



# Corporate Presentation

*May 2016*

# VIÑA CONCHA Y TORO



*I. Concha y Toro: At a Glance*

VIÑA CONCHA Y TORO

# Viña Concha y Toro Today

- **Largest Chilean and Latin American Winery.**
- **Top 10 world's winery in volume commercialized.**
- **Unique business model within the wine industry.**
- **Production facilities in 3 countries: CL, US & AR.**
- **Distribution subsidiaries in 12 countries and 2 commercial offices.**
- **Global Presence in 147 countries.**



# Viña Concha y Toro in Numbers

## Net Sales (million US\$)

- 2006: \$404 → 2015: \$967 **CAGR: 10.2%**

## Volume (million 9 liter cases, wine)

- 2006: 21.4 → 2014: 34.3 **CAGR: 5.2%**

## EBITDA\* (million US\$)

- 2006: \$66.9 → 2014: \$145 **CAGR: 8.9%**

## Net Income (million US\$)

- 2006: \$30.5 → 2014: \$76 **CAGR: 10.7%**

\* Gross Profit – Distribution Costs – Administration Costs +  
Depreciation + Amortization

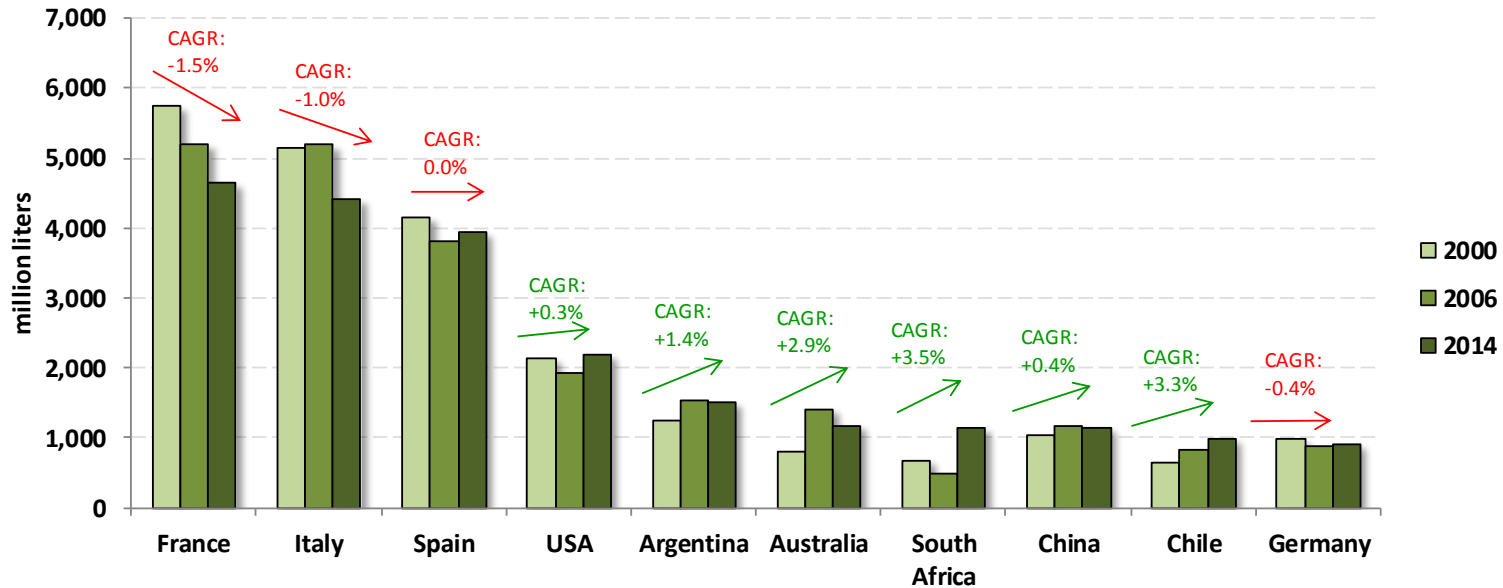




## *II. Global Wine Industry*

# Wine Industry: Top 10 wine producers

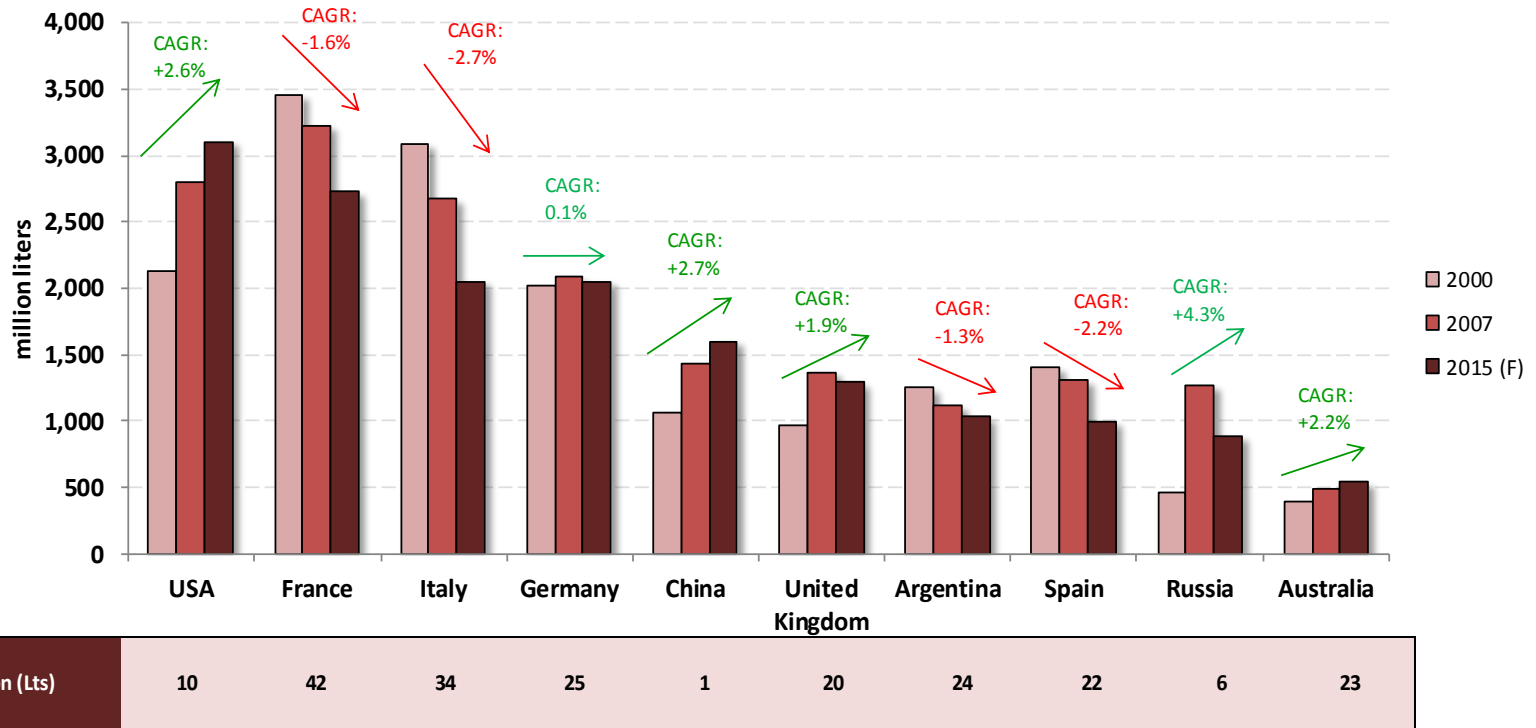
- Global Production remained flat since 2000
- 2.2% increase in 2015



Source: OIV

# Wine Industry: Top 10 wine consumers

- Global Consumption Increasing 0.4% per year
- USA, China, Russia leading the growth



Source: OIV

# Wine Industry: Global Exports

- Global Export Value (€) increased 106% in 16 years
- Global Export Volume increased 74% in 16 years

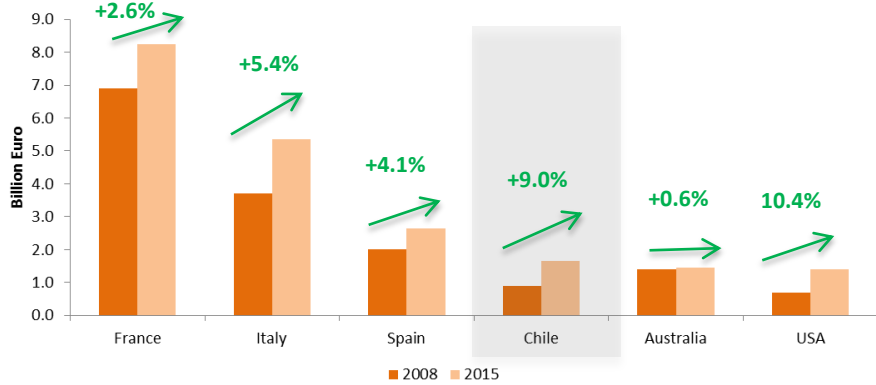


Source: OIV

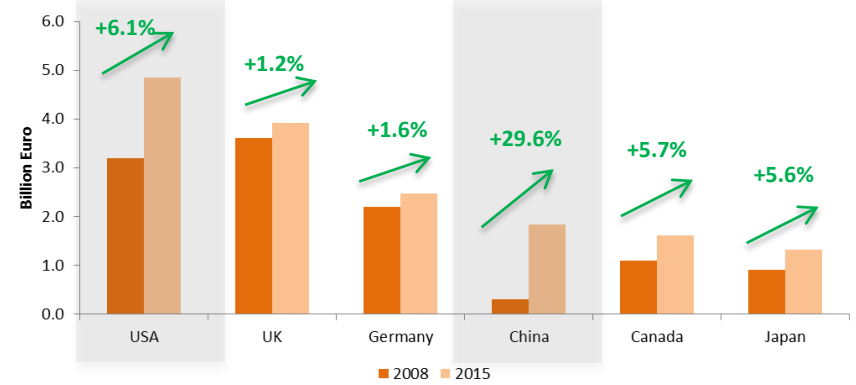


# Wine Industry: Global Exports

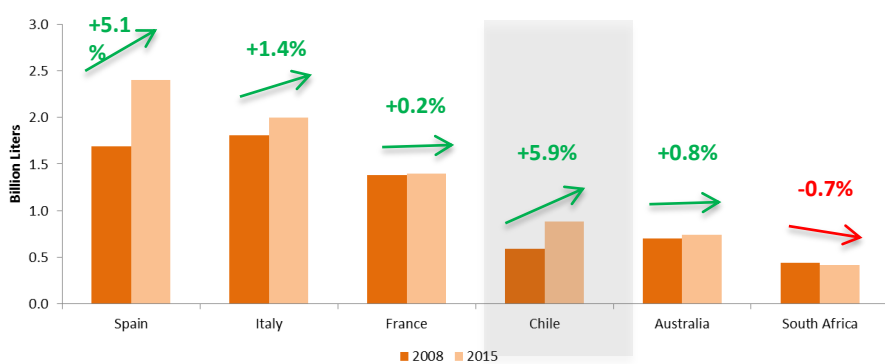
## Top 6 exporters by value



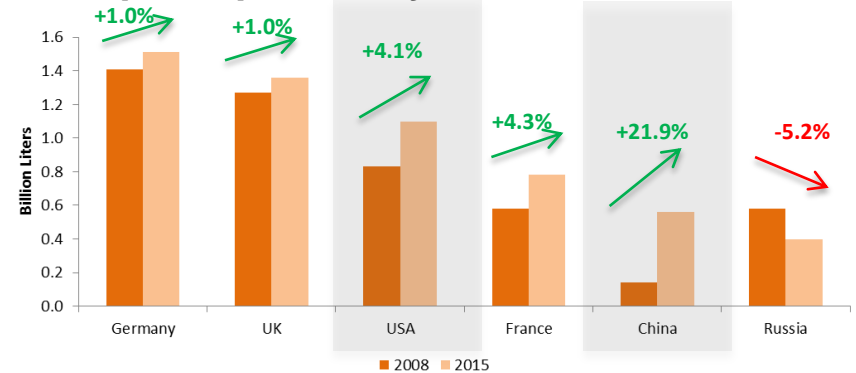
## Top 6 importers by value



## Top 6 exporters by volume



## Top 6 importers by volume



Source: OIV

# Wine Industry: Global Exports

- The top ten players reached 14.5% and 12.6% of commercialized volume worldwide, by IWSR & Euromonitor, respectively.

Ranking	Company	Volume Market Share 2014
1°	E&J Gallo Winery Inc	3.09%
2°	Constellation Brands Inc	2.04%
3°	Wine Group Inc, The	1.81%
4°	Castel Groupe	1.67%
<b>5°</b>	<b>Viña Concha y Toro SA</b>	<b>1.29%</b>
6°	Treasury Wine Estates Ltd	1.12%
7°	Accolade Wines Ltd	1.05%
8°	Aldi	0.89%
9°	Val D'Orbieu	0.81%
10°	Distell	0.73%

Source: IWSR (2014)

Ranking	Company	Volume Market Share 2014
1°	E&J Gallo Winery Inc	2.71%
2°	Constellation Brands Inc	1.70%
3°	Wine Group Inc, The	1.50%
4°	Accolade Wines Ltd	1.12%
5°	Castel Groupe	1.03%
<b>6°</b>	<b>Viña Concha y Toro SA</b>	<b>1.02%</b>
7°	Grupo Peñaflo SA	0.97%
8°	Treasury Wine Estates Ltd	0.97%
9°	Pernod Ricard Groupe	0.90%
10°	Cantine Riunite	0.70%

Source: Euromonitor (2014)



### *III. Investment Attractiveness*

# Investment Attractiveness

1. Lead by an experienced controlling group
2. Successful track record through years
3. A business model which has supported the growth
4. Market diversification
5. Growth that improves profitability
6. Export Markets Leading the Growth
7. Leading Position



# 1. Lead by an experienced controlling group

**Current Controlling Group is part of CyT since the 50's.**

- ✓ Three families integrate the controlling group.
- ✓ Exclusive focus on wine
- ✓ Leading the growth and expansion through years.
- ✓ Passion for wines

## **Experienced Management**

- ✓ Management in the Company for more than 10 years in average.

**Listed in Santiago Stock Exchange and NYSE**



## 2. Successful track record through years

**1883 Foundation of Concha y Toro**



**1966 Launch of Casillero del Diablo**



**1994 First Winery to trade in NYSE**



**1997 Strategic Alliance: Almaviva Winery**



**2010 Partnership Manchester United**



**2013 World's Most Admired Wine Brand**



**1933 Listed in Santiago Stock Exchange**



**1993 Launch of Cono Sur Winery**



**1996 Launch of Trivento Winery in Argentina**

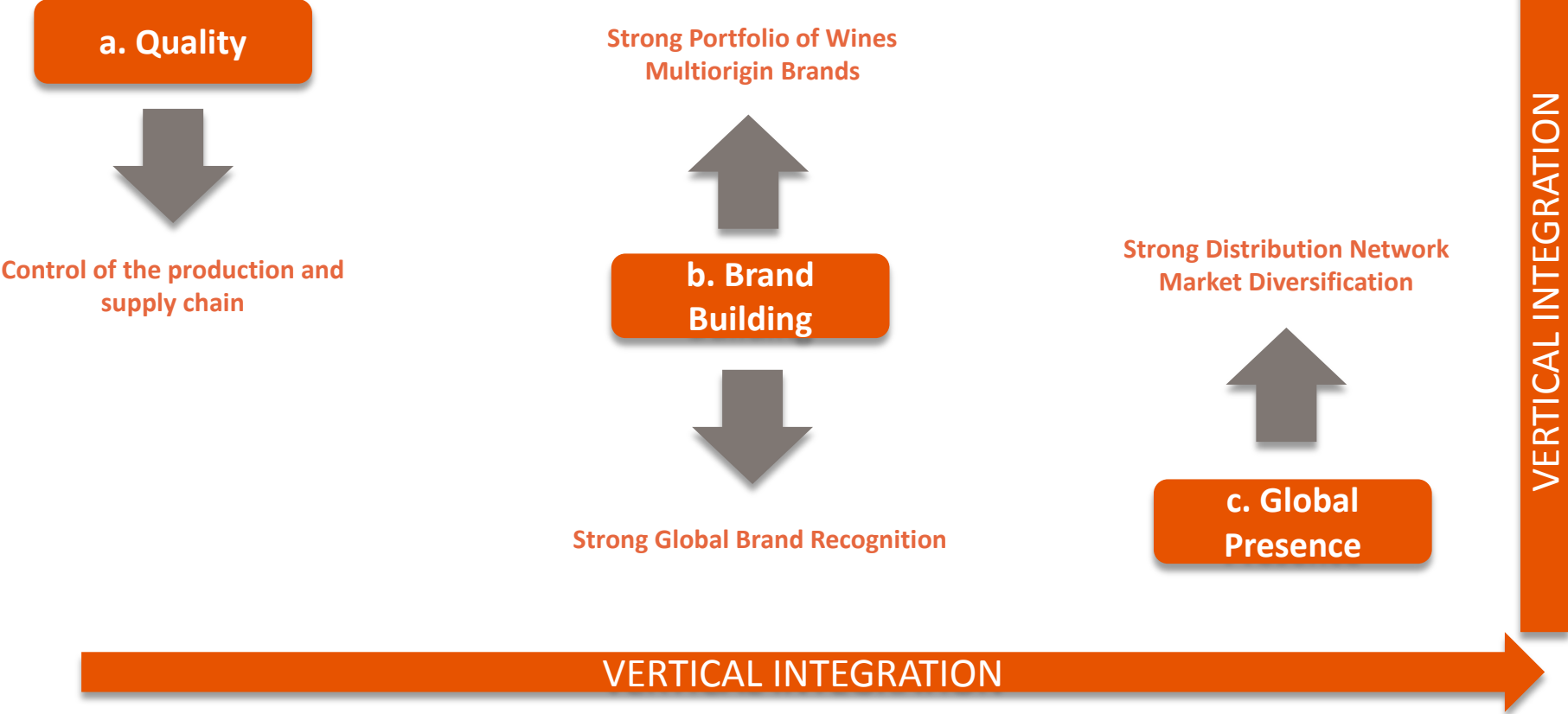


**2000 Brand Building – Global Reach**

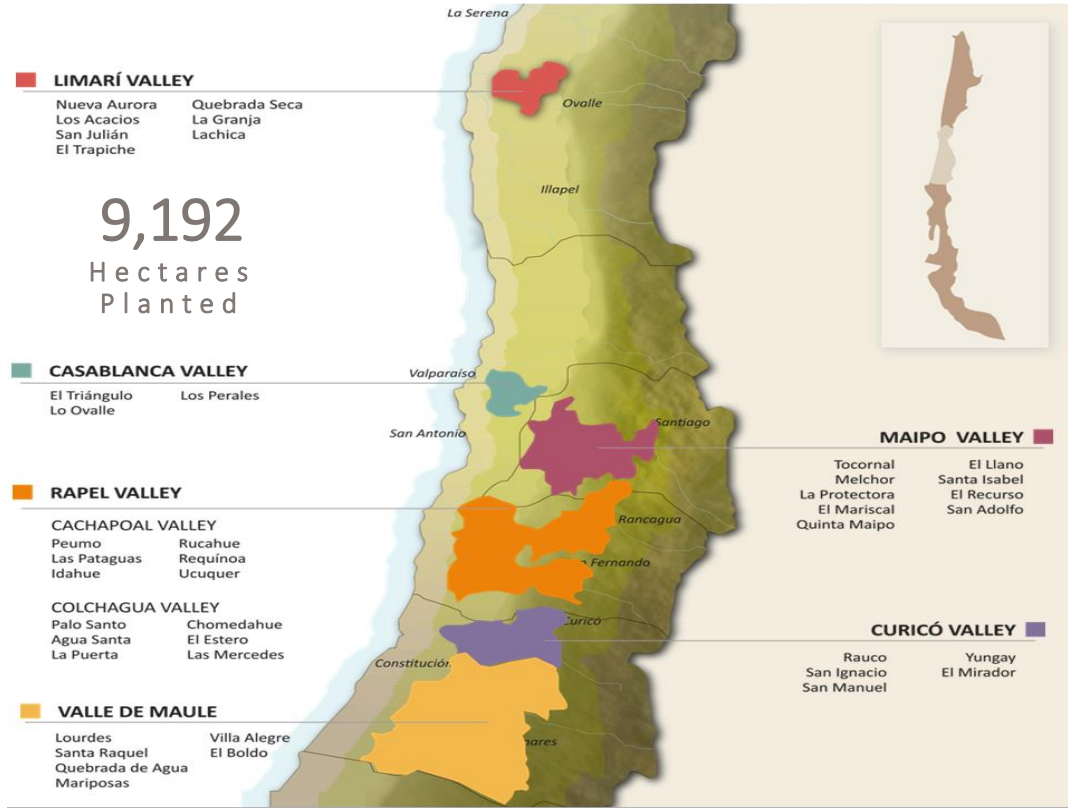


**2011 Acquisition of Fetzer Winery in California, US**

# 3. A business model which has supported the growth



# a. The importance of Quality Assurance and Consistency

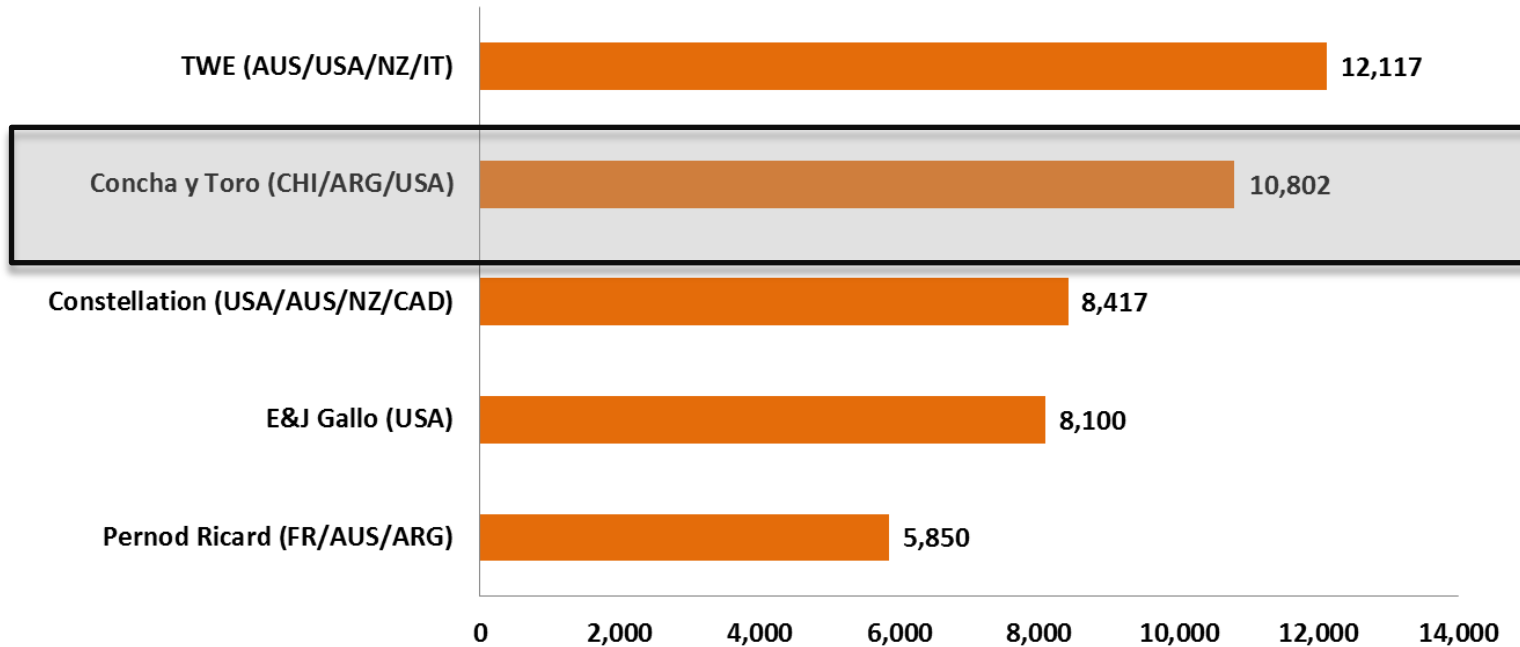




# ...Leading Company in hectares planted

## Hectares Planted

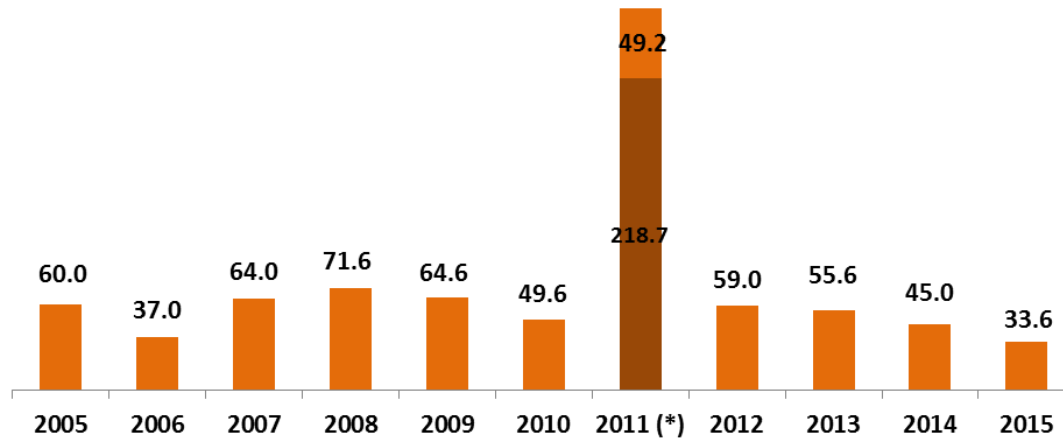
(Total includes leases: TWE 2,006 hectares; CyT 619 hectares)



Source: Source: Information available in Companies Fact Sheet, Web Site Information, Annual Reports, SEC Filings (20-F & 10-K)

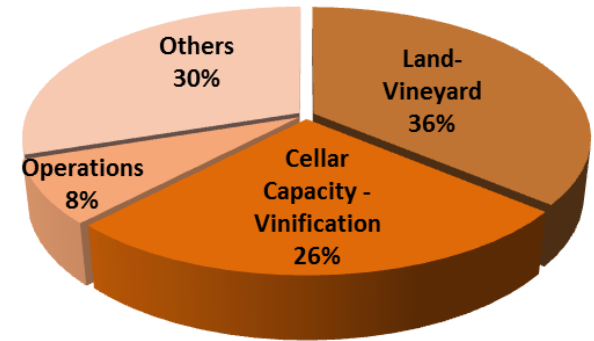
# ...Investments supporting the growth

## Sustained Investment Over Time (US\$ million)



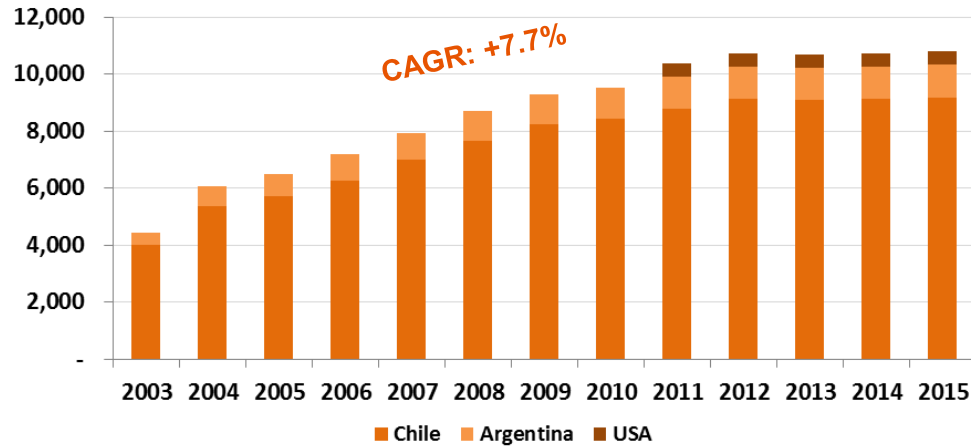
(\*) Inorganic Growth: Fetzer (216.0) + Kross (2.7)

## 2015 Capex Disclosure

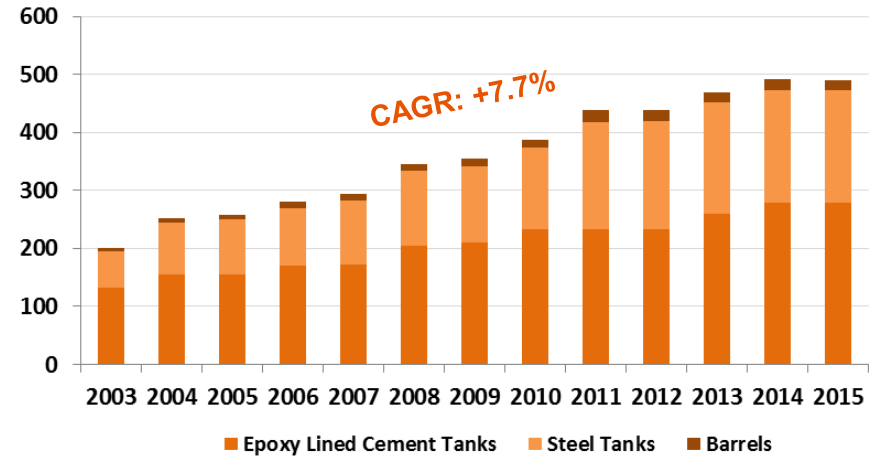


# ...Investments supporting the growth

## Hectares Planted



## Wine Storage & Ageing Capacity (million liters)



## b. Brand Building... built on a strong portfolio...

### Multiorigin Brands

<p>Chile</p>	<p>CONCHA Y TORO</p>  <p>VIÑEDOS &amp; BODEGA</p>	<p>VIÑA MAIPO</p>  <p>PALO ALTO</p>	<p>MAYCAS LIMARI</p>  <p>VITAM EXSOLVERE PER ARTES</p> <p>CANEPA</p>
<p>Argentina</p>	<p>TRIVENTO</p> <p>BODEGAS Y VIÑEDOS</p>	<p>.FINCA.</p> <p>LA CHAMIZA</p> <p>WINE OF ARGENTINA</p>	
<p>USA</p>	<p>FETZER</p> <p>THE EARTH FRIENDLY WINERY™</p>	<p>Bonterra</p> <p>ORGANIC VINEYARDS</p>	<p>JEKEL</p> <p>VINEYARDS</p>

## ... development of brands & history...



...Independent strong brands ...

... with the endorsement of Concha y Toro



VARIETALS

PREMIUM

SUPER  
PREMIUM

ULTRA  
PREMIUM

ICON

% of sales by value	62.3%	31.3%	6.4%
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# ... a recognized winery obtaining global awards

“World’s Most Admired Wine Brand”  
(Drinks International, 2011 – 2013)



“World’s Most Powerful Wine Brand”  
(Intangible Business, 2014 & 2015)



# ... and the highest accolades for our Portfolio...



**94 pts**  
**Don Melchor**  
Cabernet Sauvignon 2010  
Wine & Spirits  
June 2014

**95 puntos**  
**Don Melchor**  
Cabernet Sauvignon 2010  
Wine Spectator  
May 2014

**Don Melchor**  
*The World Class Terroir  
Cabernet Sauvignon*



**94 pts**  
**Carmín de Peumo**  
Carmenerre 2011  
Wine Advocate  
Robert Parker  
July 2014

**95 pts**  
**Carmín de Peumo**  
Carmenerre 2011  
Wine & Spirits  
June 2014

**Carmín de Peumo**  
*Best Carmenerre in the World*



**91 pts**  
**Gravas del Maipo**  
Syrah 2010  
Wine Advocate  
Robert Parker  
July 2014

**93 pts**  
**Gravas del Maipo**  
Syrah 2009  
Wine Spectator  
March 2013

**Gravas del Maipo**  
*Best Chilean Syrah*



**Gold**  
**"Top 10"**  
**Ocio**  
Pinot Noir 2010  
"Global Pinot Noir Masters 2014"  
The Drinks Business

**93 pts**  
**Silencio**  
Cabernet Sauvignon 2010  
Wine Advocate  
June 2014

**Cono Sur**  
*No family trees, no dusty bottles,  
just quality wine*

*The quality of wines of Viña Concha y Toro is standard for all its subsidiaries, as shown by the high recognitions awarded*



# ... and the highest accolades for our Portfolio...



**92 pts**  
"Cellar Selection"

**Terrunyo**  
Cabernet Sauvignon 2011

Wine Enthusiast  
August 2014

**95 pts**  
**Terrunyo**  
Carmenere 2011

Wine & Spirits  
June 2014

**Terrunyo**

*Best expression of a variety*



**90 pts**

**Amelia**  
Chardonnay 2011

Wine Advocate  
Robert Parker  
July 2014

**90 pts**

**Amelia**  
Chardonnay 2010

Wine Spectator  
March 2013

**Amelia**

*The first Chilean Ultra Premium  
Chardonnay*



**92 pts**

**Marques de Casa Concha**  
Cabernet Sauvignon 2010  
Limited Edition

Wine Advocate - Robert Parker  
July 2014

**93 pts**

"Highly Recommended"  
**Marques de Casa Concha**  
Cabernet Sauvignon 2011

Wine Spectator  
March 2014

**Marques de Casa Concha**

*A brand with consistent 90+ points*

*Concha y Toro and its subsidiary vineyards have focused on producing wines of superior quality and that reflect the diversity of their origins. This has made the company to be recognized today as the benchmark of quality worldwide, and its wines worthy of major awards*



**93 pts**

**Alto Tajamar** 2010  
James Suckling  
August 2014

**94 pts**

**Protegido** 2010  
Cabernet Sauvignon  
James Suckling  
August 2014

**Viña Maipo**

*Passion for our roots*



**91 pts /**  
"Smart Buy"

**Amado Sur**  
Malbec 2011  
Wine Spectator  
November 2011

**93 pts**

**Eolo**  
Malbec 2009  
Wine Spectator  
June 2013

**Trivento**  
Bodegas y Viñedos

*Inspired by the winds*



**Best of the Region**  
**White**

**Fetzer**  
Gewürztraminer 2012  
California State Fair 2014

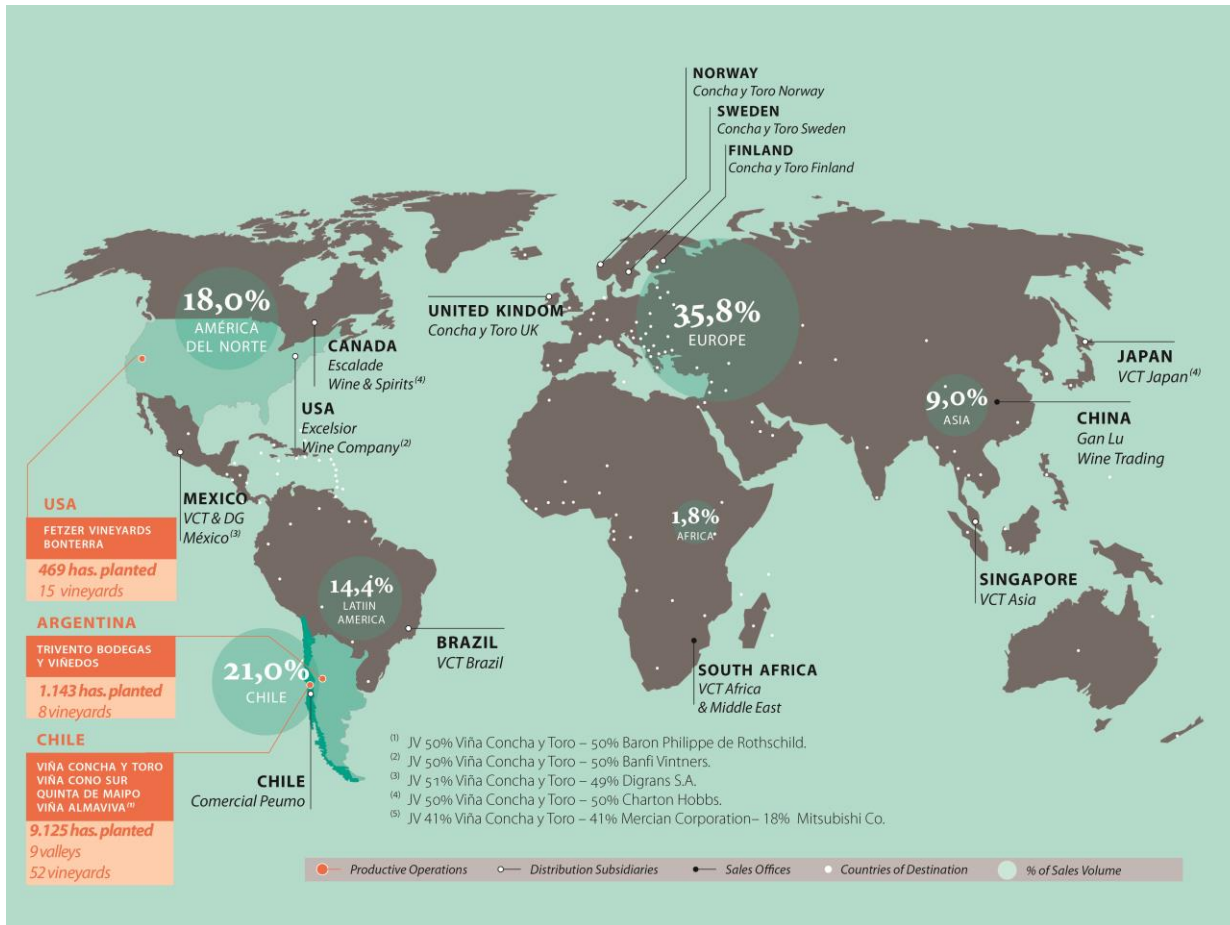
**90 pts /**  
"Best Value Pinot  
Noir Out There"

**Bonterra**  
Pinot Noir 2011  
Wine Enthusiast  
November 2013

**Fetzer Vineyards**

*Rebels Since 1968*

# c. Global Presence... getting closer to markets



## Distribution Subsidiaries



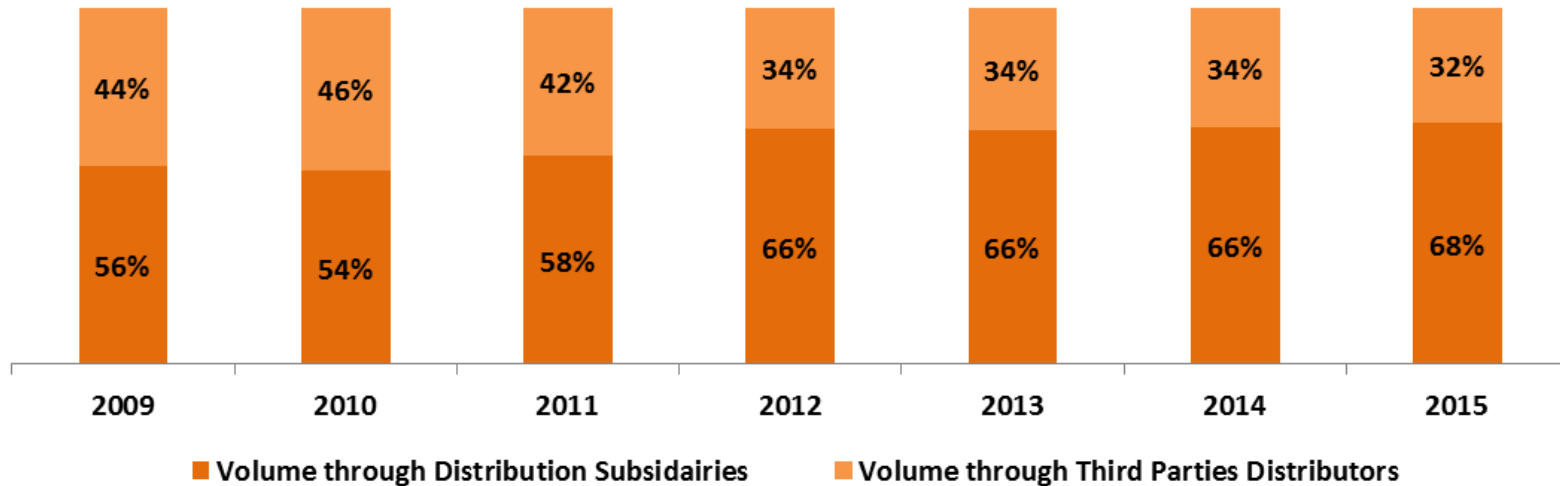
## Commercial Offices



## ... sales that build brand equity...

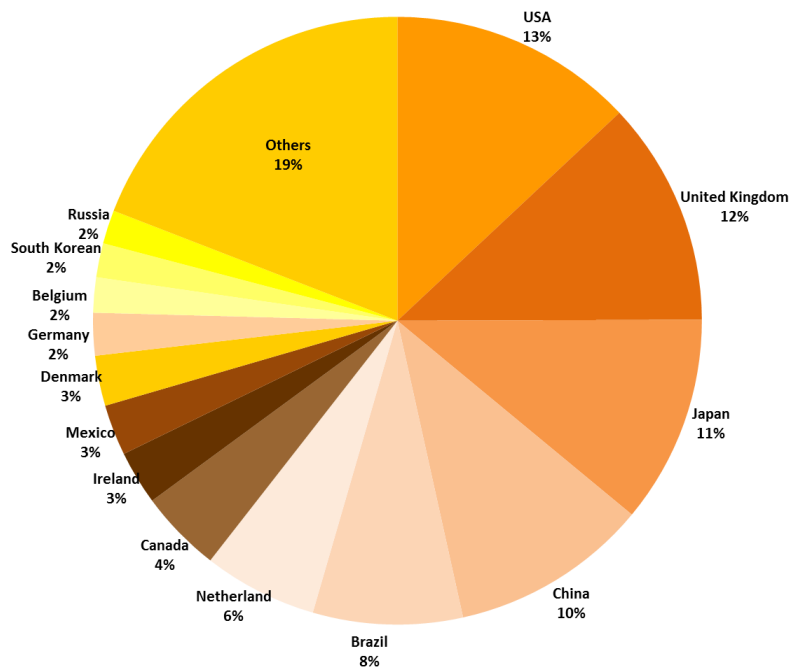
### Distribution Subsidiaries: Driving the growth

- 68% of CyT's sales carried out by direct distribution
- 32% of CyT's sales carried out by third parties distributors



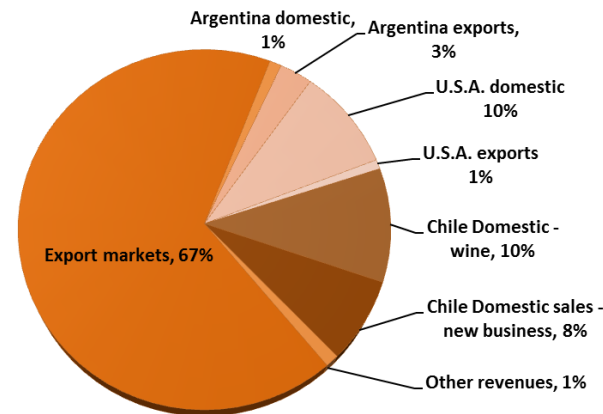
# 4. Market diversification...

## Chilean Destination of Bottled Exports



## Concha y Toro's – Currencies and Markets

	Currency Mix	
	12M15	12M14
CLP	18,9%	18,7%
USD	34,9%	35,0%
GBP	20,3%	19,7%
EUR	10,1%	10,5%
CAD	2,7%	2,8%
ARG	1,1%	0,8%
SEK	2,5%	2,9%
NOK	0,8%	0,8%
BRL	6,0%	6,3%
MXN	2,7%	2,6%



- Export Markets include exports to third parties and distribution subsidiaries
- US and ARG exports excludes shipments to the company's distribution subsidiaries

# ... leading the chilean export categories...

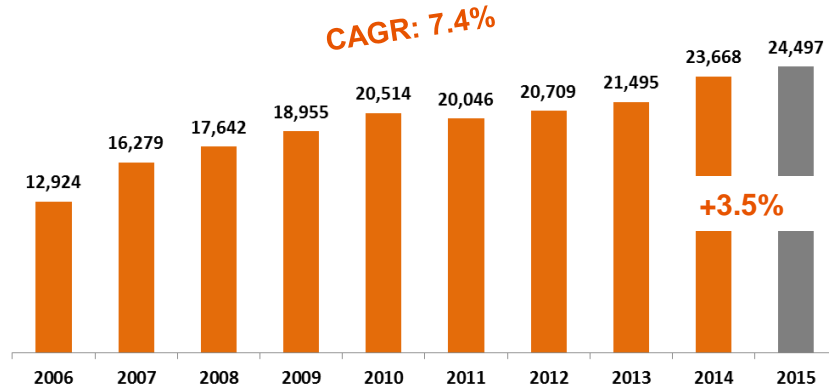
## The Chilean Bottled Export Industry – Concha y Toro Leading Position

Rank 2015	Country	Share over chilean bottled exports (volume)	Growth 2015/2014	% Part of CyT in total chilean bottled exports	Rank CyT over Chilean Exports
1	USA	13,0%	2,2%	39,4%	1
2	United Kingdom	11,9%	-1,0%	43,6%	1
3	Japan	11,1%	18,8%	30,2%	1
4	China	10,5%	54,9%	9,7%	3
5	Brazil	7,9%	10,4%	30,8%	1
6	Netherland	6,1%	-4,6%	26,1%	1
7	Canada	4,4%	8,5%	37,0%	1
8	Ireland	2,9%	5,6%	22,0%	2
9	Mexico	2,7%	20,0%	52,7%	1
10	Denmark	2,7%	9,7%	36,4%	1
11	Germany	2,3%	-2,0%	18,5%	1
12	Belgium	1,9%	11,3%	35,9%	1
13	South Korean	1,8%	-1,0%	19,6%	1
14	Russia	1,8%	-38,6%	20,6%	1

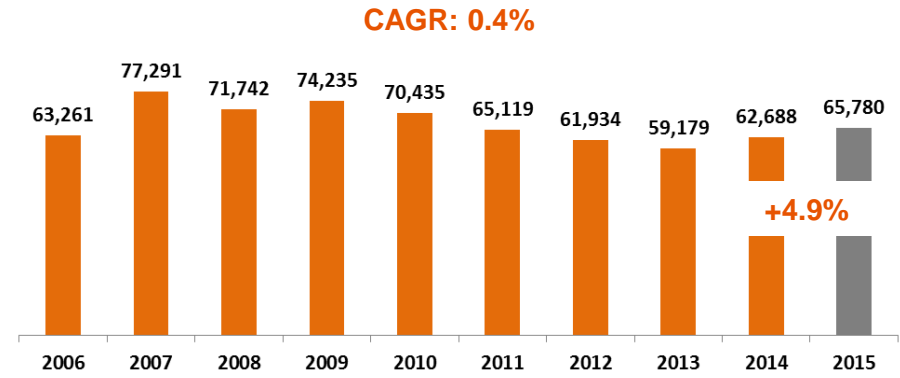
Source: Vinos de Chile

# 5. Growth that improves profitability

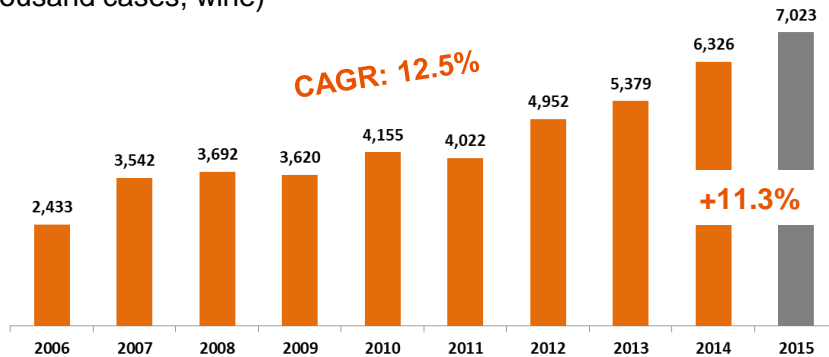
**Export Volume**  
(thousand cases, wine)



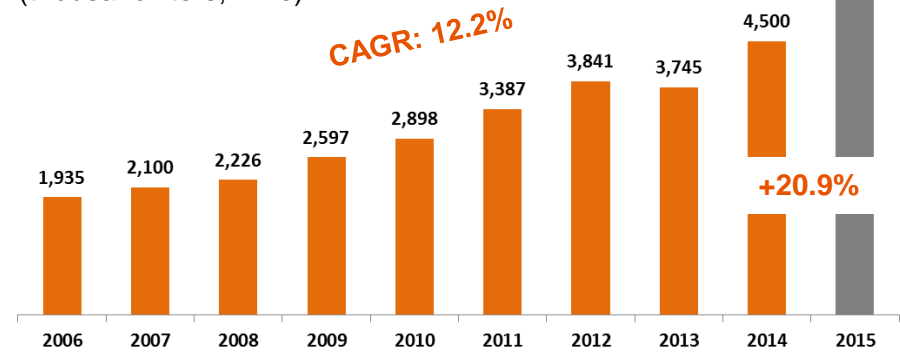
**Domestic Volume**  
(thousand liters, wine)



**Premium Wines Export Volume**  
(thousand cases, wine)

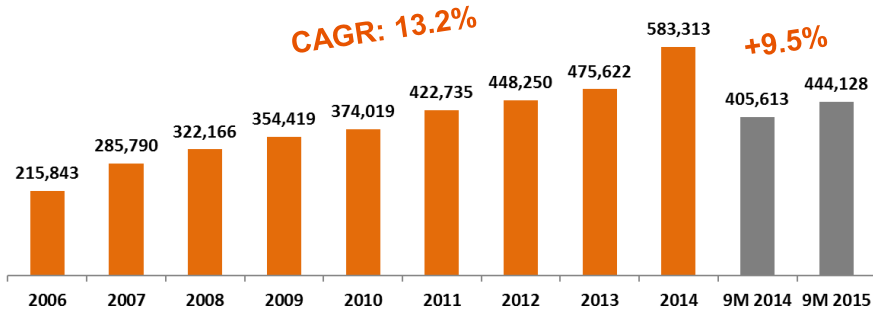


**Premium Wines Domestic Volume**  
(thousand liters, wine)

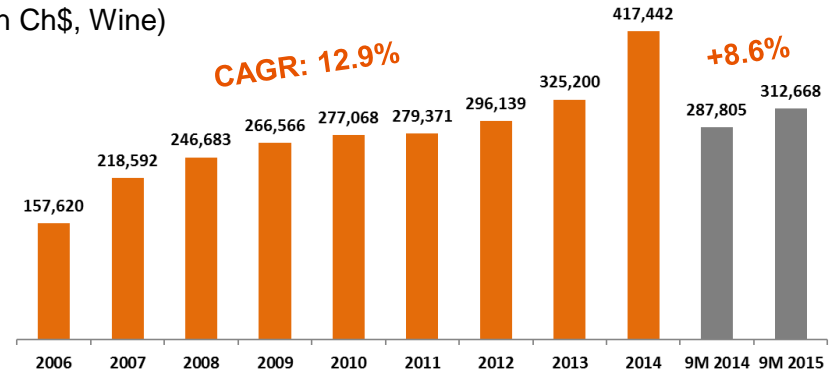


# 6. Export Markets Leading the Growth

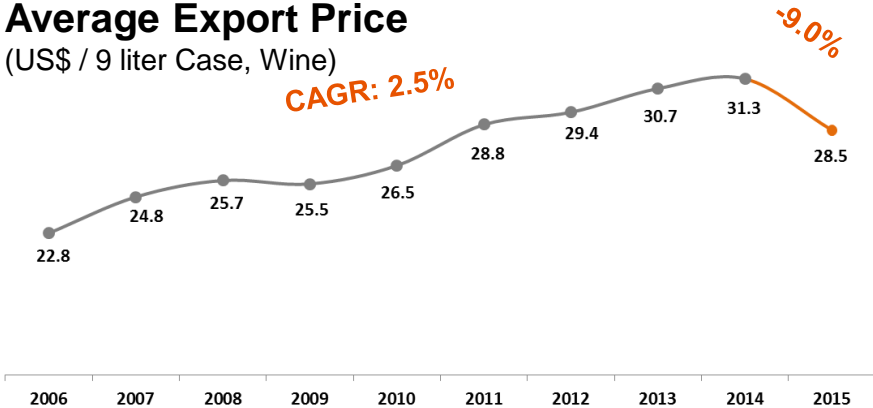
**Consolidated Sales**  
(million Ch\$)



**Export Sales**  
(million Ch\$, Wine)



**Average Export Price**  
(US\$ / 9 liter Case, Wine)



# 7. Leading Position

## Concha y Toro's Exports over Chilean Bottled Wine\*

	Volume	Value
2004	29.2%	25.8%
2005	32.2%	27.2%
2006	33.4%	28.3%
2007	34.9%	30.2%
2008	37.0%	31.4%
2009	38.3%	32.3%
2010	36.6%	31.5%
2011	33,7%	29,7%
2012	35,4%	31,3%
2013**	33,9%	30,5%
2014**	32,2%	29,7%
2015**	33,3%	29,7%



**Volume Pro-forma (including wine bottled in UK):  
35.7% (as of Dec-15)**

Source: Vinos de Chile

(\*) Includes bottled & Bag in Box

(\*\*) Does not include the wine Bottled by CyT in UK

## Concha y Toro's Market Share – Domestic Market (Volume)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Concha y Toro	27,1	28,6	30,0	29,7	31,5	30,7	30,4	29,6	28,5	27,1	28,1
Santa Rita	24,4	25,5	27,9	28,7	28,9	29,4	29,1	28,0	29,5	30,9	31,6
San Pedro	21,7	21,9	21,8	23,0	22,5	24,4	24,6	26,7	27,3	28,7	28,4
Santa Carolina	3,2	3,1	2,3	2,0	1,8	1,8	1,7	1,5	1,4	1,1	0,9
Others	23,6	20,9	18,0	16,6	15,3	13,7	14,2	14,2	13,4	12,2	11,0

Source: Nielsen



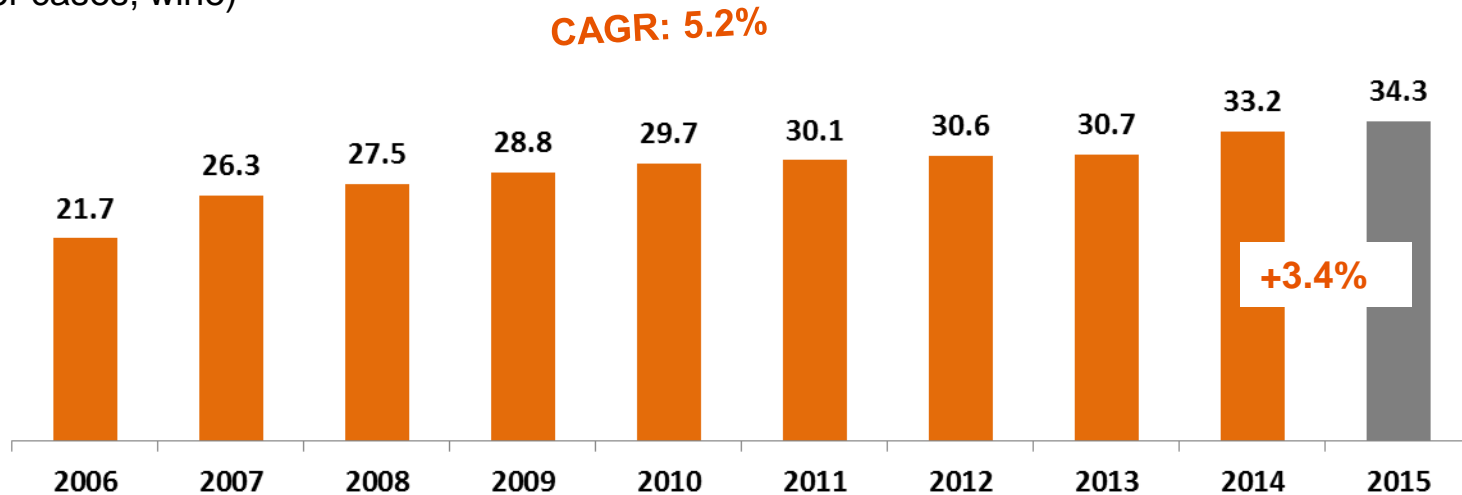


#### *IV. Financial Position*

# Recovering volume Growth

## Consolidated Sales

(million 9 liter cases, wine)



## Net Sales (billion Ch.\$)

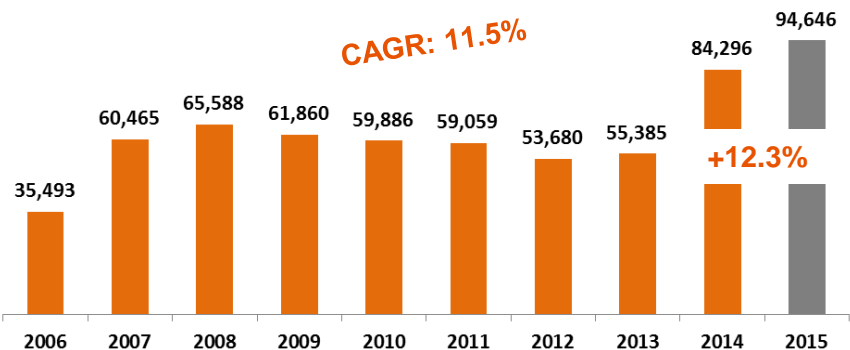
✓ 2006: \$215.8 → 2014: \$636.1

CAGR: +12.8%

# ... 2010-2013, a perfect storm...

**Consolidated EBITDA**  
(million Ch\$)

**CAGR: 11.5%**



**Consolidated Mg. EBITDA**  
(% over sales)



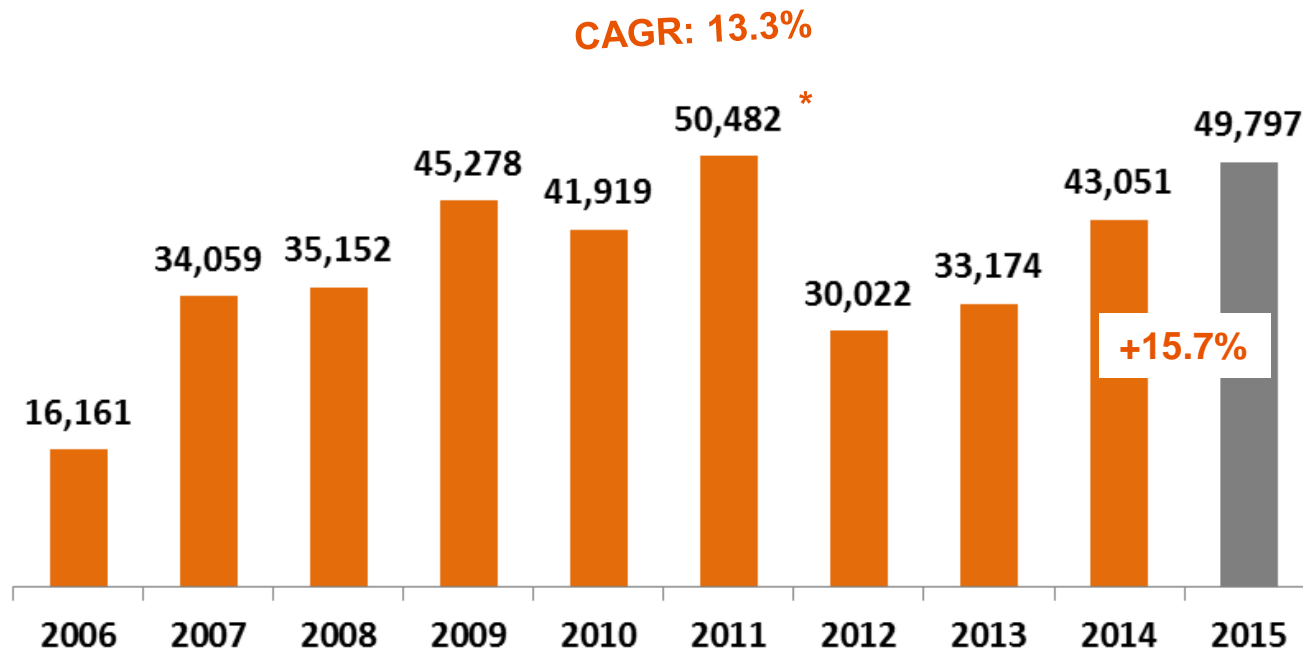
Average Bulk Wine price to producer (Ch\$/Liter)



# ... remaining profitable through years...

## Consolidated Net Profit

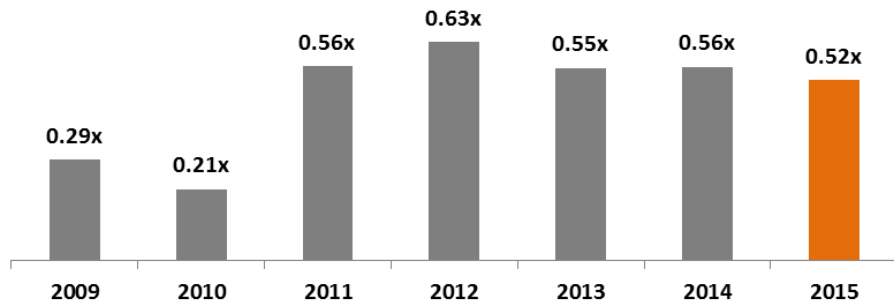
(million Ch\$)



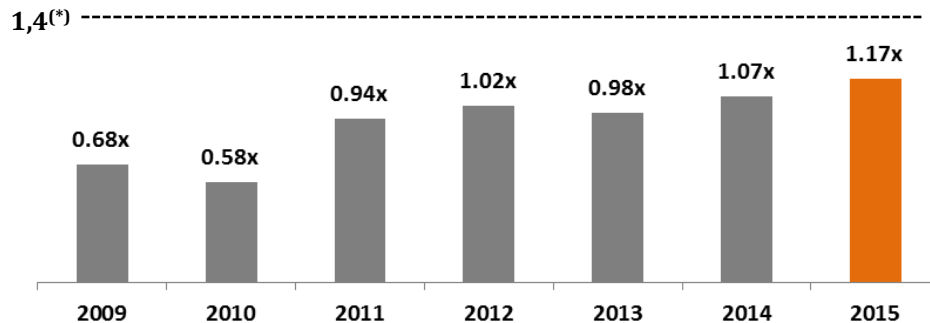
(\*) Includes the extraordinary effect of the insurance's payments regarding the earthquake of 2010 (Ch\$ 19,555 million before taxes)

# Conservative Capital Structure (As of Dec-15)

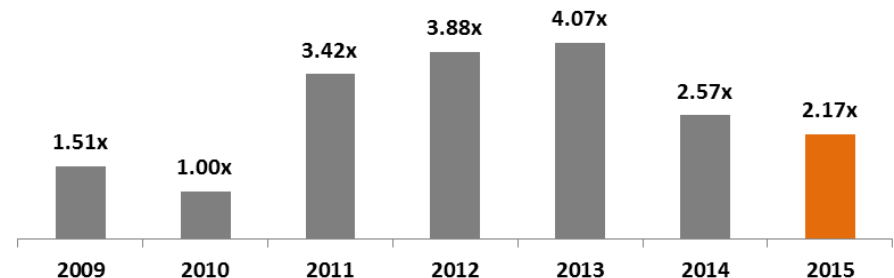
## Financial Debt / Equity



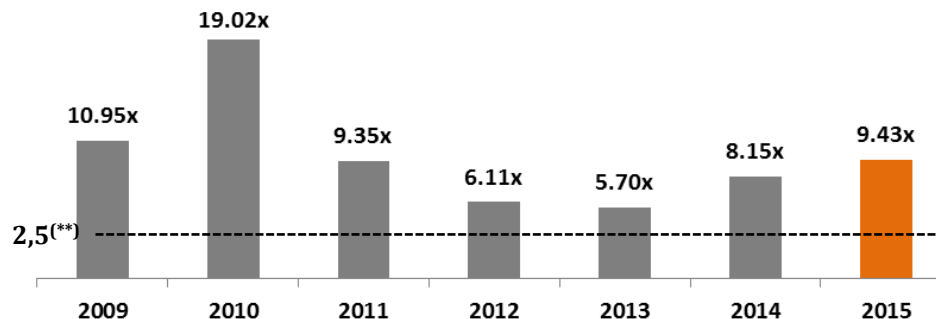
## Total Liabilities / Equity



## Net Financial Debt / EBITDA (1)



## EBITDA (1) / Financial Expenses (1)



Liabilities: Current Liabilities + Non Current Liabilities

Financial Debt: Other current financial liabilities + Other non current financial liabilities - Derivatives

Net Financial Debt: Other current financial liabilities + Other non current financial liabilities - Derivatives - Cash and cash equivalents

(1) Last 12 months

Financial expenses excludes financial income

(\*) As covenant, the issuer should have a Leverage not higher that 1.4 times. Leverage: Liabilities / Equity.

(\*\*) As covenant, the issuer should have a EBITDA/Financial expenses ratio at least 2.5 times.

Source: Superintendencia de Valores y Seguros (SVS)

# Financial Debt

Financial Debt* as of:	Dic-15		Dic-14	
	Ch\$ MM	Av. Interest rate	Ch\$ MM	Av. Interest rate
USD	125.481	2,94%	131.496	3,03%
EUR	0	0,00%	0	0,00%
GBP	0	0,00%	0	0,00%
CLP	41.736	5,17%	33.582	5,05%
UF	53.821	3,43%	66.493	3,46%
ARS	5.478	26,88%	5.384	23,68%
BRL	4.458	15,92%	5.707	12,79%
MXN	1.765	5,31%	1.915	5,18%
SEK	0	0,00%	0	0,00%
<b>Total</b>	<b>232.739</b>	<b>4,28%</b>	<b>244.577</b>	<b>4,12%</b>

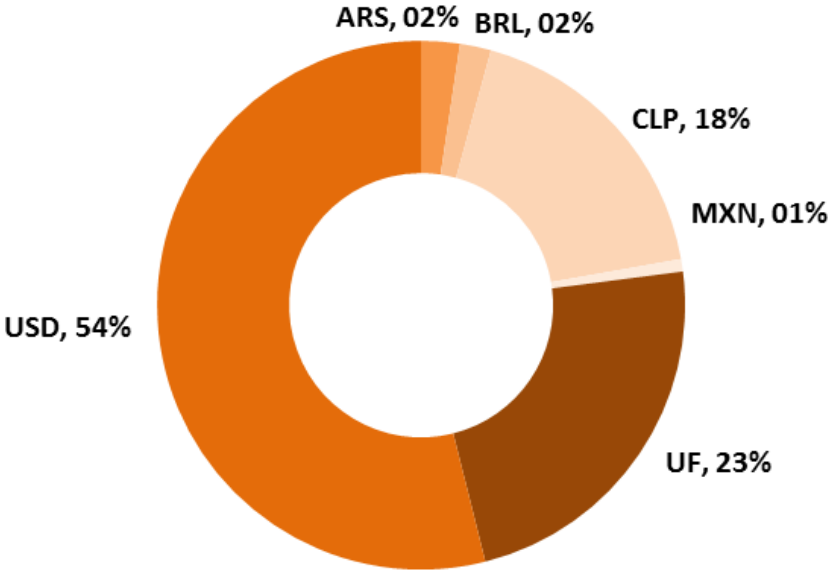
\* Does not include interest accrued.

In nominal Chilean Pesos at the end of each period

# Financial Debt

## Financial Debt by Currency

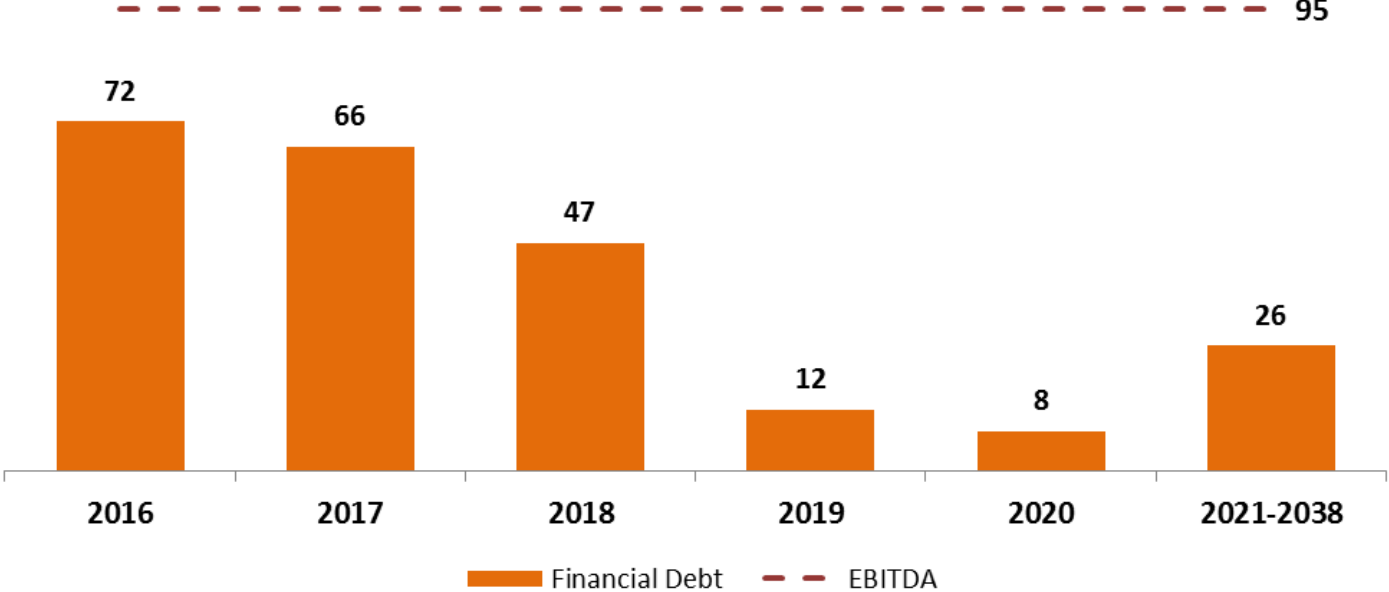
As of December 31, 2015 <sup>(1)</sup>



# Financial Debt

## Expected Maturity Date <sup>(1)</sup>, as of December 31, 2015

(Billion Ch\$)



Source: The Company

(1) Considers current and non current financial liabilities excluding derivatives

\* EBITDA, Last 12 Months



- ✓ We have the brands.
- ✓ We have the portfolio.
- ✓ We have the distribution.
  - ✓ We have the land.
- ✓ We have the investments.
- ✓ We have the expertise.

**We are ready to keep growing...**



# Corporate Presentation

*May 2016*

# VIÑA CONCHA Y TORO



*V. Exhibits*

# Viña Concha y Toro

## Board of Directors

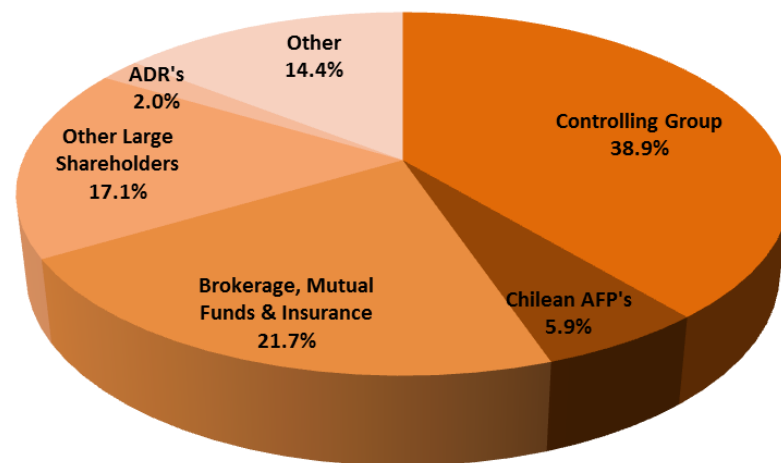


1. Alfonso Larraín Santa María (Chaiman)
2. Rafael Guilisasti Gana
3. Francisco Marín Estévez
4. Mariano Fontecilla de Santiago Concha

5. Sergio de la Cuadra Fabres
6. Pablo Guilisasti Gana
7. Jorge Desormeaux Jiménez

## Shareholder Structure

(December 31, 2015)



# Bottled Sales 4Q2015 & 12M2015

<b>Total Sales<sup>(*)</sup> (in Ch\$ million)</b>	<b>4Q15</b>	<b>4Q14</b>	<b>Change (%)</b>	<b>12M 2015</b>	<b>12M 2014</b>	<b>Change (%)</b>
Chile Domestic Market - wine	17.423	15.210	14,5%	65.078	59.981	8,5%
Export markets <sup>(1)</sup>	131.137	124.535	5,3%	426.196	396.179	7,6%
Argentina Domestic	2.251	1.395	61,4%	6.748	4.451	51,6%
Argentina Exports <sup>(2)</sup>	4.827	4.017	20,2%	18.719	16.382	14,3%
U.S.A. Domestic	18.556	16.478	12,6%	58.850	52.252	12,6%
U.S.A. Exports <sup>(2)</sup>	1.578	1.080	46,0%	5.295	4.875	8,6%
<b>Total Wine Operating Segment</b>	<b>175.771</b>	<b>162.715</b>	<b>8,0%</b>	<b>580.885</b>	<b>534.121</b>	<b>8,8%</b>
Chile Domestic Market - new business	14.549	11.770	23,6%	47.968	41.645	15,2%
Other Revenues	1.745	3.215	-45,7%	7.341	7.548	-2,7%
<b>Total Other Operating Segment</b>	<b>16.294</b>	<b>14.985</b>	<b>8,7%</b>	<b>55.309</b>	<b>49.192</b>	<b>12,4%</b>
<b>Consolidated Sales</b>	<b>192.066</b>	<b>177.700</b>	<b>8,1%</b>	<b>636.194</b>	<b>583.313</b>	<b>9,1%</b>

(1) Export Volumes include exports to third parties and sales volumes of the company's distribution subsidiaries (UK, Nordics, Brazil, Singapore, Mexico).

<b>Total Volume<sup>(*)</sup> (thousand liters)</b>	<b>4Q15</b>	<b>4Q14</b>	<b>Change (%)</b>	<b>12M 2015</b>	<b>12M 2014</b>	<b>Change (%)</b>
Chile Domestic Market - wine	16.265	15.284	6,4%	65.780	62.688	4,9%
Export markets <sup>(1)</sup>	62.336	61.699	1,0%	209.287	201.526	3,9%
Argentina Domestic	1.961	1.785	9,8%	5.405	5.027	7,5%
Argentina Exports <sup>(2)</sup>	2.344	2.415	-2,9%	9.583	9.941	-3,6%
U.S.A. Domestic	5.245	5.257	-0,2%	17.317	17.977	-3,7%
U.S.A. Exports <sup>(2)</sup>	487	340	43,1%	1.602	1.590	0,8%
<b>Total Wine Operating Segment</b>	<b>88.637</b>	<b>86.779</b>	<b>2,1%</b>	<b>308.974</b>	<b>298.749</b>	<b>3,4%</b>
Chile Domestic Market - New Business	7.064	6.110	15,6%	23.838	22.056	8,1%
<b>Total Other Operating Segment</b>	<b>7.064</b>	<b>6.110</b>	<b>15,6%</b>	<b>23.838</b>	<b>22.056</b>	<b>8,1%</b>
<b>Consolidated Volume</b>	<b>95.702</b>	<b>92.890</b>	<b>3,0%</b>	<b>332.812</b>	<b>320.805</b>	<b>3,7%</b>

(2) This figure excludes shipments to the company's distribution subsidiaries.

(\*) This figure includes bulk wine sales.

<b>Average Price (per liter)</b>	<b>Currency</b>	<b>4Q15</b>	<b>4Q14</b>	<b>Change (%)</b>	<b>12M 2015</b>	<b>12M 2014</b>	<b>Change (%)</b>
Chile Domestic Market - wine	Ch\$	1.068,8	995,2	7,4%	988,7	957,0	3,3%
Export Markets	US\$	3,05	3,40	-10,2%	3,15	3,47	-9,5%
Argentina Domestic	US\$	2,11	1,86	13,5%	2,15	1,89	13,6%
Argentina Exports	US\$	3,22	3,02	6,9%	3,20	3,14	1,9%
U.S.A. Domestic	US\$	5,14	5,31	-3,1%	5,35	5,23	2,2%
U.S.A. Exports	US\$	4,63	5,31	-12,7%	5,04	5,40	-6,6%

# Chilean Harvest through years

## Historical Harvest Volume

(million liters)

