and promote a relationship based on mutual understanding, a key factor in maintaining good relations over the years.

BOARD OF DIRECTORS

The company is managed by a seven-member Board of Directors elected at the Annual General Meeting. Directors serve for a three-year term, after which the entire Board is renewed; members may be reelected indefinitely. The current Board of Directors was elected at the Annual General Meeting held on April 24, 2017 for a three-year period ending in 2020. It includes one independent director, Mr. Jorge Desormeaux Jiménez, in accordance with the provisions of article 50 bis of Chile's Corporations Law. The company's bylaws do not require the appointment of alternate directors.

BOARD MEETINGS

The Board of Directors holds ordinary meetings once a month to analyze and resolve the matters under its competence, as well as extraordinary meetings whenever necessary.

ATTENDANCE TO MEETINGS :	BOARD		DIRECTORS COMMITTEE
Alfonso Larraín Santa María	16		-
Rafael Guilisasti Gana	16		14
Jorge Desormeaux Jiménez	16		14
Mariano Fontecilla Santiago Concha	14		-
Pablo Guilisasti Gana	13		-
Andrés Larraín Santa María	11		-
Rafael Marín Jordán	10		11
Sergio de la Cuadra Fabres	4		3
Francisco Marín Estévez	4		-

REMUNERATION OF THE BOARD OF DIRECTORS

According to the bylaws, the remuneration of the Board of Directors for 2017 was set at the Annual General Meeting as 1.3% of net income in the year, as fixed remuneration for each member.

During 2017 and 2016, the members of the Board of Directors did not receive variable remunerations. In addition, a monthly allowance of UF 300 was approved for the Chairman's executive responsibilities.

The remunerations received by Directors during the 2017 and 2016 financial years for executive responsibilities, profit sharing and allowances reaches the sum of ThCh\$807,838 and ThCh\$833,627 respectively.

In April 2017, Andrés Larraín Santa María and Rafael Marín Jordán were elected as directors (the latter also being named as a member of the Directors Committee), who did not receive remunerations in their role as directors during the 2017 financial year.

Andrés Larraín Santa María, who held the position of Agricultural Manager until April 2017, received the sum of Ch\$18,663,411 in professional fees for consultancy provided to the company following his appointment as a director, which was duly approved according to section XI of the Corporations Law.

DIRECTORS' REMUNERATION	2017	2016
	ThCh\$	ThCh\$
Alfonso Larraín Santa María	89,015	92,481
Rafael Guilisasti Gana	89,015	92,481
Francisco Marín Estévez	89,015	92,481
Mariano Fontecilla Santiago Concha	89,015	92,481
Sergio de la Cuadra Fabres	89,015	92,481
Pablo Guilisasti Gana	89,015	92,481
Jorge Desormeaux Jiménez	89,015	92,481
REMUNERATION OF CHAIRMAN		
Alfonso Larraín Santa María	95,719	93,779
REMUNERATION OF DIRECTORS COMMITTEE		
Rafael Guilisasti Gana	29,672	30,827
Sergio de la Cuadra Fabres	29,672	30,827
Jorge Desormeaux Jiménez	29,672	30,827
Total	807,838	833,627

DIRECTORS COMMITTEE

As of December 31, 2017, Viña Concha y Toro's Directors Committee was composed of the following directors: Jorge Desormeaux Jiménez (Chairman), Rafael Guilisasti Gana and Rafael Marín Jordán.

All committee members were elected at the extraordinary board meeting held on April 27, 2017. In accordance with the provisions of Article No. 50 bis of Law No. 18,046, as amended by Law No. 20,382, of October 20, 2009, and Circular No. 560 of the former SVS, now the CMF, of December 22, 2009, Mr. Jorge Desormeaux Jiménez signed the sworn statement as independent director.

At the same meeting, on April 27, 2017, in order to comply with the aforementioned legal provisions, Mr. Jorge Desormeaux Jiménez, independent director, agreed to appoint the directors Mr. Rafael Guilisasti Gana and Mr. Rafael Marín Jordán as the second and third members of the Directors Committee respectively.

The Directors Committee met 14 times in 2017 to discuss all matters required by Article No. 50 bis of the Corporations Law. In particular, it reviewed the transactions governed by Article No. 146 and subsequent of Law No. 18,046, ensuring that they contributed to the company's interests, and were in line with market conditions with regard to price, terms and conditions at the moment in which they were approved. The details of transactions approved by the Committee can be found in Note No. 9 of the company's Consolidated Financial Statements.

DIRECTORS COMMITTEE ANNUAL MANAGEMENT REPORT

The main activities carried out by the Directors Committee during 2017 include the following:

- Review of the external auditors' annual and quarterly reports, the balance sheet and other financial statements presented by the company's management.
- Evaluation and proposal of external auditors and ratings agencies to the Board of Directors, which were recommended at the respective Annual General Meeting.

- The Committee reviewed and approved the information regarding transactions referred to by Section XVI of Law No. 18,046. The details of these transactions is contained in the notes of the Consolidated Financial Statements included in this report, especially those related to the purchase and sale of grapes and wine.
- Review of remuneration systems and compensation plans for the company's senior executives.
- Review and approval of the company's 20-F Report.
- Study of the internal audit reports and compliance with the annual audit plan prepared by the company's Chief Audit Executive.

REMUNERATION OF THE DIRECTORS COMMITTEE

Remuneration for each member of the Directors Committee equivalent to one third of remuneration for Directors was approved at the Annual General Meeting. An annual operating budget for this Committee of Ch\$60 million was approved at the Annual General Meeting. During 2017, the Committee hired external consultancy services related to the assessment of transactions with related parties, evaluation of the purchase of grapes and wines from third parties, and internal control, with an annual expenditure of UF 350.

AUDIT COMMITTEE

In compliance with the US Sarbanes-Oxley Act (2002), in its meeting held on April 27, 2017, the Board of Directors appointed from among its members those that would form part of the Audit Committee required by said legislation, electing the same directors that make up the Directors Committee required by Chilean law. In accordance with the aforementioned legislation, the director Mr. Rafael Guilisasti Gana sits on the Audit Committee with right to speak but not to vote. In view of the foregoing, he abstained from voting in each of the resolutions submitted to the Committee.

ETHICAL FRAMEWORK AND ETHICS COMMITTEE

ETHICAL FRAMEWORK

The company's management is aware that its operation is a dynamic and high-impact process. As such, every year Viña Concha y Toro's corporate governance is reviewed, and improvements are introduced which aim to ensure proper compliance management, in accordance with legal requirements and ensuring the pursuit of excellence and transparency throughout the operation. The company aims for all of its employees to work collaboratively and understand the importance of good corporate practices, thus establishing a culture of compliance.

REGULATORY FRAMEWORK

Within the framework of its agricultural, production and commercial activities, Viña Concha y Toro is subject to compliance with a broad range of legal and administrative regulations in Chile, in particular those related to the production, elaboration and marketing of alcoholic beverages. With regard to its exports, it must comply with foreign and international health regulations. To adjust its processes to these regulations, the company has the support of its customers, and adheres to international controls and certifications.

CODE OF ETHICS AND CONDUCT

On May 31, 2012, the Board of Directors approved a new text for the Code of Ethics and Conduct of Viña Concha y Toro S.A. and its subsidiaries. This Code summarizes the ethical and conduct principles and values that must govern the actions of directors, executives and employees of Viña Concha y Toro and its subsidiaries, without exception.

For the company, it is essential that directors, executives and employees comply with the existing rules and regulations of the jurisdiction in which they operate in all stages of production, distribution and sale of products. Additionally, Viña Concha y Toro requires its directors, executives and employees to be aware of and fully commit to the company's ethical values in the pursuit of excellence and transparency.

The Code of Ethics and Conduct is available on the company's website. In order for the Code of Ethics to be internalized by members of the company, during 2017, talks and training were provided to approximately 600 directors, executives and employees of Viña Concha y Toro and its subsidiaries primarily via e-learning modality.

ETHICS COMMITTEE

On May 31, 2012, the Board of Directors approved the creation of an Ethics Committee whose main mission is to promote and regulate excellence in the personal and professional conduct of Viña Concha y Toro's employees, consistent with the company's principles and values.

In fulfilling this mission, the special responsibilities of the Ethics Committee include the following:

- Being aware of and resolving queries regarding the scope and applicability of the Code of Ethics and Conduct.
- Being aware of anonymous complaints received by the company through the channel designed for this purpose.
- Reporting such complaints to the Directors Committee.
- Analyzing those complaints that fall within the scope of the Crime Prevention Model or are associated with the crimes outlined in Law No. 20,393.

- Coordinating the investigations derived from such complaints; supporting the Crime Prevention Officer in the various control activities they carry out; and requesting reports from the Crime Prevention Officer when circumstances require.

ANONYMOUS COMPLAINTS

Through its website, Viña Concha y Toro has implemented a simple and efficient anonymous reporting system. Complaints can also be received via email, according to the Anonymous Complaints Procedure introduced in 2015. In this way, employees, customers, suppliers, shareholders and third parties can make confidential complaints on issues relating to accounting, fraud, safeguarding of assets, audit or any other matters related to the company's internal control.

The Ethics Committee is responsible for the resolution of anonymous complaints, and must keep a record of them.

CRIME PREVENTION MODEL

In order to prevent illegal activities such as money laundering, terrorism financing or bribery, on May 31, 2012, the company's Board of Directors approved the Crime Prevention Model, consisting of a preventive and monitoring process through various control actions over processes or activities that are exposed to the commission of offenses under this law (money laundering, bribery of a domestic or foreign public official, and terrorism financing).

MANUAL FOR HANDLING INFORMATION OF INTEREST TO THE MARKET

Through self-regulation, the Manual seeks to establish rules for the handling of information that, without being material information, might be useful for proper financial analysis of Viña Concha y Toro and its subsidiaries, or the securities issued by them. This is understood to be all information of legal, economic or financial nature referring to relevant aspects of the progress of the corporate businesses or that might have a significant impact on them. The Board of Directors also agreed that the Manual should contain criteria for guiding the conduct of those it is addressed to when handling information and using it in relation to possible securities transactions, establishing their freedom to trade securities, except for blocked periods during which such trading is forbidden. This Manual is available on the company's website.



MAIN MANAGERS AND EXECUTIVES

NAME	MAIN EXECUTIVE POSITION	DATE OF APPOINTMENT	R.U.T.
Eduardo Guilisasti Gana	Chief Executive Officer	4/28/1989	6.290.361-9
Osvaldo Solar Venegas	Chief Financial Officer	9/1/1996	9.002.083-8
Thomas Domeyko Cassel	Corporate Export Director Northern Zone	6/1/2006	10.165.540-7
Cristián Ceppi Lewin	Corporate Export Director Southern Zone	4/1/2015	10.031.249-2
Cristián López Pascual	Corporate Export Director Asia	1/1/2013	9.257.024-k
Enrique Tirado Santelices	Head Oenologist Don Melchor	1/1/1993	10.474.266-1
Cristóbal Goycoolea Nagel	Corporate Marketing Director Global Brands	1/1/2015	12.023.135-9
Paul Konar Elder	General Manager Viña Maipo y Quinta de Maipo	4/1/2012	9.978.661-2
Isabel Guilisasti Gana	Marketing Director Origin Wines	7/1/2004	7.010.269-2
Giancarlo Bianchetti González	Chief Executive Officer Fetzer Vineyards	4/15/2011	7.636.597-0
Daniel Durán Urizar	Corporate Controlling and IT Director	7/1/2013	12.274.492-2
Adolfo Hurtado Cerda	General Manager Viña Cono Sur	6/1/1997	10.140.761-6
Tomás Larraín León	Procurement and Services Corporate Director	7/1/2017	9.672.342-3
Lía Vera Pérez-Gacitúa	Operations and Supply Chain Director	10/1/2017	7.988.535-5
Cecilia Cobos Zepeda	Human Resources Director	8/26/2013	6.867.267-8
Max Larraín León	Agricultural Director	4/19/2017	9.908.934-2
Marcelo Papa Cortesi	Technical Director	11/1/2017	7.818.103-6
Niclas Blomstrom Bjuvman	General Manager VCT Chile	11/27/2017	15.593.207-4
Santiago Ribisich	General Manager Trivento Bodegas y Viñedos S.A.	6/25/2017	20260813332

REMUNERATION OF EXECUTIVES

The remuneration received by main managers and executives of the company and its Chilean and overseas subsidiaries during 2017, covering a total of 46 executives, reached ThCh\$8,071,258. The outgoings related to severance packages for the termination of contracts with the company's main managers and executives during 2017 reached ThCh\$419,031.

The remuneration received by main managers and executives of the company and its Chilean and overseas subsidiaries during 2016, covering a total of 46 executives, reached ThCh\$8,616,868. The outgoings related to

severance packages for the termination of contracts with the company's main managers and executives during 2016 reached ThCh\$31,861.

Main managers and executives are offered an annual bonus plan based on profit sharing and meeting objectives. The company's employees receive a total annual bonus equivalent to 4.5% of net income, proportional to their remuneration.

OWNERSHIP STRUCTURE AND CONTROL

As of December 31, 2017, the 12 largest shareholders held the following number of shares and percentage of ownership:

SHAREHOLDERS	NUMBER OF SHARES		% OF OWNERSHIP
Banco de Chile Cta. de Terceros	92,939,672		12.44%
Inversiones Totihue S.A.	87,615,431		11.73%
Rentas Santa Bárbara S.A.	85,274,628		11.42%
Itau Corpbanca Cta Inversionistas Ext.	41,315,545		5.53%
Inversiones Quivolgo S.A.	32,748,071		4.38%
Fundación Cultura Nacional	25,954,278		3.47%
The Bank of New York	25,456,140		3.41%
Inversiones GDF S.A.	24,500,000		3.28%
Agroforestal en Inv. Maihue Ltda.	22,337,075		2.99%
Constructora Santa Marta Ltda.	22,293,321		2.98%
Larraín Vial Corredores de Bolsa S.A.	19,557,520		2.62%
Inversiones La Gloria Ltda.	17,000,000		2.28%
Total main shareholders	496,991,681		66.53%
Total common shares subscribed	747,005,982		-
Total shareholders	1,136		-

Comparing the close of 2017 to 2016, the main changes in the ownership structure were caused by variations in the share of banks on behalf of third parties, with an increase of Banco Itaú on behalf of investors (from 4.26% to 5.53%) and a decrease of Banco de Chile on behalf of third parties (from 13.38% to 12.44%). In turn, an increase was recorded in the ADS depositary bank in the US, Bank of New York, to 3.14% from 2.99%.

CONTROL OF THE COMPANY

The percentage held directly and indirectly by the Controlling Group is 39.16%, with its members having an informal joint action agreement. Each individual representing a member of the Controlling Group and their respective percentage of ownership is listed in Note No. 9 of the Consolidated Financial Statements (Transactions with Related Parties 9.2 Controlling Group).

There are no legal entities or individuals other than the Controlling Group that hold shares or rights representing 10% or more of the company's equity, nor individuals who hold less than 10% and reach that percentage when including the shares of their spouse and/or family members, whether directly or through legal entities.

SHAREHOLDING OF DIRECTORS AND MAIN EXECUTIVES

As of December 31, 2017:

DIRECTORS / MAIN EXECUTIVES	% SHARES
Eduardo Guilisasti Gana ⁽¹⁾⁽²⁾	24.1%
Rafael Guilisasti Gana ⁽¹⁾⁽²⁾	23.7%
Pablo Guilisasti Gana ⁽¹⁾⁽²⁾	23.8%
Isabel Guilisasti Gana ⁽¹⁾⁽²⁾	0.6%
Alfonso Larraín Santa María ⁽³⁾	11.4%
Rafael Marín Jordán ⁽⁴⁾	9.0%
Mariano Fontecilla de Santiago Concha ⁽⁵⁾	3.3%
Osvaldo Solar Venegas ⁽⁶⁾	3.5%
Thomas Domeyko C.	(*)
Cristián Ceppi Lewin	(*)
Adolfo Hurtado Cerda	(*)
Enrique Tirado Santelices	(*)
Daniel Durán Urizar	(*)
Giancarlo Bianchetti González	(*)
Cristóbal Goycoolea Nagel	(*)
Paul Konar Elder	(*)

- (1) Eduardo Guilisasti Gana, Rafael Guilisasti Gana, and Pablo Guilisasti Gana collectively form the “Controlling Family”. Isabel Guilisasti Gana is the sister of the Controlling Family. The shares attributed to each of the Controlling Family members include the shares of Inversiones Totihue S.A. (“Totihue”) and Rentas Santa Bárbara S.A. (“Santa Bárbara”), respectively, as well as the shares each of the Controlling Family members own directly or indirectly through their direct relatives or related companies. Totihue and Santa Bárbara are controlled by the members of the Controlling Family due to the respective powers of attorney granted by the directors of Totihue and Santa Bárbara. Each power of attorney granted states that any two members of the Controlling Family, acting jointly, has the power to, among other things, vote or direct the vote, or sell or direct the sale of the shares controlled by Totihue or Santa Bárbara, as applicable.
- (2) Together, the Controlling Family held 27.89% of Viña Concha y Toro as of December 31, 2017.
- (3) The number of shares allocated includes shares controlled by his brother, Andrés Larraín Santa María, by the inheritance of Carlos Saavedra Echeverría (brother-in-law) and those controlled by other members of his family. Additionally, it includes shares of Fundación de Cultura Nacional, a non-profit foundation, in which Alfonso Larraín is Chairman of the Board.
- (4) The number of shares allocated includes shares controlled by members of his family and related companies.
- (5) The number of shares allocated includes shares controlled by members of his family and related companies.
- (6) The number of shares allocated includes shares controlled by Fundación de Cultura Nacional, in his capacity as Director of the foundation.
- (*) Less than 1% of the shares.

STOCK INFORMATION

Viña Concha y Toro's equity is represented by 747,005,982 ordinary shares, in a single class and without nominal value.

DIVIDEND POLICY

Net income in the 2017 financial year attributable to the company's controllers amounted to Ch\$49,574 million. However, significant unrealized variations in the reasonable net value of assets and liabilities is deducted from distributable net income. As such, in 2017, the extraordinary profit from Kross of Ch\$2,485 million is excluded.

At the Annual General Meeting held on April 24, 2017, the Board of Directors stated their intention to distribute, from earnings for the 2017 financial year, interim dividends No. 268, No. 269 and No. 270 of Ch\$3.50 per share, which were paid on September 29, 2017, December 29, 2017, and March 29, 2018, respectively.

At the Shareholders' Meeting, the Board of Directors will also propose the payment, from earnings for the 2017 financial year, of final dividend No. 271 of Ch\$13.5, which, if approved, will be paid from May 23, 2018.

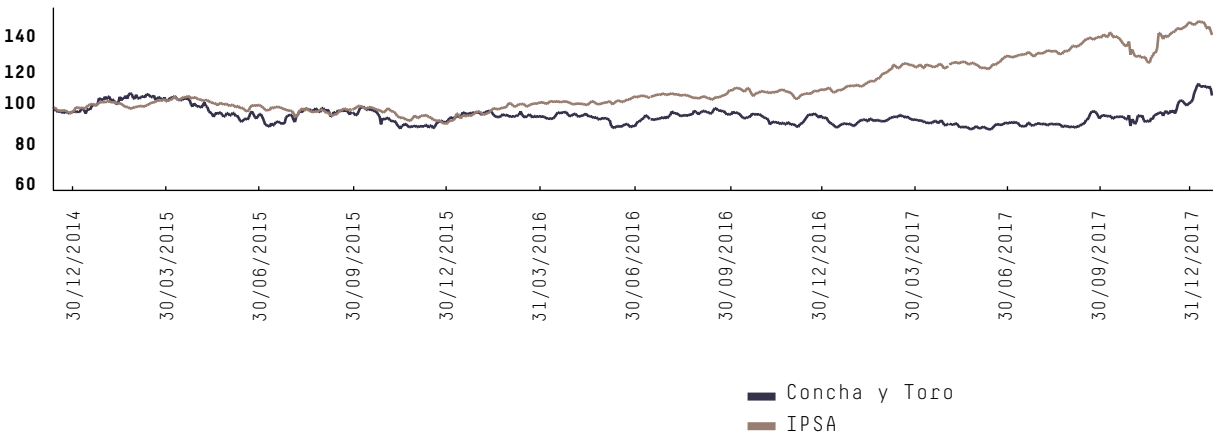
The dividend policy has consisted of distributing 40% of each year's net income, excluding the earnings of Fetzter Vineyards, through the payment of three interim dividends and a final dividend in May of the following year. The Board of Directors intends to maintain this policy for the coming years, notwithstanding any adjustments that may be made.

Dividends per share paid over the last three years, expressed in constant prices, are as follows:

DATE	N° / TYPE	PER SHARE	FISCAL YEAR
May 22, 2015	N°259 final	Ch\$15.00	2014
September 30, 2015	N°260 interim	Ch\$3.00	2015
December 30, 2015	N°261 interim	Ch\$3.00	2015
March 31, 2016	N°262 interim	Ch\$3.00	2015
May 20, 2016	N°263 final	Ch\$18.50	2015
September 30, 2016	N°264 interim	Ch\$3.50	2016
December 30, 2016	N°265 interim	Ch\$3.50	2016
March 31, 2017	N°266 interim	Ch\$3.50	2016
May 23, 2017	N°267 final	Ch\$16.80	2016
September 29, 2017	N°268 interim	Ch\$3.50	2017
December 29, 2017	N°269 interim	Ch\$3.50	2017
March 29, 2018	N°270 interim	Ch\$3.50	2017

CONCHA Y TORO SHARE PRICE VS IPSA

141 million shares were traded on Chilean stock markets during the year, equivalent to approximately Ch\$153 billion. The closing share price as of December 31, 2017, was Ch\$1,164.6 and Ch\$1,074.9 in 2016, with an annual variation of +8.3% in 2017 and +1.3% in 2016. IPSA variation was +34.0% in 2017 and +12.8% in 2016..



STOCK EXCHANGE TRANSACTIONS

Quarterly transactions for the last three years on stock exchanges where Viña Concha y Toro's shares are traded in Chile—through the Santiago Stock Exchange, the Chilean Electronic Stock Exchange and the Valparaíso Stock Exchange—as well as in the United States through the New York Stock Exchange (NYSE), are listed below:

CHILEAN STOCK EXCHANGES	NUMBER OF SHARES TRADED	AMOUNT TRADED (THCH\$)	AVERAGE PRICE (\$)
2015			
I quarter	36,036,888	44,130,786	1,225
II quarter	46,804,942	56,124,585	1,199
III quarter	50,606,616	56,434,165	1,115
IV quarter	121,920,219	131,949,235	1,082
2016			
I quarter	42,730,434	47,780,048	1,118
II quarter	46,770,967	52,148,688	1,115
III quarter	56,008,972	62,406,073	1,114
IV quarter	34,076,099	38,129,260	1,119
2017			
I quarter	36,702,033	40,035,322	1,091
II quarter	35,658,487	37,976,979	1,065
III quarter	34,797,731	36,785,152	1,057
IV quarter	33,678,447	37,753,606	1,121

Corresponds to transactions in the Santiago Stock Exchange, Stock Exchange and Electronic Stock Exchange.

NEW YORK STOCK EXCHANGE	ADR ⁽¹⁾ TRADED	AMOUNT TRADED (US\$)	AVERAGE PRICE (US\$)
2015			
I quarter	172,360	6,714,018	38.95
II quarter	319,076	12,213,382	38.28
III quarter	248,837	8,183,241	32.89
IV quarter	367,774	11,180,656	30.40
2016			
I quarter	247,518	7,950,940	32.12
II quarter	355,373	11,857,397	33.37
III quarter	554,990	18,818,840	33.91
IV quarter	671,785	23,053,073	34.32
2017			
I quarter	252,651	8,467,277	33.51
II quarter	316,116	10,167,210	32.16
III quarter	228,332	7,503,828	32.86
IV quarter	510,159	18,059,016	35.40

Corresponds to transactions in the New York Stock Exchange.

(1) ADR - 20 shares

STOCK EXCHANGE TRANSACTIONS

Stock transactions carried out as a financial investment by the Chairman, directors, CEO, main executives and majority shareholders during 2017 and 2016 are shown in the following tables:

SHARE TRANSACTIONS 2017	RELATED TO:	AVERAGE PRICE (Ch\$)	SHARES PURCHASED	PURCHASE PRICE (Ch\$)	SHARES SOLD	SALE PRICE (Ch\$)
Tordillo S.A.	Major Sharehold	1,115.06	500,000	557,528,065	-	-
Repa S.A.	Major Sharehold	1,099.10	18,180	19,981,637	-	-
Inversiones Jorana Ltda.	Chairman	1,051.74	118,252	124,370,226	-	-
Inversiones y Ases. Alcalá Ltda.	Chairman	1,026.00	38,830	39,839,580	-	-
Inversiones La Gloria Ltda.	Chairman	1,035.00	400,000	414,000,000	-	-
Larraín Lavín Alfonso	Chairman	1,093.33	3,000	3,280,000	-	-
Larraín Lavín Sofía	Chairman	1,080.98	1,723	1,862,530	-	-
Larraín Lyon Amalia	Chairman	1,092.52	2,451	2,677,769	-	-
Larraín Lyon Santiago	Chairman	1,060.00	1,582	1,676,920	-	-
Larraín Vial Felipe	Chairman	1,090.88	338,320	369,065,518	-	-
Larraín Vial María Teresa	Chairman	1,092.49	141,972	155,102,822	-	-
Larraín Vial Rodrigo	Chairman	1,080.00	180,000	194,400,000	-	-
Marambio Larraín Bernardita	Chairman	1,049.50	3,000	3,148,500	-	-
Marambio Larraín Isabel	Chairman	1,064.58	3,000	3,193,750	-	-
Marambio Larraín Carlos José	Chairman	1,119.00	3,000	3,357,000	-	-
Marambio Larraín Guadalupe	Chairman	1,112.81	3,000	3,338,433	-	-
Cía. de Inversiones Santa Inés	Director	1,082.90	100,000	108,289,756	-	-
Cía. de Inversiones Santa Inés	Director	1,044.17	-	-	600,000	626,499,985
Inversiones Abbae SpA	Director	1,040.08	-	-	178,929	186,101,147
Inversiones Casilda SpA	Director	1,080.00	-	-	196,212	211,908,960
Hurtado Cerda Adolfo	Manager	1,080.20	4,570	4,936,514		

SHARE TRANSACTIONS 2016	RELATED TO:	AVERAGE PRICE (Ch\$)	SHARES PURCHASED	PURCHASE PRICE (Ch\$)	SHARES SOLD	SALE PRICE (Ch\$)
Pelluam S.A.	Major Sharehold	1,112.50	13,238	14,727,275	-	-
San Bernardo Abad S.A.	Major Sharehold	1,068.70	120,000	128,244,000	-	-
Gana Morandé Isabel	Major Sharehold	1,083.80	-	-	250,000	270,950,604
Inversiones Alterisa Ltda.	Chairman	1,083.02	165,762	179,522,956	-	-
Inversiones Jorana Ltda.	Chairman	1,107.86	208,701	231,211,620	-	-
Inversiones La Gloria Ltda.	Chairman	1,081.01	200,000	216,201,078	-	-
Lnversiones Quivolgo S.A.	Chairman	1,102.00	100,000	110,200,000	-	-
Inversiones y Ases. Alcalá Ltda.	Chairman	1,115.02	33,008	36,804,740	-	-
Larraín Lavín Alfonso	Chairman	1,123.00	1,000	1,123,000	-	-
Larraín Lavín Sofía	Chairman	1,123.00	1,000	1,123,000	-	-
Larraín Leon Tomás	Chairman	1,055.00	30,000	31,650,000	-	-
Larraín Lyon Amalia	Chairman	1,120.15	1,877	2,102,513	-	-
Larraín Lyon Santiago	Chairman	1,118.91	2,575	2,881,202	-	-
Larraín Vial María Teresa	Chairman	1,046.03	49,710	51,998,211	-	-
Larraín Vial Rodrigo	Chairman	1,077.82	233,000	251,132,000	-	-
Marambio Larraín Bernardita	Chairman	1,123.00	1,000	1,123,000	-	-
Marambio Larraín Carlos José	Chairman	1,123.00	1,000	1,123,000	-	-
Marambio Larraín Guadalupe	Chairman	1,123.00	1,000	1,123,000	-	-
Marambio Larraín Isabel	Chairman	1,123.00	1,000	1,123,000	-	-
Marín y Cía. S.A.	Director	1,052.58	520,000	547,343,012	-	-
Inversiones Abbae SpA	Director	1,120.55	-	-	20,000	22,411,000
Ases. e Inv. Glamys Ltda.	Manager	1,062.00	5,000	5,310,000	-	-
Hurtado Cerda Adolfo	Manager	1,125.00	-	-	33,600	37,800,000

RISK MANAGEMENT

Viña Concha y Toro’s business is exposed to a series of risks, due to the fact that the company participates in all stages of the production and sale of wines.

AGRICULTURAL RISKS

In the agricultural area, weather phenomena such as droughts or frost, pests and fungi, among others, may affect the production yields of proprietary and third-party vineyards, affecting the quality and availability of grapes and, potentially, the price of grapes or wines that are purchased from third parties, which may have an impact on the company’s product supply and its profitability.

RISKS ASSOCIATED WITH CHANGES IN TAX LAWS AND INTERPRETATIONS

The company and its subsidiaries are subject to tax laws and regulations in Chile, Argentina, the United States, the United Kingdoms, and the countries in which they operate. Changes in these laws may affect the company’s results, as well as its normal operation.

RISKS ASSOCIATED WITH GOVERNMENT REGULATIONS

The production and sale of wine is subject to extensive regulation in Chile and abroad. These regulations are intended to control licensing requirements, price fixing and sales practices, product labeling, advertising, and relationships with distributors and wholesalers, and others. It is currently not possible to guarantee that new regulations or revisions of current regulations will not have adverse effects on the company’s activities and the results of its operations.

It is noted that legal and regulatory modifications related to the Water Code are currently being discussed in Chile. Water rights are an essential asset for Viña Concha y Toro, and as such these possible reforms constitute a risk factor. Although the current draft reform does not affect the acquired rights, it incorporates new powers for the authority which may result in an eventual lapse of rights. The company has incorporated this risk into its Risk Matrix, together with the necessary measures to avoid possible expirations.

RISKS ASSOCIATED WITH DEPENDENCE ON DISTRIBUTORS

The company depends on distributors to sell its products in export markets. As of December 31, 2017, approximately 33% of the company’s sales were made through independent distributors, who also distribute wines from other sources that compete directly with Viña Concha y Toro’s products. There is a risk that distributors prioritize the sale of wines from other sources, affecting the sale of the company’s products. In turn, it is not possible to guarantee that distributors will continue to sell the company’s products or provide adequate levels of promotion for them.

RISKS ASSOCIATED WITH DEPENDENCE ON SUPPLIERS

The company’s bottle supply depends mainly on Cristalerías Chile S.A. (“Cristalerías”), whose majority shareholder is Viña Santa Rita S.A. (“Santa Rita”), one of the company’s maintain competitors in Chile. Although there are other bottle suppliers with lower production capacity, interruption in the supply of bottles by Cristalerías could have impact on Viña Concha y Toro’s normal operations.

The company has a license from Tetra Pak de Chile Comercial Ltda (“Tetra Pak Chile”) to package wine in Tetra Brik containers, and it

purchases these containers from Tetra Pak Chile. Although there are alternative suppliers, a disruption in supply from Tetra Pak Chile could have a negative impact on the company’s normal operations.

The company meets its grape demand through its own production and the purchase of grapes from independent growers. Disruptions in the supply of grapes from independent growers or increases in the purchase price could have a negative effect on its normal operations.

RISKS ASSOCIATED WITH CONSUMPTION

The company’s success depends on several factors that may impact consumption levels and patterns in Chile and export markets. These factors include the current economic situation, tax rates, deductibility of expenses under current tax laws, consumer preferences, consumer confidence, and consumers’ purchasing power.

RISKS ASSOCIATED WITH THE DIFFICULTY OF ENFORCING RULINGS ISSUED ACCORDING TO THE UNITED STATES SECURITIES ACT

The ability of an American Depositary Shares (“ADS”) holder to enforce rulings issued under federal United States security laws against the company or its directors and main executives may be limited by several factors.

The company, its directors and main executives keep their homes and almost all of their assets outside of US territory. However, since 2011, the company has held assets in the United States (Fetzer Vineyards, Excelsior, VCT USA, Inc.), which would make it possible to validly effect service of process in US territory, as well as to enforce rulings issued in the United States against the company or its directors and executives, in accordance with US federal securities laws.

There are no treaties in force between Chile and the United States on the reciprocal enforcement of rulings. However, Chilean courts have enforced rulings issued in the United States when certain minimum legal requirements are met. A ruling issued by a United States court may conflict with Chilean jurisdiction if it somehow affects properties located in Chile. Therefore, and due to the fact that the securities issued by the company could be considered to be assets located in Chilean territory, there is the risk that these rulings may be unenforceable in Chile, notwithstanding the ability of the complainant to enforce the ruling in the United States against the company’s assets in the US.

Proceedings initiated in Chile against the company or its administrators by a shareholder shall be subject either to the rulings of ordinary courts or ex aequo et bono arbitration. Shareholders who hold shares with a value equivalent to less than UF 5,000 may withdraw their claims from ex aequo et bono arbitration and file a claim under the jurisdiction of ordinary courts. Notwithstanding the foregoing, ADS holders who decide to file a claim in Chile must base their claims on violations of Chilean law.

RISKS ASSOCIATED WITH SEASONALITY

The wine industry, and the company, have historically experienced seasonal fluctuations both in their sales and net income. In the past, the company has registered lower revenues during the first quarter, and increased revenues during the third and fourth quarters, a trend which it expects to continue. Sales may fluctuate significantly from quarter to quarter, depending on certain public holidays and promotional periods, and the rate of inventory reduction of distributors from sales to retailers. Sales volumes tend to decrease when distributors begin the quarter with higher inventory volumes, which typically occurs during the first quarter of each year.

RISKS ASSOCIATED WITH THE CHILEAN ECONOMY

As of December 31, 2017, 78% of the company's total non-current assets were located in Chile. Historically, wine sales in the domestic market have been highly correlated with the prevailing economic situation in the country. Accordingly, the company's financial position and results depend to a significant degree on prevailing economic conditions in Chile.

RISKS ASSOCIATED WITH VOLATILITY AND LOW LIQUIDITY OF CHILEAN STOCK EXCHANGES

Chilean stock exchanges are smaller, have lower liquidity and higher volatility than stock markets in the United States.

RISKS ASSOCIATED WITH VARIATIONS IN EXCHANGE RATES

The Chilean peso has registered various fluctuations over the years and may be subject to further changes in the future. Changes in exchange rates with

respect to the Chilean peso may have negative effects on the company's financial position and operating results. In international markets, the company sells its products in US dollars, British pounds, euros, Brazilian reais, Swedish krona, Norwegian kroner, Mexican pesos, Argentine pesos, and Canadian dollars, among others. It also has overseas subsidiaries in Argentina, the United States, the United Kingdom, Brazil, Sweden, Finland, Norway, France, Mexico, Canada, Singapore, China, South Africa and Japan, whose assets are denominated in various currencies which are subject to exchange rate fluctuations.

In order to minimize the effects of variations in exchange rates on revenue, costs, assets and liabilities, the company monitors its exposure in each of the 13 currencies on its balance sheets on a daily basis, entering into derivatives contracts or other instruments with major banks to match these positions.

Further risk information and analysis can be found in Note 5 of the Consolidated Financial Statements–Financial Risk Management.

CREDIT RATING

The credit ratings for the company's publicly-traded securities as of December 2017, issued by two independent agencies, are as follows:

INSTRUMENT	HUMPHREYS LTDA	FELLER - RATE
	1° Class Level 1	1° Class Level 2
Shares		
Line of bonds N°407	AA-	AA-
Line of bonds N°574 and 575	AA-	AA-
Line of bonds N°840 and 841	AA-	AA-
Line of bonds N° 876	AA-	AA-
Line of commercial paper N°49	Level 1+ / AA	Level 1+ / AA-

EXTERNAL AUDITORS

KPMG Auditores Consultores Limitada.

MAIN LEGAL ADVISERS

- Uribe, Hübner & Canales
- Baker & McKenzie
- Cruzat, Vicuña y De Larraechea Abogados
- Ossandón Abogados
- Sargent & Krahn

SUMMARY OF COMMENTS AND PROPOSALS

The comments and proposals made by the Directors Committee are incorporated in the Annual Management Report, contained in this Annual Report.

PROPERTIES

In Chile, the company’s main properties are its vineyards, winemaking cellars and bottling plants. It owns 17,784 hectares of land in Chile, distributed throughout ten grape-growing valleys. The total area of planted vineyards includes some long-term leases that the company has in the valleys of Casablanca, Maipo and Colchagua. Of this total, 10,892 hectares correspond to arable land, 9,717 of which are planted.

In Argentina, the company owns 1,503 hectares of land, 1,425 hectares of which is arable land and 1,140 hectares are planted.

In the United States, Fetzer Vineyards has 466 hectares of arable land (including proprietary and long-term leased vineyards), with a planted area of 462 hectares.

PRODUCTION PLANTS AND EQUIPMENT

In Chile, Viña Concha y Toro has 15 proprietary production plants. Their distribution throughout the country’s different grape-growing regions aims to increase the efficiency of winemaking processes, and improve the quality of grapes and wines.

The company uses a combination of epoxy-lined cement tanks, stainless steel tanks and American and French oak barrels to ferment, age and store its wines. It also uses world-class technological equipment for harvesting, winemaking, aging and production. As of December 2017, the total capacity of winemaking and aging in Chile was 420 million liters and 48 thousand barrels.

Viña Concha y Toro owns four modern bottling plants located in Pirque (Santiago Metropolitan Region), Vespuccio (Santiago Metropolitan Region), Lo Espejo (Santiago Metropolitan Region) and Lontué (VII Region).

In Mendoza, Argentina, Trivento Bodegas y Viñedos has two winemaking and aging facilities, with a total capacity of 35 million liters, as well as a bottling plant. In California, USA, Fetzer Vineyards has one winemaking cellar with a capacity of 34 million liters, as well as a bottling plant.

INVESTMENT AND FINANCING POLICY

The company’s investments are aimed at sustaining growth and the normal replacement of operating assets, upgrades, new facilities for expanding and improving production capacity, and land acquisitions to plant vineyards. In 2017, investments in fixed assets totaled Ch\$47,630 million. These investments were financed by the company’s operating cash flow and external sources.

BRANDS

Viña Concha y Toro markets its products under proprietary, duly-registered and valid brands. The main brands include Concha y Toro and sub-brands Don Melchor, Amelia, Terrunyo, Marques de Casa Concha, Subercaseaux, Trio, Casillero del Diablo, SBX, Sunrise, Sendero, Frontera, Tocornal, Maipo and Tenta. The following subsidiaries have registered their brands: Cono Sur, Isla Negra, Ocio, 20 Barrels, Bicicleta, Palo Alto, Maycas del Limarí, Los Robles, La Trilla, Trivento, Eolo, Pampas del Sur, La Chamiza, Fetzer, Bonterra, Jekel, Coldwater Creek, Eagle Peak, Sanctuary, Sundial, Valley Oaks, Bel Arbor, Stony Brook, Five Rivers, Pacific Bay and 1000 Stories, among others.

INSURANCE

Viña Concha y Toro and its subsidiaries have contracts with world-class insurance companies. These contracts enable the company’s physical assets such as winemaking cellars, plants, inventories, supplies, buildings and their contents, vehicles and machinery, among others, to be insured against risks such as fire, breakdown of machinery, earthquakes, and damages due to business interruption that any of these risks may cause to its operations. In addition, the company has insurance for non-contractual civil liabilities that might exist for material damage and/or bodily harm caused to third parties resulting from its activity, as well as civil liability of directors and executives. Finally, it also has credit insurance for both domestic sales and exports. For more details regarding this insurance, see Note 5 of the Consolidated Financial Statements in the Credit Risk section.

SUMMARY OF MATERIAL INFORMATION PUBLISHED IN 2017

During the 2017 financial year, the company provided the former Superintendence of Securities and Insurance, now the Commission for the Financial Market (CMF), and the various stock exchanges in the country with the following material information:

CREATION OF A NEW SUBSIDIARY

On January 4, 2017, the Board of Directors' decision to incorporate a subsidiary whose purpose is to manage the real estate area in order to maximize the financial value of some of the company's real estate assets was disclosed. This material information was complemented with another publication on January 5, which provided additional information on this new subsidiary upon the request of the regulator.

DISTRIBUTION AND PAYMENT OF INTERIM DIVIDEND

On January 26, 2017, the Board of Directors' decision of January 26 to distribute interim dividend No. 266 from the earnings of the 2016 financial year was disclosed.

CALLING OF ANNUAL GENERAL MEETING FOR APRIL 24, 2017

On March 10, 2017, the Board of Directors' decision in an extraordinary meeting of the same date to call the Annual General Meeting for April 24, 2017 was disclosed.

PROPOSAL AT THE ANNUAL GENERAL MEETING

On March 30, 2017, the Board of Directors' decision to propose at the Annual General Meeting the payment of a final dividend of Ch\$16.8 and maintain the current dividend policy was disclosed. Additionally, the Board of Directors agreed to propose at the Annual General Meeting that the dividend policy approved for 2016 be maintained in 2017.

RESOLUTIONS OF THE ANNUAL GENERAL MEETING

On April 24, it was disclosed that Viña Concha y Toro S.A.'s Annual General Meeting had been held on the same date. At the meeting, the following resolutions were adopted, among others:

- To distribute dividend No. 267 for the amount of Ch\$16.8 as a final dividend from the earnings in the 2016 financial year.
- To maintain the dividend policy of distributing 40% of net income, excluding that generated by Fetzter Vineyards. The dividend policy is subject to the company's cash flow availability.
- Election of the company's new Board of Directors, which was composed of Alfonso Larraín Santa María, Rafael Guilisasti Gana, Rafael Marín Jordán, Pablo Guilisasti Gana, Jorge Desormeaux Jiménez, Andrés Larraín Santa María and Mariano Fontecilla de Santiago Concha.
- Agreement of the Board of Directors regarding the chairmanship and vice-chairmanship of the board, and the members of the Directors Committee.

APPOINTMENT OF BOARD OF DIRECTORS AND MEMBERS OF THE DIRECTORS COMMITTEE

On April 24, 2017, it was disclosed that an extraordinary Board of Directors meeting had been held, in which Mr. Alfonso Larraín Santa María was appointed as Chairman and Mr. Rafael Guilisasti Gana as Vice-Chairman. Similarly, the appointment of independent director Mr. Jorge Desormeaux Jiménez as a Directors Committee member was agreed, who in turn appointed Mr. Rafael Marín Jordán and Mr. Rafael Guilisasti Gana as members of the aforementioned Committee.

DISTRIBUTION OF DIVIDENDS

On April 25, the decision to distribute interim dividend No. 267 was disclosed, in accordance with circular No. 660 of the former Superintendence of Securities and Insurance.

On September 1, the Board of Directors' decision of August 31 to distribute interim dividend No. 268 from the Reserve Fund for Future Dividends was disclosed. This dividend was paid from September 29, 2017.

On December 1, the Board of Directors' Decision of November 30 to distribute interim dividend No. 269 from the Reserve Fund for Future Dividends was disclosed. This dividend was paid from Friday, December 29, 2017.

5



CHAPTER 5

SUBSIDIARIES AND AFFILIATED COMPANIES

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Subsidiaries

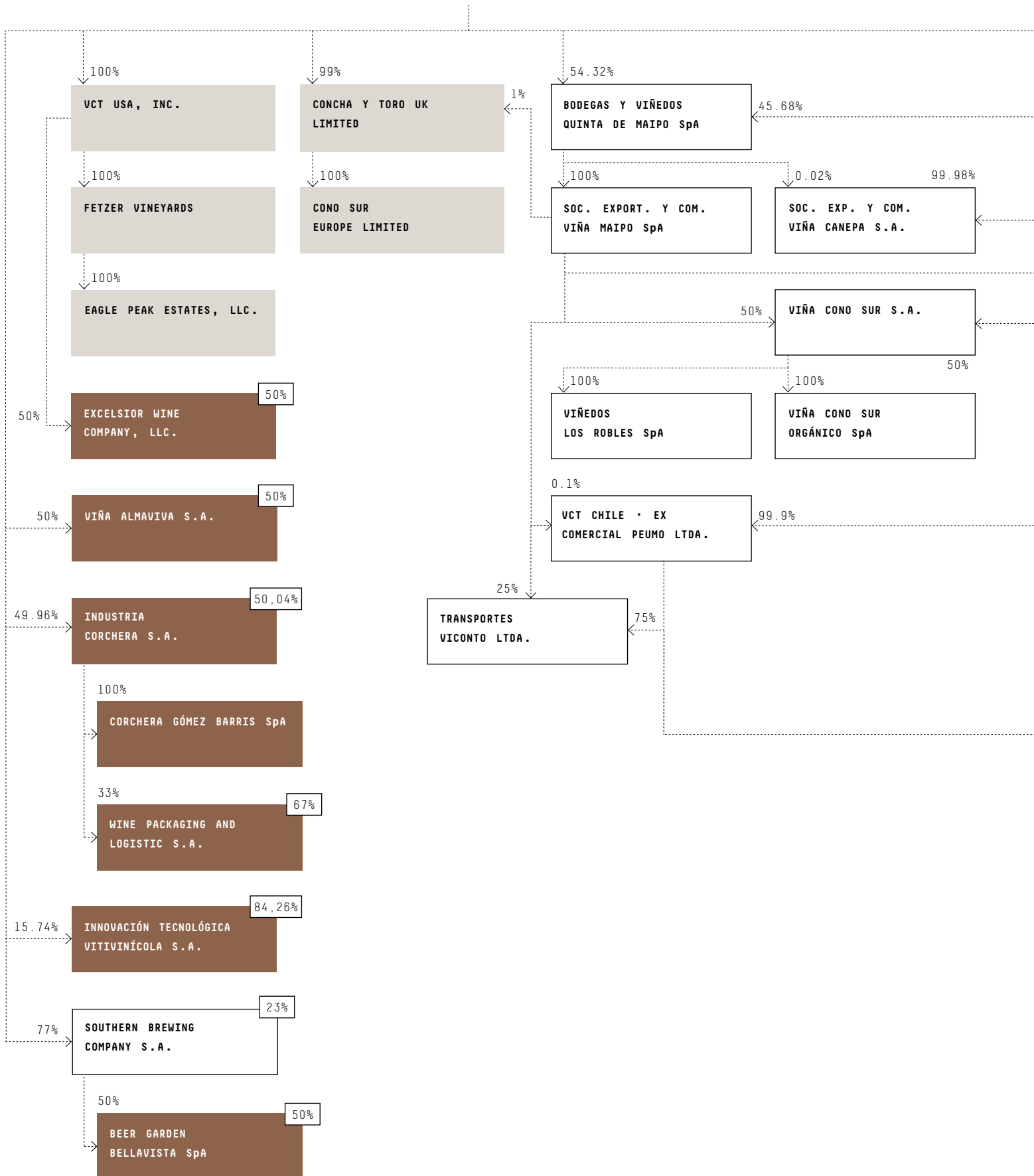
98

Affiliated Companies





VIÑA CONCHA Y TORO



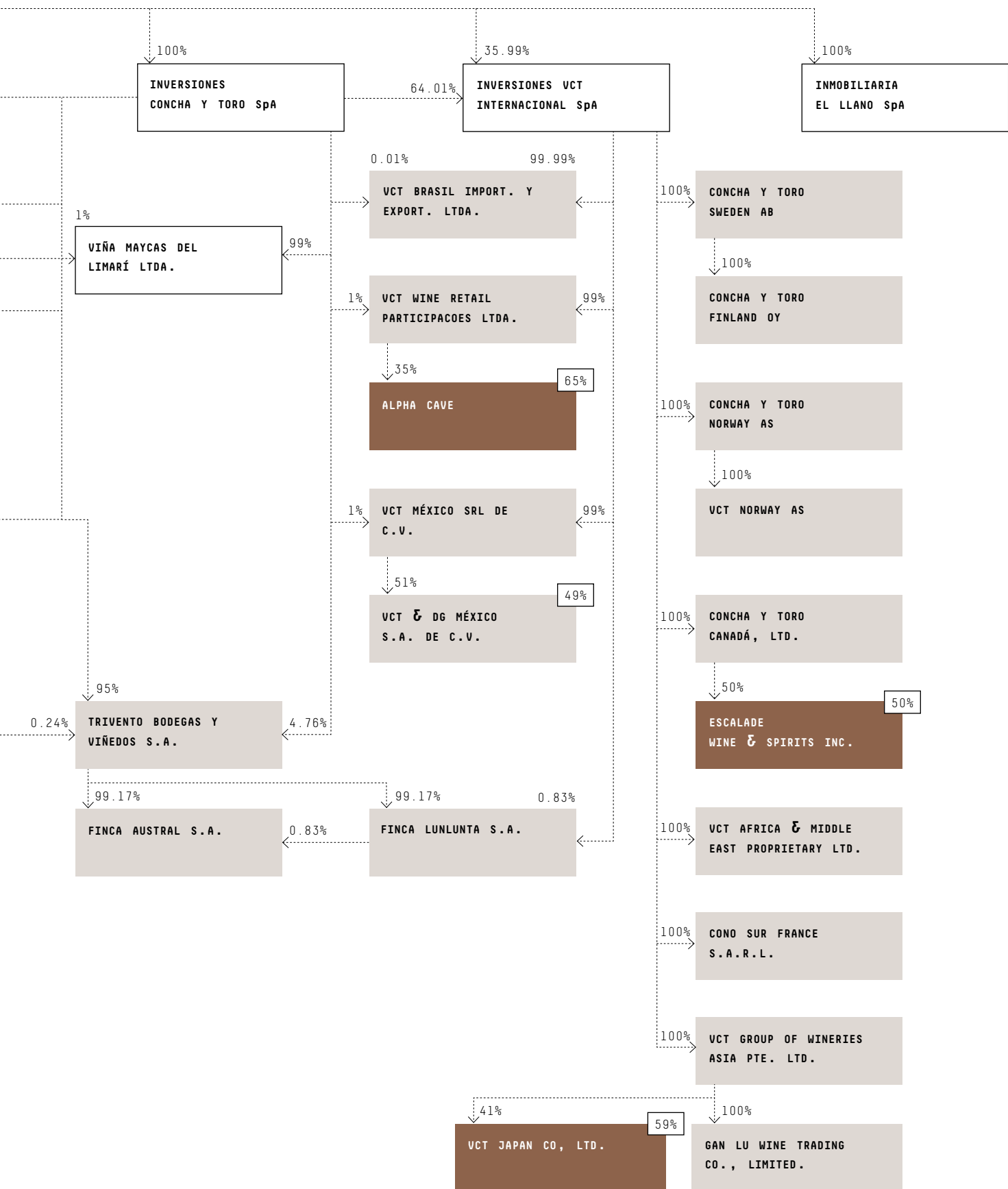
NATIONAL SOCIETIES



FOREIGN SOCIETIES



AFFILIATED COMPANIES (PARTICIPATION EQUAL OR LESS THAN 50%)



SUBSIDIARIES

INVERSIONES CONCHA Y TORO

Tax ID No. (RUT): 96.921.850-K
Address: Virginia Subercaseaux 210, Pirque, Santiago.
% ownership (direct and indirect): 100%
Subscribed and paid-up capital: ThCh\$14,606,199
Corporate purpose
Investment in all types of tangible and intangible assets, immovable and movable, in order to receive proceeds or returns. Incorporating, forming part of, or acquiring stakes or shares in companies.
In the fulfillment of its corporate purpose, the company does not conduct commercial activities.
Relationship with the parent company
It manages some subsidiary companies. Inversiones Concha y Toro SpA owns 50% of Viña Cono Sur S.A., 45.68% of Bodegas y Viñedos Quinta de Maipo SpA, 64.01% of Inversiones VCT Internacional SpA, 99.9% of Comercial Peumo Limitada, 0.01% of VCT Brasil Importación y Exportación Limitada, 99.98% of Sociedad Exportadora y Comercial Viña Canepa S.A., 99% of Viña Maycas del Limarí Limitada, 1% of VCT Mexico S.R.L. de C.V., 95% of Trivento Bodegas y Viñedos SpA and 1% of VCT Wine Retail Participacoes Ltda. All of the above are subsidiaries of the parent company.
CEO
Eduardo Guilisasti Gana (D)
Management
Managed by Viña Concha y Toro S.A. through specially appointed representatives.

INVERSIONES VCT INTERNACIONAL SpA

Tax ID No. (RUT): 99.513.110-2
Address: Virginia Subercaseaux 210, Pirque, Santiago.
% ownership (direct and indirect): 100%
Subscribed and paid-up capital: ThCh\$18,540,470
Corporate purpose
Making permanent or lease investments in all types of movable or immovable property, tangible or intangible, related to the parent company's business; as well as incorporating and participating in all types of companies, preferably overseas.
In the fulfillment of its corporate purpose, the company does not conduct commercial activities.
Relationship with the parent company
This company owns 99.99% of Brazilian subsidiary VCT Brasil Importación y Exportación Limitada, 100% of VCT Sweden AB, 100% of Concha y Toro Norway AS, 100% of VCT Group of Wineries Asia Pte.Ltd., 100% of VCT Africa & Middle East Proprietary Limited, 100% of Concha y Toro Canada Ltd. and 99% of VCT México S.R.L. de C.V, as well as 4.759% of Argentinean subsidiaries Trivento Bodegas y Viñedos S.A. and 0.83% of Finca Lunlunta S.A. It also owns 100% of Cono Sur France S.A.R.L. and 99% of VCT Wine Retail Participacoes Ltda.
CEO
Eduardo Guilisasti Gana (M)
Management
Managed by Viña Concha y Toro S.A. through specially appointed representatives.

VCT CHILE (EX COMERCIAL PEUMO LTDA.)

Tax ID No. (RUT): 85.037.900-9
Address: Avda. Santa Rosa 0837, Paradero 43, Puente Alto, Santiago.
% ownership (direct and indirect): 100%
Subscribed and paid-up capital: ThCh\$2,617,586
Corporate purpose
To carry out all types of commercial transactions, in particular the import and export, purchase, sale, distribution, acquisition and sale (in general) of all types of merchandise within and outside of Chile. To conduct business in any form and all other businesses agreed by the partners.
Relationship with the parent company
This company owns 75% of the parent company's subsidiary Transportes Viconto Ltda. and 0.241% of Trivento Bodegas y Viñedos S.A.
It engages in the sale, distribution and marketing of products produced by the parent company and its subsidiaries in Chile. VCT Chile carries out these activities through a specialized sales force in both wholesale and retail markets, as well as online.
CEO
Niclas Blomstrom Bjuvman (MS)
Main contracts with the parent company
Purchase and sale of wines and products of the parent company, and its subsidiaries and affiliated companies. Advertising services for the brands of the parent company and its subsidiaries.

VIÑA CONO SUR S.A.

Tax ID No. (RUT): 86.326.300-K
Address: Nueva Tajamar 481, Torre Norte, Piso 19, Las Condes, Santiago.
% ownership (direct and indirect): 100%
Subscribed and paid-up capital: ThCh\$497,171
Corporate purpose
Production, bottling, distribution, purchase, sale, export, import and marketing in any form of wines, sparkling wines and liquors.
Relationship with the parent company
Production and marketing of grapes and wines under its own brands.
This company owns 100% of Viñedos Los Robles SpA and 100% of Viña Cono Sur Orgánico SpA.
Directors
Eduardo Guilisasti Gana (Chairman) (M)
Osvaldo Solar Venegas (M)
Enrique Ortúzar Vergara (M)
CEO
Adolfo Hurtado Cerda
Main contracts with the parent company
Purchase and sale of grapes and products of the parent company and VCT Chile. Bottling services contract with the parent company.

BODEGAS Y VIÑEDOS
QUINTA DE MAIPO SpA

Tax ID No. (RUT): 84.712.500-4
Address: Virginia Subercaseaux 210, Pirque, Santiago.
% ownership (direct and indirect): 100%
Subscribed and paid-up capital: ThCh\$51,470
Corporate purpose
Production, bottling, labeling, distribution, purchase, sale, export, import and marketing in any form of wines and sparkling wines.
Relationship with the parent company
This company owns 100% of the parent company’s subsidiary Sociedad Exportadora y Comercial Viña Maipo SpA, and 0.0172% of Sociedad Exportadora y Comercial Viña Canepa S.A.
CEO
Paul Konar Elder
Management
Managed by Inversiones Concha y Toro SpA through representatives.
Main contracts with the parent company
Purchase and sale of wines and products.

SOCIEDAD EXPORTADORA Y COMERCIAL
VIÑA MAIPO SpA

Tax ID No. (RUT): 82.117.400-7
Address: Virginia Subercaseaux 210, Pirque, Santiago.
% ownership (direct and indirect): 100%
Subscribed and paid-up capital: ThCh\$22,922
Corporate purpose
Production, bottling, labeling, distribution, purchase, sale, export, import and marketing in any form of wines and sparkling wines.
Relationship with the parent company
This company owns 25% of the parent company’s subsidiary Transportes Viconto Ltda.; 1% of Concha y Toro UK Limited; 0.1% of VCT Chile; 50% of Viña Cono Sur S.A.; and 1% of Viña Maycas del Limarí Limitada.
CEO
Paul Konar Elder
Management
Managed by Concha y Toro SpA through specially appointed representatives.
Main contracts with the parent company
Purchase and sale of wines and products.

SOCIEDAD EXPORTADORA Y COMERCIAL
VIÑA CANEPA S.A.

Tax ID No. (RUT): 96.585.740-0
Address: Lo Espejo 1500, Cerrillos, Santiago.
% ownership (direct and indirect): 100%
Subscribed and paid-up capital: ThCh\$176,920
Corporate purpose
Production and bottling of wines and related products, marketing, purchase, sale, import and export of wines and other similar products, and the provision of promotional services, advertising,marketing and positioning of its products and brands.
Relationship with the parent company
Production and marketing of wines.
Directors
Alfonso Larraín Santa María (Chairman) (D)
Eduardo Guilisasti Gana (M)
Osvaldo Solar Venegas (M)
CEO
Eduardo Guilisasti Gana (M)
Main contracts with the parent company
Purchase and sale of wines and products.

VIÑEDOS LOS ROBLES SpA

Tax ID No. (RUT): 76.048.605-1
Address: Nueva Tajamar 481, Torre Norte, Oficina 306, Las Condes, Santiago.
% ownership (direct and indirect): 100%
Subscribed and paid-up capital: ThCh\$1,000
Corporate purpose
Production and bottling of wines or other related products, marketing, purchase, sale, import and export of wines or other similar products;
the provision of promotional services, advertising, marketing and positioning of its products and brands; and any other activity agreed by the shareholders.
Management
Managed by Viña Cono Sur S.A. through specially appointed representatives.
Main contracts with the parent company
Lease agreement and provision of winemaking and wine aging services.

VIÑAS MAYCAS DEL LIMARÍ LTDA.

Tax ID No. (RUT): 76.898.350-K
Address: Nueva Tajamar 481, Torre Norte, Oficina 505, Las Condes, Santiago.
% ownership (direct and indirect): 100%
Subscribed and paid-up capital: ThCh\$1,000
Corporate purpose
Production and bottling of wines and related products; marketing, purchase, sale import and export of wines and other similar products; the provision of promotional services, advertising, and positioning of its products and brands.
Management
Managed by Inversiones Concha y Toro SpA through representatives.
Main contracts with the parent company
Purchase and sale of wines and products.

TRANSPORTES VICONTO LTDA.

Tax ID No. (RUT): 85.687.300-5
Address: Avda. Santa Rosa 0821, Puente Alto, Santiago.
% ownership (direct and indirect): 100%
Subscribed and paid-up capital: ThCh\$35,076
Corporate purpose
Provision of all types of services related to transport and freight within and outside of the country, through the use of trucks and other similar means of transport.
Relationship with the parent company
It conducts the transport of products produced by the parent company and its subsidiaries to several points of sale and distribution. It carries out this function through owned or leased vehicles.
Management
Managed interchangeably by its shareholders Comercial Peumo Limitada and Sociedad Exportadora y Comercial Viña Maipo SpA, which act through representatives.
Main contracts with the parent company
Transport of bulk wine and end products.

VIÑA CONO SUR ORGÁNICO SpA

Tax ID No. (RUT): 76.273.678-0
Address: Nueva Tajamar 481, Torre Norte, Oficina 306, Las Condes, Santiago.
% ownership (direct and indirect): 100%
Subscribed and paid-up capital: ThCh\$1,000
Corporate purpose
The production, purchase and sale of organic grapes; production and bottling of organic wines; marketing, purchase, sale, import and export of organic wines.
Management
Managed by Viña Cono Sur S.A. through specially appointed representatives.
Main contracts with the parent company
Service provision contract for production of organic wines with the subsidiary Viña Cono Sur S.A.

**SOUTHERN BREWING COMPANY S.A.
(KROSS)**

Tax ID No. (RUT): 99.527.300-4
Address: Av. Santa María 5888, Vitacura, Santiago.
% ownership (direct and indirect): 77%
Subscribed and paid-up capital: ThCh\$ 2,065,808
Corporate purpose
Production of malt beverages and beers.
Relationship with the parent company
It has a distribution contract with Viña Concha y Toro subsidiary VCT Chile.
Directors
Christoph Schiess Schmitz (Chairman)
Eduardo Guilisasti Gana (M)
Osvaldo Solar Venegas (M)
Ignacio Izcue Elgart (M)
Rodrigo Infante Ossa
CEO
José Tomás Infante Güell
Main contracts with the parent company
Distribution contract for the marketing of Kross products.

INMOBILIARIA EL LLANO SpA.

Tax ID No. (RUT): 76.783.225-7
Address: Avenida Nueva Tajamar N° 481, oficina N° 1501, Torre Norte, Las Condes. Santiago.
% ownership (direct and indirect): 100%
Subscribed and paid-up capital: ThCh\$1,000
Corporate purpose
To carry out real estate activities in the broadest sense, in particular real estate investments and projects.
Directors
Eduardo Guilisasti Gana (M)
Andrés Larraín Santa María (D)
Osvaldo Solar Venegas (M)
CEO
Ernesto Hevia Balbontín
Main contracts with the parent company
To date, it does not have any contracts with the parent company.

TRIVENTO BODEGAS Y VIÑEDOS S.A.

Tax ID No. (RUT): 33-68989817-9
Address: Canal Pescara 9347, Russell C.P.5517, Maipú, Mendoza, Argentina.
% ownership (direct and indirect): 100%
Subscribed and paid-up capital: ThCh\$24,198,286
Corporate purpose
Production, marketing, bottling and labeling of wines and alcoholic beverages, import and export of wines and related products
Relationship with the parent company
Production in the Argentine Republic and marketing of grapes and wines under its own brands. It owns 99.17% of the parent company’s subsidiary Finca Lunlunta S.A. and 99.17% of Finca Austral S.A.
Directors
Alfonso Larraín Santa María (Chairman) (D)
Rafael Guilisasti (D)
Santiago de Jesús Ribisich
Alternate directors
Christian Linares
Alejandro Montarcé
Management Committee
Alfonso Larraín Santa María (D)
Eduardo Guilisasti Gana (M)
Andrés Larraín Santa María (D)
Tomás Larraín León (M)
Osvaldo Solar Venegas (M)
Daniel Durán Urizar (M)
Carlos Halaby Riadi
CEO
Santiago de Jesús Ribisich

FINCA AUSTRAL S.A.

Tax ID No. (RUT): 30-70997638-5
Address: Canal Pescara 9347, Russell C.P. 5517, Maipú, Mendoza, Argentina.
% ownership (direct and indirect): 100%
Subscribed and paid-up capital: ThCh\$2,435
Corporate purpose
Production, marketing, bottling and labeling of wines and alcoholic beverages, import and export of wines and related products.
Relationship with the parent company
Marketing of grapes and wines under its own brands.
Directors
Santiago de Jesús Ribisich (titular) (MS)
Alejandro Montarcé (suplente)
CEO
Santiago de Jesús Ribisich

FINCA LUNLUNTA S.A.

Tax ID No. (CUIT): 30-70913379-5
Address: Canal Pescara 9347, Russell C.P.5517, Maipú, Mendoza, Argentina.
% ownership (direct and indirect): 100%
Subscribed and paid-up capital: ThCh\$2,435
Corporate purpose
Production, marketing, bottling and labeling of wines and alcoholic beverages, import and export of wines and related products.
Relationship with the parent company
Marketing of grapes and wines under its own brands. It owns 0.83% of subsidiary Finca Austral S.A.
Directors
Santiago de Jesús Ribisich (titular) (MS)
Alejandro Montarcé (suplente)
CEO
Santiago de Jesús Ribisich

VCT BRASIL IMPORTACIÓN Y EXPORTACIÓN LIMITADA

Tax ID No. (CNPJ): 9.300.053/0001-00
Address: Rua Alcides Lourenço Rocha 167, 4° andar, Conj. 41 y 42 y 12o, Conj. 121 y 122, Cidade Monções, Sao Paulo, Brazil.
% ownership (direct and indirect): 100%
Subscribed and paid-up capital: ThCh\$154,247
Corporate purpose
The import, export, purchase, sale and distribution of wines, alcoholic and non-alcoholic beverages and similar products; carrying out the import, purchase, sale and distribution, and advertising, publicity, marketing, communications and promotions for each of the above items; conducting business in any form; providing advertising, publicity, marketing, communication and promotional services; and holding stakes in other companies as a partner or shareholder.
Relationship with the parent company
Distribution and brokerage of products of the parent company and some subsidiaries.
Co-managers
Guilherme Jose Bissoli
Ricardo Cabral Franco
Main contracts with the parent company
Purchase and sale of products of the parent company, its subsidiaries and affiliated companies.

VCT BRASIL WINE RETAIL PARTICIPAÇÕES LTDA.

Tax ID No. (CNPJ): 18.975.892/0001-01
Address: Rua Alcides Lourenço Rocha 167, 4° andar, Conj. 41 y 42, Cidade Monções, Sao Paulo, Brazil.
% ownership (direct and indirect): 100%
Subscribed and paid-up capital: ThCh\$627,463
Corporate purpose
Investment company whose aim is to consolidate Viña Concha y Toro’s investments in Brazil.
Relationship with the parent company
Its aim is to consolidate investments in Brazil, principally in the retail sector. It owns 35% of the affiliated company Alpha Cave Comércio de Vinhos S/A.
Directors
Ricardo Cabral Franco
Guilherme Jose Bissoli

CONO SUR EUROPE LIMITED

Company number: 5231308
Registrado en Inglaterra y Gales
Address: 1st Floor West Wing, Davidson House, Forbury Square, Reading, Berkshire, RG1 3 EU, Inglaterra.
% ownership (direct and indirect): 100%
Subscribed and paid-up capital: ThCh\$83
Corporate purpose
Import of wines and distribution in Europe
Director
Adolfo Hurtado Cerda

CONCHA Y TORO UK LIMITED

Company number: 4131411
Registrado en Inglaterra y Gales
Address: 9 Ashurst Court, London Road, Wheatley, Oxfordshire, OX33 1ER
% ownership (direct and indirect): 100%
Subscribed and paid-up capital: ThCh\$562
Corporate purpose
Import, distribution, sales and marketing in any form of wines and sparkling wines.
Relationship with the parent company
This company distributes products of the parent company, its subsidiaries and affiliated companies in the United Kingdom. It owns 100% of the subsidiary Cono Sur Europe Limited.
Directors
Osvaldo Solar Venegas (M)
Thomas Domeyko Cassel (M)
CEO
Simon Doyle
Main contracts with the parent company
Purchase and sale of products of the parent company, its subsidiaries and affiliated companies; promotion and advertising of these products.

VCT SWEDEN AB

O.N.: 556762-6816
Address: Döbelnsgatan 21, Estocolmo, Suecia.
% ownership (direct and indirect): 100%
Subscribed and paid-up capital: ThCh\$7,520
Corporate purpose
Import, export, sale and distribution of alcoholic beverages and related products.
Relationship with the parent company
This company distributes products of the parent company, its subsidiaries and affiliated companies in Sweden. This company owns 100% of the subsidiary VCT Finland OY.
Directors
Thomas Domeyko Cassel (M)
Christian Hargreaves
Peter Lidvall
Main contracts with the parent company
Purchase and sale of products of the parent company, its subsidiaries and affiliated companies.

CONCHA Y TORO NORWAY AS

O.N.: 993 253 391
Address: Karenslyst allé 10, Oslo, Norway.
% ownership (direct and indirect): 100%
Subscribed and paid-up capital: ThCh\$13,538
Corporate purpose
Import, export, sale and distribution of alcoholic beverages and related products.
Relationship with the parent company
This company distributes products of the parent company, its subsidiaries and affiliated companies in Norway. In addition, it owns 100% of the subsidiary VCT Norway AS.
Directors
Thomas Domeyko Cassel (M)
Peter Lidvall
Anne Eliasson
Main contracts with the parent company
Purchase and sale of products of the parent company, its subsidiaries and affiliated companies; promotion and advertising of these products.

VCT FINLAND OY

O.N.: 2223825-5
Address: Pietarinkuja 3, Helsinki, Finland.
% ownership (direct and indirect): 100%
Subscribed and paid-up capital: ThCh\$14,783
Corporate purpose
Import, export, sale and distribution of alcoholic beverages and related products.
Relationship with the parent company
This company distributes products of the parent company, its subsidiaries and affiliated companies in Finland.
Directors
Thomas Domeyko Cassel (M)
Peter Lidvall
Jaakko Siimeslahti
Main contracts with the parent company
Purchase and sale of products of the parent company, its subsidiaries and affiliated companies.

VCT NORWAY AS

Reg. Nº: 999 522 920
Address: Karenslyst Allé 10, Oslo, Norway.
% ownership (direct and indirect): 100%
Subscribed and paid-up capital: ThC,\$2,256
Corporate purpose
Import, export, sale and distribution of alcoholic beverages and related products.
Relationship with the parent company
This company distributes products of the parent company, its subsidiaries and affiliated companies in Norway.
Directors
Thomas Domeyko Cassel (M)
Peter Lidvall
Anne Eliasson
Main contracts with the parent company
Purchase and sale of products of the parent company, its subsidiaries and affiliated companies; promotion and advertising of these products.

CONO SUR FRANCE S.A.R.L.

Nº SIRET: 9375757600002
Address: 1 Venelle de Riviere, 29840 Lanildut, France.
% ownership (direct and indirect): 100%
Subscribed and paid-up capital: ThCh\$14,783
Corporate purpose
Export agent activities for the European, Eastern European, Middle East and Africa markets.
Relationship with the parent company
This company acts as an export agent and promoter of its parent company Viña Cono Sur S.A.’s wines in the European market.
CEO
François Le Chat
Main contracts with the parent company
Commission contract with Viña Cono Sur S.A.

GAN LU WINE TRADING (SHANGHAI) CO. LTD.

ID: 913101150576837460
Address: Room A, United Shin May Square 27 F, No.506 Shang Cheng Road, Pudong, Shanghai.
% ownership (direct and indirect): 100%
Subscribed and paid-up capital: ThCh\$88,127
Corporate purpose
Production, advertising and agency activities for wine products in the Asian market, in particular China.
Relationship with the parent company
This company acts as an export agent and promoter of wines of the parent company and other subsidiaries in Asia, in particular China.
Directors
Cristián López Pascual (M)
Enrique Ortúzar Vergara (M)
Andrea Benavides Hebel (M)
Main contracts with the parent company
Commission contracts with the parent company and its subsidiaries.

VCT GROUP OF WINERIES ASI PTE. LTD.

Registration Nº: 201006669D
Address: 8 Cross Street #10-00, PWC Building, Singapore.
% ownership (direct and indirect): 100%
Subscribed and paid-up capital: ThCh\$747,357
Corporate purpose
Import and reexport of Chilean and Argentinean wines in the Asian market. It is also dedicated to the promotion and advertising of wine products in Singapore and the Asian market.
Relationship with the parent company
This company acts as an export agent and promoter of the wines of the parent company and other subsidiaries in the Asian market. In addition, it owns100% of the subsidiary Gan Lu Wine Trading (Shanghai) Co. Ltd. and 41% of the affiliated company VCT Japan Co. Ltd.
Directors
Alfonso Larraín Santa María (D)
Andrea Benavides Hebel (M)
Osvaldo Solar Venegas (M)
Cristián López Pascual (M)
Guy Andrew Nussey
Regional Director
Guy Andrew Nussey
Main contracts with the parent company
Commission contract with the parent company and subsidiaries.

FETZER VINEYARDS

EIN Nº: 94-2458321
Address: 12901 Old River Road, Hopland, CA 95449, United States.
% ownership (direct and indirect): 100%
Subscribed and paid-up capital: ThCh\$143,572,600
Corporate purpose
The production, marketing and bottling of wines and alcoholic beverages, import and export of wines and similar products.
Relationship with the parent company
Production in the US and marketing of grapes and wines under its own brands It also owns 100% of the subsidiary Eagle Peak Estates, LLC.
Directors
Eduardo Guilisasti Gana (Chairman) (M)
Jorge Desormeaux Jiménez (D)
Rafael Guilisasti Gana (D)
Osvaldo Solar Venegas (M)
CEO
Giancarlo Bianchetti González

EAGLE PEAK ESTATES, LLC.

EIN Nº: 47-2185056
Address: 375 Healdsburg Ave., Suite 200, Healdsburg, Sonoma, CA 95448, United States.
% ownership (direct and indirect): 100%
Subscribed and paid-up capital: ThCh\$ 6,148
Corporate purpose
Marketing, bottling of wines and alcoholic beverages, import and export of wines and related products.
Relationship with the parent company
It does not maintain a direct contractual relationship with Viña Concha y Toro.
Directors
Giancarlo Bianchetti González (Chairman) Jorge Lyng Benítez (Vice-Chairman)
Cindy DeVries (Vice-Chairwoman)

VCT USA, INC.

EIN Nº: 33-1220465
Address: 160 Greentree Drive, Suite 101, Delaware 19904, United States.
% ownership (direct and indirect): 100%
Subscribed and paid-up capital: ThCh\$67,622,500
Corporate purpose
Investment company whose aim is to consolidate the investments of Viña Concha y Toro in the United States.
Relationship with the parent company
Company owned 100% by Viña Concha y Toro, which consolidates investments in the United States. It also owns 100% of Fetzer Vineyards and 50% of Excelsior Wine Company, LLC.
Directors
Alfonso Larraín Santa María (D)
Eduardo Guilisasti Gana (M)
Osvaldo Solar Venegas (M)

VCT AFRICA & MIDDLE EAST PROPRIETARY LIMITED

Número de Registro: 2012/009704/07
Número Tributario (VAT): 4930260635
Address: 1 Century Way, The Colosseum, Foyer 3, 1st Floor. Century City, Cape Town, South Africa.
% ownership (direct and indirect): 100%
Subscribed and paid-up capital: ThCh\$14,919
Corporate purpose
To promote the sales of products of Concha y Toro and its subsidiaries in South Africa and other territories.
Relationship with the parent company
This company acts as a sales promoter for the products of Concha y Toro and its subsidiaries in South Africa and other territories.
Director
Enrique Ortúzar Vergara (M)
Manager
Diego Baeza Contreras

VCT MÉXICO S.R.L DE C.V.

Número Tributario: VME110815LJ3

Address: Carretera Picacho a Jusco 238 502 A., Jardines en la Montaña, Distrito Federal 14210, Mexico.

% ownership (direct and indirect): 100%

Subscribed and paid-up capital: ThCh\$287,413

Corporate purpose

Investment company whose aim is to consolidate Viña Concha y Toro’s investments in Mexico.

Relationship with the parent company

Owner of 51% of VCT & DG México S.A. de C.V.

Directorio

Osvaldo Solar Venegas (M)

Enrique Ortúzar Vergara (M)

Cristián Ceppi Lewin (M)

VCT&DG MÉXICO S.A. DE C.V.

Número Tributario: VAD1111076E1

Address: Bosque de los Ciruelos 304, 7 Bosques de Las Lomas, Distrito Federal 11700, Mexico.

% ownership (direct and indirect): 51%

Subscribed and paid-up capital: ThCh\$502,044

Corporate purpose

Company whose aim is to consolidate the distribution of Viña Concha y Toro’s products in Mexico.

Relationship with the parent company

To distribute products of the parent company and its subsidiaries in Mexico.

Directors

Alfonso Larraín Santa María (D)

Enrique Ortúzar Vergara (M)

Cristián Ceppi Lewin (M)

Rodrigo Álvarez González

Claudio Álvarez Roiz

Director Comercial

Aldo Velázquez

Director Operacional

Ana Paula Niembro

CONCHA Y TORO CANADA, LTD.

Número Tributario: 845322502

Address: 44 Chipman Hill, Suite 1000. P.O. Box 7289, Stn. “A”. Saint John, N.B. E2L 4S6, Canada.

% ownership (direct and indirect): 100%

Subscribed and paid-up capital: ThCh\$393,340

Corporate purpose

Investment company whose aim is to consolidate Viña Concha y Toro’s investments in Canada.

Relationship with the parent company

Owner of 50% of Escalade Wines & Spirits Inc.

Directors

Enrique Ortúzar Vergara (M)



AFFILIATED COMPANIES

BEER GARDEN BELLAVISTA SpA.

Tax ID No. (RUT): 99.527.300-4
Address: Américo Vespucio 2.500 of. 701, Las Condes. Santiago
% ownership (direct and indirect): 38,5%
Subscribed and paid-up capital: ThCh\$70,000,000
Corporate purpose
Implementation, development and operation of all types of restaurants, bars and other establishments in the culinary and entertainment sector, in particular those associated with the sale of craft beer under the “Kross”® brand.
Directors
Carlos Brito Claissac
José Tomás Infante Güell
Jerome Georges Marcel Reynes
Contratos con personas relacionadas
It maintains a supply contract and license with Southern Brewing Company S.A. [Kross].

EXCELSIOR WINE COMPANY, LLC.

EIN Nº: 45-2968791
Address: 1209 Orange Street, Wilmington, DE 19801, United States.
% ownership (direct and indirect): 50%
Subscribed and paid-up capital: ThCh\$614,750
Corporate purpose
The distribution of products of Viña Concha y Toro S.A., Trivento Bodegas y Viñedos S.A. and some of Fetzer Vineyards’s brands in the United States market.
Relationship with the parent company
Markets and distributes products of Viña Concha y Toro and its subsidiaries in the United States.
Directors
Giancarlo Bianchetti González (MS) (Chairman)
Cristina Mariani-May
Eduardo Guilisasti Gana (M)
Rafael Guilisasti Gana (D)
Juan Pérez Vega
James Mariani
Chairman
Marc Goodrich
Main contracts with the parent company
Purchase and sale of products of the parent company, its subsidiaries and affiliated companies; promotion and advertising of these products.

ESCALADE WINES & SPIRITS INC.

Número Tributario: 821482783RT0001
Address: 5006 Timberlea Suite 1, Mississauga, Ontario, Canada.
% ownership (direct and indirect): 50%
Subscribed and paid-up capital: ThCh\$785,686
Corporate purpose
Import, export, sale, production and distribution of alcoholic beverages.
Relationship with the parent company
This company acts as an export agent and distributor of the wines of Viña Concha y Toro and other subsidiaries in the Canadian market.
Directors
Duncan Hobbs (Chairman)
Thomas Domeyko Cassel (M)
Osvaldo Solar Venegas (M)
Carlos Longhi Leinenweber
Houng Vu
Brigitte Lachance
CEO
Felipe del Solar Leefhelm

VCT JAPAN COMPANY LTD.

Número Social: 01112-01-017295
Address: 4-10-2 Nakano, Nakano-ward, Tokyo, Japan.
% ownership (direct and indirect): 41%
Subscribed and paid-up capital: ThCh\$,47.347
Corporate purpose
The import, export, sale and distribution of alcoholic beverages.
Relationship with the parent company
Joint venture with a local distributor, whose aim is to strengthen the sale of products of Concha y Toro and some of its subsidiaries in the Japanese market.
Directors
Kazuyuki Sugiyama
Osamu Wada
Satoshi Mikami
Cristián López Pascual
Guy Andrew Nussey

INDUSTRIA CORCHERA S.A.

Tax ID No. (RUT): 90.950.000-1
Address: Jorge Cáceres 220, La Cisterna, Santiago.
% ownership (direct and indirect): 49,963%
Subscribed and paid-up capital: 5,796,064
Corporate purpose
The manufacturing, production, import and export, distribution and marketing of cork and its derivatives or substitutes, such as caps or lids.
The representation of machinery and other supplies; the provision of services for the wine industry, making investments in rural or urban real estate, its purchase, sale and construction, on its own behalf or that of a third party, administrating such real estate and receiving its returns; and carrying out other business related with the corporate purpose.
Relationship with the parent company
It provides corks and other supplies to Viña Concha y Toro, its subsidiaries and affiliated companies.

Directors
Rafael Guilisasti Gana (Chairman) (D)
Antonio Ataide Pereira
Christophe Fouquet
Osvaldo Solar Venegas (M)

Alternate directors
Pablo Guilisasti Gana (D)
Felipe Fellay Rodríguez
Antonio Ríos Amorim
Andrea Benavides Hebel

CEO
Juan de Magalhaes-Calvet
Main contracts with the parent company
Supply contract for cork and other supplies (caps, lids, capsules and other similar products).

CORCHERA GÓMEZ BARRIS S.A.

Tax ID No. (RUT): 76.410.919-8
Address: Jorge Cáceres N° 220, La Cisterna, Santiago
% ownership (direct and indirect): Industria Corchera S.A owns 100% of Corchera Gómez Barris SpA
Capital: ThCh\$380,050
Corporate purpose
The production, distribution, marketing, purchase and sale of corks and lids for bottles, machinery, tools and equipment used in the wine industry, and the provision of bottling and logistics services.
Relationship with the parent company
It does not maintain a direct commercial relationship with Viña Concha y Toro.

Management
Managed by the company’s shareholders, who, acting unanimously through a declaration recorded in a public document or adopting a decision at the shareholders’ meeting, may appoint one or more representatives. As recorded in the public document of October 5, 2016, granted in the notary public office of Mr. Francisco Javier Leiva Carvajal in Santiago, any two of following individuals, acting jointly, may represent the company with the restrictions indicated in the aforementioned public document:
Rafael Guilisasti Gana
Osvaldo Solar Venegas
Juan de Magalhaes-Calvet del Solar
Luis Felipe Fellay Rodríguez

CEO
Juan de Magalhaes-Calvet del
Main contracts with the parent company
It does not maintain a direct contractual relationship with Viña Concha y Toro.

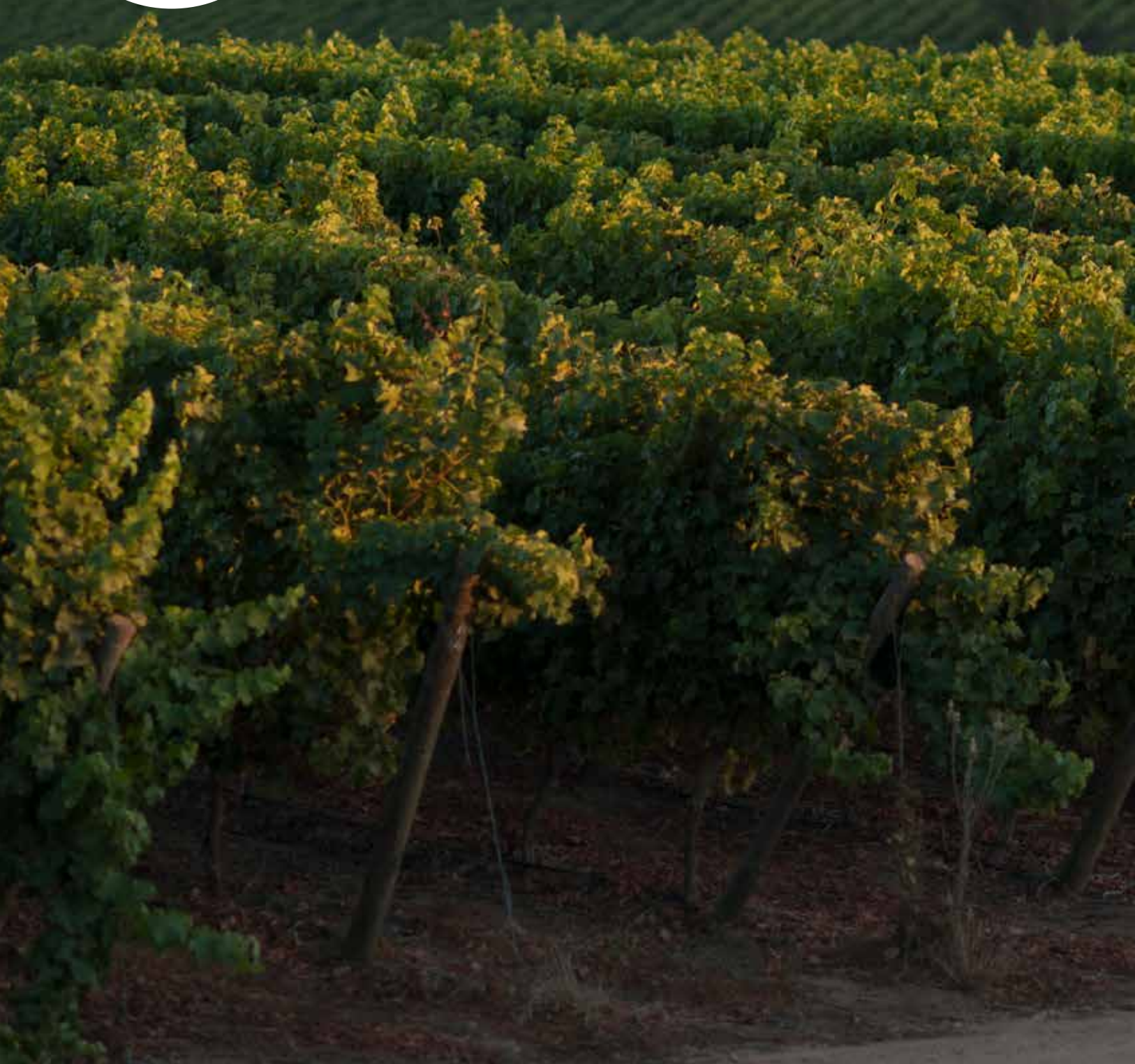
VIÑA ALMAVIVA S.A.

Tax ID No. (RUT): 96.824.300-4
Address: Avda. Santa Rosa 821, Paradero 45, Puente Alto, Santiago.
% ownership (direct and indirect): 50%
Subscribed and paid-up capital: ThCh\$2,424,784
Corporate purpose
Its main purpose is the production and marketing of unique and distinctive super premium wines, including their export and distribution.
Directors
Philippe Dhalluin (Chairman)
Rafael Guilisasti Gana (D)
Eduardo Guilisasti Gana (M)
Enrique Tirado Santelices (M)
Eric Bergman
Hervé Gouin
CEO
Felipe Larraín Vial
Main contracts with the parent company
Purchase and sale of products.

ALPHA CAVE COMÉRCIO DE VINHOS S/A

Tax ID No. (CNPJ): : 05.995.140/0001-60
Address: Alameda Tocantins, n° 75, Loja 2, parte A, Alphaville, CEP 06455-020, na Cidade de Barueri, Sao Paulo, Brazil.
% ownership (direct and indirect): 35%
Subscribed and paid-up capital: ThCh\$51,979
Corporate purpose
The company’s purpose is the retail sale of wine and related accessories such as food and, in general, the import and export of goods and products related to its corporate purpose; and the provision of consulting services related to its main activity.
Relationship with the parent company
It does not maintain a direct commercial relationship with Viña Concha y Toro.
Co-managers
Sidnei Brandão (Co general manager)
Ricardo Franco (co finance/administrative manager)
Main contracts with the parent company
It does not maintain a direct contractual relationship with Viña Concha y Toro.

6



CHAPTER 6

CONSOLIDATED FINANCIAL STATEMENTS

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The full version of the Consolidated Financial Statements, as well as the Financial Statements of the Direct Subsidiaries, which are an integral part of this Annual Report, are available on the company's website, conchaytoro.com





CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

ASSETS	NOTE	AS OF DECEMBER 31, 2017	AS OF DECEMBER 31, 2016
		ThCh\$	ThCh\$
CURRENT ASSETS			
Cash and cash equivalents	(6)	31,162,346	47,213,517
Other current financial asset	(7)	10,265,207	5,492,090
Other non-financial current assets	(16)	6,935,589	7,498,526
Trade and other accounts receivable, current net	(8)	187,422,436	180,332,662
Accounts receivable from related parties, current	(9)	11,379,684	12,954,739
Inventories	(10)	235,733,091	230,289,756
Current biological assets	(15)	18,949,252	19,186,291
Current tax assets	(21)	30,059,783	17,501,606
Total current assets other than assets or groups of assets for disposition classified as maintained for sale or as maintained to distribute to owners		531,907,388	520,469,187
Total current assets		531,907,388	520,469,187
NON-CURRENT ASSETS			
Other non-current financial assets	(7)	25,591,638	18,303,296
Other non-financial assets, non-current	(16)	4,227,938	4,467,288
Accounts receivable, non-current	(8)	742,414	4,624,317
Investments accounted for using the equity method	(11)	21,819,709	23,433,439
Intangible assets other than goodwill	(13)	43,426,623	40,647,715
Goodwill	(12)	31,021,819	26,769,828
Property, plant and equipment, net	(14)	381,736,948	361,938,676
Deferred tax assets	(21)	16,352,110	15,184,840
Total non-current assets		524,919,199	495,369,399
TOTAL ASSETS		1,056,826,587	1,015,838,586

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LIABILITIES AND SHAREHOLDERS' EQUITY	AS OF DECEMBER 31, AS OF DECEMBER 31,		
	NOTE	2017 ThCh\$	2016 ThCh\$
CURRENT LIABILITIES			
Other current financial liabilities	(18)	140,452,483	101,999,046
Trade accounts payable and other current accounts payable	(20)	120,753,782	118,611,533
Current accounts payable to related companies	(9)	7,361,779	5,256,371
Current provisions	(24)	17,420,500	22,725,436
Current tax liabilities	(21)	18,813,566	29,621,865
Current accruals due to benefits to employees	(23)	15,074,953	15,821,285
Other current non-financial liabilities		815,077	834,426
Total current liabilities other than liabilities included in groups of assets for disposition classified as maintained for sale		320,692,140	294,869,962
Total current liabilities		320,692,140	294,869,962
NON-CURRENT LIABILITIES			
Other non-current financial liabilities	(18)	127,810,125	148,992,036
Non-current accounts payable to related companies	(9)	292,555	319,601
Deferred tax liabilities, non-current	(21)	53,373,158	50,388,290
Non-current accruals due to benefits to employees	(23)	2,829,938	2,859,643
Other non-financial liabilities, non-current		595,435	702,434
Total non-current liabilities		184,901,211	203,262,004
TOTAL LIABILITIES		505,593,351	498,131,966
EQUITY			
Issued capital	(26)	84,178,790	84,178,790
Accumulated Profits		455,924,169	426,521,298
Other reserves		8,263,848	5,509,389
Equity attributable to the owners of the controlling entity		548,366,807	516,209,477
Non-controlling interest		2,866,429	1,497,143
TOTAL EQUITY		551,233,236	517,706,620
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		1,056,826,587	1,015,838,586

CONSOLIDATED STATEMENTS OF INCOME

STATEMENT OF INCOME	NOTE	FOR THE YEAR ENDED DECEMBER 31, 2017	FOR THE YEAR ENDED DECEMBER 31, 2016
		ThCh\$	ThCh\$
Income from ordinary activities	(29)	643,784,687	658,447,621
Cost of sales	(30)	(412,079,217)	(412,381,871)
Gross profit		231,705,470	246,065,750
Other income	(31)	7,631,410	8,661,903
Distribution costs	(30)	(143,276,955)	(150,913,076)
Administrative expenses	(30)	(31,110,407)	(31,562,168)
Other expenses by function	(30)	(3,037,270)	(2,067,273)
Income from operating activities		61,912,248	70,185,136
Financial income	(32)	570,531	970,651
Financial expense	(32)	(9,985,677)	(10,305,449)
Equity in income of associates and joint ventures accounted for using the equity method, net of tax.	(11)	3,254,601	4,511,072
Foreign currency exchange, net	(32)	8,586,953	749,876
Expenses by adjustment units, net	(32)	(628,448)	(39,279)
Income before taxes		63,710,208	66,072,007
Income tax expense	(21)	(13,719,788)	(17,542,419)
Net income from continuing operations		49,990,420	48,529,588
NET INCOME		49,990,420	48,529,588
PROFIT ATTRIBUTABLE TO:			
Profit attributable to equity holders of controlling interest	(25)	49,574,670	47,931,093
Profit attributable to non-controlling interest		415,750	598,495
Net income		49,990,420	48,529,588
EARNINGS PER SHARE			
Basic and diluted earnings per share	(25)	66.36	64.16
Basic earnings per share		66.36	64.16

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CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME	FOR THE YEAR ENDED DECEMBER 31, 2017	FOR THE YEAR ENDED DECEMBER 31, 2016
	ThCh\$	ThCh\$
Net income	49,990,420	48,529,588
OTHER COMPREHENSIVE INCOME COMPONENTS BEFORE TAXES		
Currency translation difference		
Gains [losses] from foreign currency translation differences, before tax (*)	(10,896,009)	(10,130,826)
Actuarial benefit plans		
Actuarial gains [losses] from defined benefit plans	109,380	52,739
Financial assets available for sale		
Gains / [losses] due to new measurements of financial assets available for sale, before tax (*)	(148,456)	(249,305)
Cash flow hedges		
Gains [losses] due to cash flow hedges, before taxes (*)	6,288,202	48,700,217
Hedges of net investment in foreign operation		
Gains [losses] on hedges of net investment in foreing businesses, before taxes (*)	8,458,717	7,562,533
Other components of Comprehensive Income		
Participation in the other comprehensive income of associates and joint ventures accounted for using the equity method	(28,072)	103,031
Income tax related to other comprehensive income		
Income tax related to foreing currency translation differences of other comprehensive income (*)	2,717,757	1,869,010
Income tax related to financial assets available for the sale of other comprehensive income (*)	40,083	67,312
Income tax related to cash flow hedges of other comprehensive income (*)	(1,603,492)	(11,689,493)
Income tax related with defined benefit plans of other comprehensive income	(29,185)	(12,796)
Income tax related to hedges of net investments in foreing operation of other comprehensive income (*)	(2,154,466)	(1,815,008)
Total other comprehensive	2,754,459	34,457,414
Total comprehensive income	52,744,879	82,987,002
COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Comprehensive income attributable to equity holder of the parent	52,329,129	82,388,507
Comprehensive income attributable to non-controlling interest	415,750	598,495
Total comprehensive income	52,744,879	82,987,002

(*) Once these concepts are liquidated, they will be reclassified to the Consolidated Income Statements.

STATEMENT OF CHANGES IN EQUITY

FROM JANUARY 1, 2017

STATEMENT OF CHANGES IN EQUITY	NOTA											
	ISSUED CAPITAL	FOREIGN CURRENCY TRANSLATION DIFFERENCE RESERVE	CASH FLOW HEDGE RESERVES	RESERVES OF GAINS AND LOSSES ON DEFINED BENEFIT PLANS	RESERVES OF GAINS AND LOSSES ON INVESTMENT IN EQUITY INSTRUMENTS	RESERVES OF GAINS OR LOSSES IN REMEASUREMENT OF FINANCIAL ASSETS AVAILABLE FOR SALE	OTHER MISCELLANEOUS RESERVES	OTHER RESERVES	ACCUMULATED PROFITS	EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	NON CONTROLLING INTERESTS	TOTAL EQUITY
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Beginning balance as of January 1,2017	84,178,790	5,843,924	5,898,980	(65,593)	(10,857,292)	(486)	4,689,856	5,509,389	426,521,298	516,209,477	1,497,143	517,706,620
CHANGES IN EQUITY												
COMPREHENSIVE INCOME												
Net income	(26)	-	-	-	-	-	-	-	49,574,670	49,574,670	415,750	49,990,420
Other comprehensive income (loss)	(26)	-	(8,178,252)	80,195	6,304,251	(108,373)	(28,072)	2,754,459	-	2,754,459	-	2,754,459
Comprehensive income		-	(8,178,252)	80,195	6,304,251	(108,373)	(28,072)	2,754,459	49,574,670	52,329,129	415,750	52,744,879
Dividends	(26)	-	-	-	-	-	-	-	(20,140,835)	(20,140,35)		(20,140,835)
Increase (decrease) through transfers and other changes	(26)	-	-	-	-	-	-	-	(30,964)	(30,964)	(438,953)	(469,917)
Increase (decrease) through changes in ownership interest in subsidiaries that not result in loss of control	(26)	-	-	-	-	-	-	-	-	-	1,392,489	1,392,489
Total changes in equity		-	(8,178,252)	80,195	6,304,251	(108,373)	(28,072)	2,754,459	29,402,871	32,157,330	1,369,286	33,526,616
Final balance as of december 31, 2017	84,178,790	(2,334,328)	10,583,690	14,602	(4,553,041)	(108,859)	4,661,784	8,263,848	455,924,169	548,366,807	2,866,429	551,233,236

STATEMENT OF CHANGES IN EQUITY

FROM JANUARY 1, 2016

STATEMENT OF CHANGES IN EQUITY	NOTA	ISSUED CAPITAL	FOREIGN CURRENCY TRANSLATION DIFFERENCE RESERVE	CASH FLOW HEDGE RESERVES	RESERVES OF GAINS AND LOSSES ON DEFINED BENEFIT PLANS	RESERVES OF GAINS AND LOSSES ON INVESTMENT IN EQUITY INSTRUMENTS	RESERVES OF GAINS OR LOSSES IN REMEASUREMENT OF FINANCIAL ASSETS AVAILABLE FOR SALE	OTHER MISCELLANEOUS RESERVES	OTHER RESERVES	ACCUMULATED PROFITS	EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	NON CONTROLLING INTERESTS	TOTAL EQUITY
		ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Beginning balance as of January 1, 2016		84,178,790	14,105,740	(31,111,744)	(105,536)	(16,604,817)	181,507	4,586,825	(28,948,025)	397,480,284	452,711,049	1,824,499	454,335,548
CHANGES IN EQUITY													
COMPREHENSIVE INCOME													
Net income	(26)	-	-	-	-	-	-	-	-	47,931,093	47,931,093	598,495	48,529,588
Other comprehensive	(26)	-	(8,261,816)	37,010,724	39,943	5,747,525	(181,983)	103,031	34,457,414	-	34,457,414	-	34,457,414
Comprehensive income		-	(8,261,816)	37,010,724	39,943	5,747,525	(181,983)	103,031	34,457,414	47,931,093	82,388,507	598,495	82,987,002
Dividends	(26)	-	-	-	-	-	-	-	-	(19,982,779)	(19,982,779)	-	(19,982,779)
Increase (decrease) due to transfers and other changes	(26)	-	-	-	-	-	-	-	-	1,092,700	1,092,700	(725,851)	366,849
Total changes in equity		-	(8,261,816)	37,010,724	39,943	5,747,525	(181,983)	103,031	34,457,414	29,041,014	63,498,428	(127,356)	63,371,072
Final balance as of december 31, 2016		84,178,790	5,843,924	5,898,980	(65,593)	(10,857,292)	(486)	4,689,856	5,509,389	426,521,298	516,209,477	1,497,143	517,706,620

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CONSOLIDATED STATEMENT OF CASH FLOWS DIRECT

CONSOLIDATED STATEMENT OF CASH FLOWS DIRECT	FOR THE YEAR ENDED DECEMBER 31, 2017 ThCh\$	FOR THE YEAR ENDED DECEMBER 31, 2016 ThCh\$
CASH FLOWS FROM OPERATING ACTIVITES		
Collections from sales of goods and services delivered	680,283,192	621,129,885
Payments to suppliers related to the supply of goods and services	(539,211,914)	(475,455,623)
Payments to and in behalf of employees	(76,148,825)	(73,083,518)
Dividends paid	(20,630,615)	(20,708,589)
Interest received	469,137	573,302
Income taxes paid	(25,289,189)	(10,191,807)
Other cash inflows, net	525,488	1,604,009
Net cash flows provided by operating activities	19,997,274	43,867,659
CASH FLOWS FROM INVESTING ACTIVITIES		
Other payments to acquire equity or debt instruments from other entities	(5,764,690)	-
Loans to related entities	(27,000)	-
Amounts provided by sale of property, plant and equipment	2,174,636	10,058,410
Purchases of property, plant and equipment	(47,629,585)	(42,226,901)
Purchases of intangible assets	(2,479,369)	(2,679,130)
Amounts provided by government subsidies	150,074	74,508
Cash receipts from related entities	53,294	-
Dividends received	2,089,465	4,536,056
Net cash flows used in investing activities	(51,433,175)	(30,237,057)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments for other interests in equity	130,860,473	97,374,091
Proceeds from bank borrowings	(105,071,536)	(83,421,049)
Loans payments	(53,029)	-
Interest paid	(9,427,606)	(8,187,527)
Other cash inflows (outflows)	2,787	27,437
Net cash flows from (used in) financing activities	16,311,089	5,792,952
Net increase (decrease) in cash and cash equivalent, before the effects of changes in exchange rates	(15,124,812)	19,423,554
EFFECTS OF VARIATION IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS		
Effects of variation in exchange rate on cash and cash equivalents	(926,359)	(2,845,221)
Net increase (decrease) of cash and cash equivalents	(16,051,171)	16,578,333
Cash and cash equivalents at beginning of period	47,213,517	30,635,184
Cash and cash equivalents at the end of year	31,162,346	47,213,517

STATEMENT OF RESPONSIBILITY

The Directors and General Manager signing this Annual Report for the year ending on December 31, 2015, declare under oath that its content is a faithful expression of the truth according to the information they have in their possession.



CHAIRMAN

Alfonso Larraín Santa María

TAX NO. 3.632.569-0



VICECHAIRMAN

Rafael Guilisasti Gana

TAX NO. 6.067.826-K



DIRECTOR

**Mariano Fontecilla de
Santiago Concha**

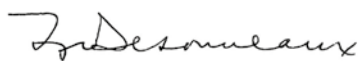
TAX NO. 1.882.762-K



DIRECTOR

Pablo Guilisasti Gana

TAX NO. 7.010.277-3



INDEPENDENT DIRECTOR

Jorge Desormeaux Jiménez

TAX NO. 5.921.048-3



DIRECTOR

Andrés Larraín Santa María

TAX NO. 4.330.116-0



DIRECTOR

Rafael Marín Jordán

TAX NO. 8.541.800-9



GENERAL MANAGER

Eduardo Guilisasti Gana

TAX NO. 6.290.361-9





