VIÑA CONCHA Y TORO
FAMILY OF WINERIES

Fourth Quarter & Full Year 2019 Consolidated Results

Santiago, Chile, March 10, 2019 - Viña Concha y Toro S.A. ("The Company" or "Concha y Toro") (IPSA: Conchatoro), global leading winery and the main producer and exporter of Chilean wine, announced today consolidated financial results, stated under IFRS, for the period ended December 31, 2019.

Consolidated figures of the following analysis are expressed in Chilean pesos, in accordance with reporting standards of the Financial Markets Commission of Chile. For a better understanding of results, we may also disclose some variations on constant currency basis, i.e. where figures for 2018 are translated into Chilean pesos using exchange rates recorded in the same period of 2019. Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

In 2019 and 2018, the Company recorded non-recurring expenses and costs (NRI), mainly related to the internal restructuring process. For a better understanding of results, we also present in a comparative form, information of results excluding the aforementioned items. Thus, throughout this document, references to "Adjusted" data should not be understood as the reported data, but the one in which the referred costs and expenses have been isolated.

4Q19 Highlights

- Consolidated revenue was Ch$196,717 million, +6.6% yoy.
- Sales volume of priority brand categories, Principal and Invest, increased 11% and 12%, respectively.
- EBITDA grew 33.9% to Ch$34,711 million. EBITDA margin up 360bp to 17.6%.
- Net profit was Ch$16,177 million, up 40.3%. Net margin increased 200bp to 8.2%.

12M19 Highlights

- Consolidated revenue was Ch$656,980 million, +7.0% yoy.
- Sales volume of priority brand categories, Principal and Invest, increased 10% and 15%, respectively.
- EBITDA grew 22.8% to Ch$105,644 million and EBITDA margin expanded 210bp to 16.1%.
- Net profit was Ch$52,500 million, up 6.9%. Net margin was 8.0% (0bp).

CEO Comments

We are pleased to present Viña Concha y Toro results for the fourth quarter and full year 2019, which reflect significant achievements in the Company`s value-driven strategy. EBITDA increased 23% in 2019 with an expansion of 210bp in margin, reflecting positive sales growth and mix, internal improvements from restructuring initiatives and increased efforts in brand building, in line with the commercial focus.

Throughout 2019, we have continued to work with the new strategic focus towards premium wines, prioritizing brands according to their relevance and profitability potential. Evidence of this is the steady mix change driven by the growth of such brands in the Principal and Invest categories of our Brand Matrix. During the fourth quarter, in line with the momentum seen in the first nine months, Casillero del Diablo Reserva, our single Principal brand, increased 11% in volume. Likewise, the Invest category grew 12%, driven by Casillero del Diablo line extensions, Diablo, Cono Sur Bicicleta, Trivento Reserve, and 1000 Stories.

In export markets, we highlight the performance achieved by the distribution subsidiaries in Brazil, Mexico, and the United Kingdom, along with other export destinations in Europe, such as Poland and Denmark. This is reflected in an increase of 13% in sales value for both, the quarter and the year, and increases of 3% and 5% in volume terms, respectively.

In the domestic market of Chile, our operation was impacted by the social crisis occurred across the country from October 18, 2019, in hand with business disruptions in supermarket chains and the on-trade channel, as well as logistics delays, among other implications. In spite of a progressive normalization in December, in the quarter our wine business in Chile recorded a 17% decline in value, ending the year with a decrease of 1.6%.

In the Argentina operation, the focus on exports of our Trivento Invest brands to key markets has being reflected by a strong growth in shipments to our distribution subsidiaries, ending 2019 with 42% increase in volume at a global level, led by the UK, USA, and Brazil.

In the USA market, we have continued to work on the integration of our imported portfolios from Chile and Argentina into the Fetzer Vineyards commercial branch. In 2019 and in the quarter, we have seen positive responses from Casillero del Diablo Reserva, Trivento Reserve, and Frontera, in line with a higher commercial focus and promotional activities.

The bottom line increased 40% in the quarter (+9% in adjusted terms), mainly reflecting an improvement at the operating profit, driven by higher volumes of priority brands, a lower cost of wine, and favorable f/x. This was partly offset by a higher promotional activity and one-time expenses in our foreign subsidiaries, and lower sales in the Chilean market. In 2019, Net profit was Ch$52,500 million, 7% above 2018 (+5% in adj. terms).

Finally, and looking forward we believe that the Company`s operating figures obtained throughout the quarters of the year are encouraging and consistent with the objectives and profitability targets that the Company has established in its medium term strategy.

4Q19 Results

1. Consolidated Revenue

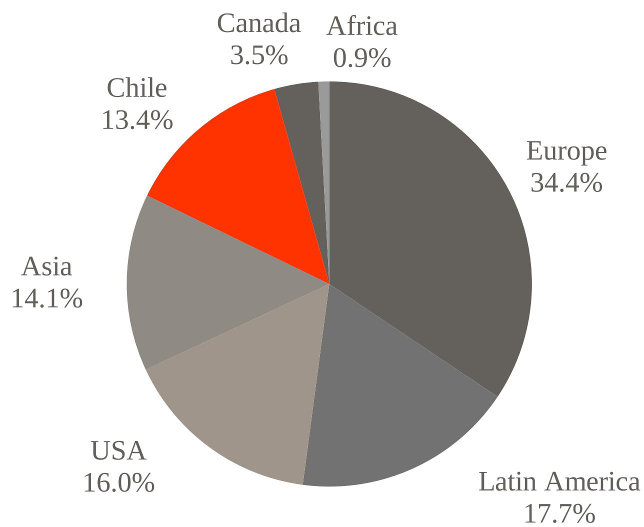
Revenue increased 6.6% to Ch$196,717 million, with increases of 6.1% in wine sales and 16.7% in Others, the non-wine segment. Export markets continue to grow in volume and value terms, with a solid performance of key brands. In line with the new commercial strategy, volumes of the Principal and Invest brand categories increased 10.7% and 12.0% respectively; Protect and Watch brands declined 1.0% and 19.9%, in each case. In the domestic market of Chile, volume and sales value decreased in midst of a social crisis that impacted sales of October and November.

Revenue by Operating Segment

Sales[1] (Ch$ million)		4Q19	4Q18	Var (%)	12M19	12M18	Var (%)
Export Markets[2]		132,552	117,465	12.8%	414,654	367,511	12.8%
Chile Domestic Market - Wine		16,746	20,112	(16.7%)	77,187	78,403	(1.6%)
Argentina Domestic Market		1,246	1,121	11.1%	4,340	5,261	(17.5%)
Argentina Direct Exports[3]		3,029	2,862	5.8%	10,437	9,458	10.3%
USA Domestic Market		31,066	32,691	(5.0%)	108,269	103,072	5.0%
USA Direct Exports[3]		2,392	2,022	18.3%	9,406	7,788	20.8%
Wine Operating Segment		187,032	176,274	6.1%	624,293	571,493	9.2%
New Business[4]		7,990	5,855	36.5%	24,349	31,513	(22.7%)
Other Revenues		1,695	2,443	(30.6%)	8,338	11,123	(25.0%)
Other Operating Segment		9,685	8,298	16.7%	32,687	42,636	(23.3%)
Total Sales		196,717	184,572	6.6%	656,980	614,129	7.0%
Volume[1] (thousand liters)		**4Q19**	**4Q18**	**Var (%)**	**12M19**	**12M18**	**Var (%)**
Export Markets[2]		56,043	54,396	3.0%	190,067	181,027	5.0%
Chile Domestic Market - Wine		13,716	16,325	(16.0%)	64,826	68,293	(5.1%)
Argentina Domestic Market		976	1,284	(24.0%)	4,431	5,469	(19.0%)
Argentina Direct Exports[3]		1,192	1,174	1.5%	4,172	4,216	(1.0%)
USA Domestic Market		10,224	9,828	4.0%	35,499	34,950	1.6%
USA Direct Exports[3]		688	618	11.3%	2,473	2,304	7.4%
Wine Operating Segment		82,838	83,625	(0.9%)	301,469	296,259	1.8%
New Business[4]		4,885	4,255	14.8%	14,495	17,602	(17.7%)
Other Operating Segment		4,885	4,255	14.8%	14,495	17,602	(17.7%)
Total Volume		87,723	87,880	(0.2%)	315,964	313,861	0.7%
Average Price[5] (per liter)		**4Q19**	**4Q18**	**Var (%)**	**12M19**	**12M18**	**Var (%)**
Export Markets[2]	US$	3.20	3.28	(2.6%)	3.16	3.24	(2.4%)
Chile Domestic Market - Wine	Ch$	1,221	1,232	(0.9%)	1,191	1,148	3.7%
Argentina Domestic Market	US$	1.72	1.30	32.0%	1.49	1.50	(1.0%)
Argentina Exports[3]	US$	3.41	3.64	(6.5%)	3.63	3.60	0.8%
USA Domestic Market	US$	4.01	4.89	(18.0%)	4.31	4.55	(5.2%)
USA Exports[3]	US$	4.59	4.81	(4.5%)	5.41	5.27	2.7%

(1) Includes bulk wine sales.
(2) Includes exports to third parties from Chile, and sales through the Company's distribution subsidiaries (UK, Nordics, Brazil, Singapore, Mexico) from Chile, Argentina, and USA. Excludes sales in the USA.
(3) Excludes sales through the Company’s distribution subsidiaries. For a better understanding of sales by origin, in particular for Argentina, we provide a more complete disclosure, including direct exports and shipments to distribution subsidiaries in sections 1.1.3 and 1.1.4.
(4) Includes sales of beer and liquors.
(5) Excludes bulk wine sales.

Consolidated Revenue by Geography
4Q19



1.1. Wine Operating Segment

1.1.1. Export Markets

Export Markets sales include exports from Chile and sales of the distribution subsidiaries, excluding the USA. Export Markets sales totaled Ch$132,552 million, increasing 12.8%. This result was achieved through an increase of 3.0% in volume across regional markets, driven by brands in the Principal, Invest, and Protect categories, in line with the new commercial strategy in place, and positive f/x fluctuations.

In terms of volume, in Europe, sales grew 6.0%, mainly driven by the UK (+10.1%) and Netherlands (+9.9%). In Asia, a decline of 3.8% was mainly related to lower volumes in Japan (-4.2%) and South Korea (-6.8%), while China showed a positive growth rate (+0.5%). Central America and the Caribbean decreased 5.1%, largely on a decline in Panama (-32.3%) and Dominican Republic (-35.2%). South America increased 17.2%, with a remarkable recovery in Brazil (+35.7%) and Colombia (+520%). In Canada, volume also recovered, with a 9.5% growth rate.

Regarding the exchange rate effect, in the quarter the average Chilean peso depreciated against the Mexican peso (12.6%), US dollar (10.1%), Sterling pound (10.1%), Canadian dollar (10.1%), Euro (7.3%), Swedish krona (4.4%), Norwegian krone (3.0%), and Brazilian Real (2.7%).[1].

[1] Based on data provided by the Central Bank of Chile.

1.1.2. Chile Domestic Market – Wine

Chile Domestic market wine sales amounted Ch$16,746 million, with a decline of 16.7% from the same quarter of 2018. This is largely the result of a 16.0% decrease in volume, explained by decreases during the months of October and November in midst of a social unrest in the country that disrupted the operation of supermarkets and the traditional channel, as well as the on-trade consumption for several weeks.

Among our brand categories, large-volume commercial brands posted a decline of 20.0% in volume and 18.2% in value during the quarter. On the opposite, we highlight the performance of the Invest category, which recorded an increase of 11.9% in volume and 13.4% in value. Accordingly, Premium sales increase its share of the domestic sales from 30.6% in 4Q18 to 32.2% in 4Q19.

1.1.3. Argentina

Revenue from the operation in Argentina underlines its reorientation towards key markets, and the exit from products with a low profitability, as well as a challenging macro environment and exchange rates fluctuations impacting domestic sales. The main focus of the Argentina operation is on the positioning of its main brand Trivento Reserve and Golden Reserve, belonging to the Invest category. These brands averaged an increase of 42.4% in volume and 50.7% in value, at a global level in the 4Q19.

Direct exports from Argentina grew 5.8% in value and 1.5% in volume. Leading markets were Canada and markets in Europe, such as Netherlands, Denmark, and Germany. Shipments to our distribution offices (non-third parties) continued to show a positive growth, +53.1% in volume, led by Trivento Invest brands in UK, USA, Mexico, and Brazil.

In the domestic market, that represented 0.6% of consolidated revenue, sales increased 11.1% in Chilean pesos (average CLP/ARS dropped 31% YoY) and volume decreased 24.0%, in a challenging macro scenario in Argentina.

Argentina Sales and Shipments (Ch$ million)	**4Q19**	**4Q18**	**Var (%)**
Shipments to CyT distr. offices	7,101	4,481	58.4%
Exports to third parties	3,029	2,862	5.8%
Domestic market	1,246	1,121	11.1%
Total sales to third parties	4,275	3,984	7.3%
Argentina Volume (th. liters)	**4Q19**	**4Q18**	**Var (%)**
Shipments to CyT distr. offices	4,394	2,870	53.1%
Exports to third parties	1,192	1,174	1.5%
Domestic market	976	1,284	(24.0%)
Total sales volume to third parties	2,168	2,458	(11.8%)

1.1.4. USA

Sales of USA Domestic Market includes sales of Fetzer Vineyards and sales of imported wines from Chile and Argentina, currently commercialized by Fetzer Vineyards, following the integration of the distribution business in the US market (acquisition of Excelsior Wine Company in July 2018).

In the US domestic market, sales volume increased 4.0%, on higher sales of the Chile and Argentina portfolios, which grew 7.8% and 43.0% respectively, while Fetzer Vineyards portfolio declined 2.6%. Sales value declined 5.0% as a result of a lower average price, reflecting a higher share of imported wines in the mix and higher promotional activity. The Company has given an important focus to priority brands from Chile and Argentina, aiming to repositioning and increase brand awareness. In this line, the recovery in volume evidenced by Frontera (+39.5%), Casillero del Diablo (+32.2%), and Trivento Reserve (+57.1%) is a positive response to the company's marketing and commercial efforts following the integration of its business in the USA. Regarding the local portfolio, the decline is a reflect of a highly competitive scenario marked by a large availability of wine in California and changes in distributors' inventory policies.

Fetzer Vineyards' direct exports increased 11.3% in volume, driven by Bonterra organic wines (+30.6%) and Fetzer brand (+44.0%). Shipments to distribution offices (non-third parties) grew 1.2%.

USA Sales and Shipments (Ch$ million)	**4Q19**	**4Q18**	**Var (%)**
Shipments to CyT distr. offices	842	670	25.7%
Exports to third parties	2,392	2,022	18.3%
Domestic market	31,066	32,691	(5.0%)
Total sales to third parties	34,301	35,383	(3.1%)
USA Volume (th. liters)	**4Q19**	**4Q18**	**Var (%)**
Shipments to CyT distr. offices	193	191	1.2%
Exports to third parties	688	618	11.3%
Domestic market	10,224	9,828	4.0%
Total sales volume to third parties	11,105	10.637	4,4%

1.2. Other Operating Segment

Other operating segment increased 16.7% in the quarter, mainly due to higher sales of Premium beer Miller and Kross, which increased 25.9% and 46.7%, respectively.

2. Cost of Sales

The cost of sales was Ch$120,832 million, 0.9% above the figure in 4Q18, in line with volume growth, and result of a lower cost of wine, partially offset by the effect of higher f/x on such dry costs and operating costs that are denominated in foreign currency. The ratio cost of sales to sales was 61.4%, 350bp lower than in 4Q18 and 330bp lower in adjusted terms. In 4Q18, the Company recorded non-recurring costs for Ch$413 million, related to the restructuring process.

3. Selling, General and Administrative Expenses (SG&A)

Selling, general and administrative expenses (distribution costs and administrative expenses) were Ch$49,196 million in the quarter, as compared to Ch$45,551 million in 4Q18, with an increase of 8.0%.

In 4Q19 and 4Q18, the Company recorded non-recurring expenses, such as consultancies and severance payments related to the restructuring process, for Ch$207 million and Ch$1,608 million, respectively. Adjusted by NRI, SG&A were Ch$48,989 million, 11.5% higher than in 4Q18, mainly reflecting f/x impact on expenses at our foreign subsidiaries, and increased promotional expenses in the USA, among others. As a percentage of sales, SG&A was 25.0%, 30bp higher than in 4Q18. The ratio was 24.9% in adjusted terms, +110bp, explained mainly by the facts mentioned before, and by lower expenses dilution in Chile on the reported volume decline.

4. Other Income and Expense

Other income and expense recorded a Ch$257 million loss in 4Q19, which compares to a loss of Ch$1,035 million in 4Q18. In 4Q19 and 4Q18, the Company recorded non-recurring, restructuring expenses for Ch$59 million and Ch$1,497 million, related to the closure of Lo Espejo plant.

Adjusted by non-recurring items, Other income and expense recorded a loss of Ch$198 million and a gain of Ch$462 million in 4Q19 and 4Q18, respectively.

5. Operating Profit

Profit from operating activities was Ch$26,432 million, increasing 45.2% from Ch$18,203 million in 4Q18. Excluding NRI, the adjusted Operating Profit was Ch$26,698 million, with an increase of 22.9%. This is mainly explained by a positive f/x impact, higher sales of our priority brands, in line with the new commercial strategy, and a lower cost of wine. This was partly offset by higher such dry costs, operating costs, and expenses that are denominated in foreign currency, and higher promotional activity in the USA. The operating margin was 13.4%, an increase of 360bp, and 13.6% (+180bp) in adjusted terms.[2]

[2] In order to facilitate analysis, in page 17 an Adjusted Income Statement is provided. Adjustments comprise restructuring costs and expenses, and other non-recurring expenses (NRI).

6. EBITDA

EBITDA (profit from operating activities plus depreciation and amortization expenses) was Ch$34,711 million in 4Q19, 33.9% above the figure of 4Q18. EBITDA margin was 17.6%, 360bp above the figure in 4Q18. Excluding NRI, adjusted EBITDA was Ch$34,977 million (+18.8% yoy) and adjusted EBITDA margin was 17.8% in 4Q19 (+180bp).[3]

7. Non- Operating Profit

In 4Q19, the Company recorded a Non-operating loss of Ch$4,236 million, which compares to a loss of Ch$2,569 million in 4Q18. This is mainly explained by lower exchange differences.

Financial costs net of financial income and adjustment units was Ch$3,261 million, an increase of 2.9%. This reflects a higher debt level, which the Company considers temporary, given that in the context of low interest rates, the Company issued bond debt, whose proceeds are being used to pay debt maturities in 2020.

8. Income Tax Expense

In the period, Income tax expense was Ch$5,426 million, higher than the figure of Ch$3,500 million in 4Q18. The difference reflects the impact of exchange rates fluctuation on the taxes recorded by foreign subsidiaries, especially Trivento in Argentina.

9. Profit and Earnings per Share (EPS)

Profit attributable to owners of parent Company was Ch$16,178 million, with an increase of 40.3% from the Ch$11,531 million reported in 4Q18.

Excluding extraordinary items, Profit was Ch$16,444 million, up 9.3%, and net margin increased 20bp to 8.4%.[3]

Based on 747,005,982 weighted average shares, Viña Concha y Toro's earnings per share totaled Ch$21.66, 40.3% above the Ch$15.44 per share recorded in the same period of the previous year.

[3] In order to facilitate analysis, in page 17 an adjusted Income Statement is provided. Adjustments comprise restructuring costs and expenses, and other non-recurring expenses (NRI).

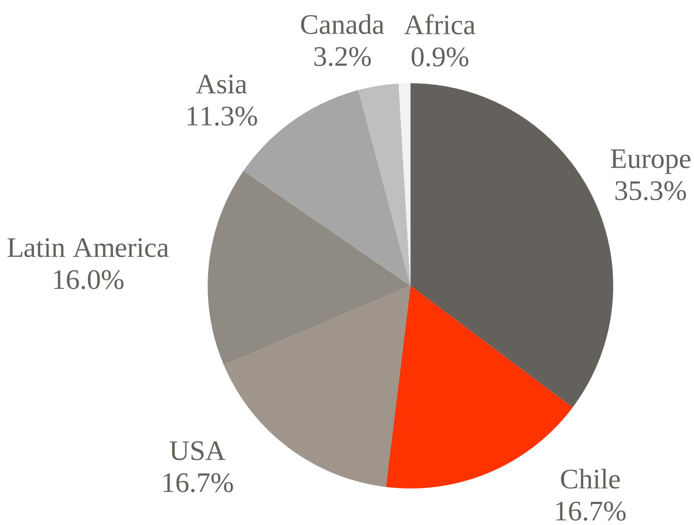
12M19 Results

1. Consolidated Revenue

Revenue totaled Ch$656,980 million, increasing 7.0% yoy. This expansion was driven by a 12.8% increase in export markets' wine sales. The top line reflects a favorable currency effect and mix improvement. In fact, wine volume grew 1.8%, with increases in the Principal and Invest brand categories (+10.0% and +15.4%, respectively), a stable Protect category (-0.3%), and a decline in Watch (-6.7%).

Sales of Other products decreased 23.3%, which is mainly explained by the end of the distribution contract for Diageo's spirits in July of 2018 and a decline in services. Miller, Kross and Estrella Damm premium beers exhibited strong growth (+11.0%, +79.1%, and +95.9% in value, respectively).

Consolidated Revenue by Geography
12M19



1.1. Wine Operating Segment

1.1.1. Export Markets

Export Markets sales include export from Chile and sales of the distribution subsidiaries, excluding the USA. Export Markets sales totaled Ch$414,654 million, increasing 12.8%. This result was achieved through an increase of 5.0% in volume across regional markets, driven by brands in the Principal and Invest categories, and positive f/x fluctuations.

In Europe, sales volume increased 7.2%, boosted by the United Kingdom (+8.4%), principal destination of the Company's exports, and followed by Poland (+52.1%) and Netherlands (+21.7%). Central America and the Caribbean grew 7.4%, led by Mexico (+8.9%) and Panama (+19.9%). South America grew 10.8%, with a remarkable performance in Brazil (+18.6%). In Canada, volume declined 1.9%.

In Asia, volume was stable and sales value increased 16.1%. China sales grew 21.6% in value with a stable volume, reflecting an improved sales mix with strong sales at Principal (+29.3%) and Invest (+52.6%) brand categories, evidencing the new strategic focus in place. Moreover, South Korea grew 28.9% in value and 4.4% in volume, and Japan increased 13.3% in value and with a stable volume.

Regarding the exchange rate effect, in the period the average Chilean peso depreciated against the US dollar (8.9%), Mexican peso (8.6%), Canadian dollar (6.7%), Sterling pound (4.8%), Euro (3.9%), Norwegian krone (1.4%), Brazilian real (1.2%), and Swedish krona (0.8%).[4]

1.1.2. Chile Domestic Market - Wine

In the domestic market, as before mentioned, the social crisis that took place from October 2019 has impacted materially our sales in the months of October and November. For the year 2019, this was reflected in a decrease of 1.6% in sales, totaling Ch$77,187 million. The decline in volume (-5.1%), was explained by a lower non-premium wine, while premium brands largely recorded positive growth rates. Accordingly, our sales mix improved and the average price increased 3.7%.

In fact, volume trends diverged across our brand matrix. While Principal (Casillero del Diablo Reserva) and Invest categories showed expansions of 6.0% and 21.7%, respectively, Protect declined 8.2% and Watch grew 0.9%. This is consistent with our new commercial strategy, focusing efforts to the most profitable brands, allocated in the Principal and Invest categories. We highlight the performance of Diablo, an Invest brand that was launched in 2018 and in 2019 arrived to sales of 44,000 cases in the domestic market.

[4] Based on data provided by the Central Bank of Chile.

According to Nielsen estimates, Concha y Toro increased its value market share, to 27,1% in 2019 from 26.6% in 2018.

1.1.3. Argentina

2019 results for the Argentina operation reflect a successful year for Trivento and its main Invest brands, Trivento Reserve and Golden Reserve, which increased 38.5% in volume and 44.2% in value at a global level.

Direct exports from Argentina grew 10.3% in value and declined 1.0% in volume. The decline in volume is explained by the commercial reorientation to priority markets and change in distributors. A remarkable performance was seen in European markets such as Denmark, Germany, and Russia, as well as in Asia, in South Korea and Japan.

Shipments to our distribution offices (non-third parties) reported a strong growth, +60.6% in volume, led by Trivento Invest brands in UK, USA, and Brazil.

In the domestic market of Argentina, that represented 0.7% of consolidated revenue, sales declined 17.5% in Chilean pesos (average CLP/ARS dropped 39% yoy) and the volume decreased 19.0%, in a challenging macro scenario in Argentina.

Argentina Sales and Shipments (Ch$ million)	12M19	12M18	Var (%)
Shipments to CyT distr. offices	24.153	13.201	83,0%
Exports to third parties	10.437	9.458	10,3%
Domestic market	4.340	5.261	(17,5%)
Total sales to third parties	14.776	14.719	0,4%
Argentina Volume (th. liters)	**12M19**	**12M18**	**Var (%)**
Shipments to CyT distr. offices	14.852	9.247	60,6%
Exports to third parties	4.172	4.216	(1,0%)
Domestic market	4.431	5.469	(19,0%)
Total sales volume to third parties	8.603	9.685	(11,2%)

1.1.4. USA

In the domestic market of USA, sales grew 5.0% to Ch$108,269 million, and declined 3.7% in US dollar terms. This is a result of an increase of 1.6% in volume and a lower average price.

In a challenging industry environment, marked by a high availability of wine, the imported portfolio from Chile and Argentina showed a recovery in volumes, driven by Casillero del Diablo (+15.1%), Trivento Reserve (+20.3%), and Frontera (+9.7%). We see this as a positive response to the Company's commercial efforts and brand investments carried out following the unification of its distribution branch in the USA. On the other hand, from the California portfolio, 1000 stories maintained its volume, while Bonterra and Fetzer core brand recorded declines of 5.3% and 12.8%, respectively, following changes in distributors' inventory policies that impacted mainly the California category.

Fetzer Vineyards' direct exports increased 7.4% in volume led by 1000 stories, Bonterra, and Fetzer core brand (+53.2%, +8.0%, and +17.7%, respectively), with a strong performance in European markets, such as Russia, Denmark, Switzerland, and Germany. The average price for exports was US$5.41 per liter (+2.7%). Shipments to distribution offices declined 65.8% in volume, resulting from strategic sourcing changes and the exit from less-profitable products.

USA Sales and Shipments (Ch$ million)	**12M19**	**12M18**	**Var (%)**
Shipments to CyT distr. offices	3.148	4.993	(36,9%)
Exports to third parties	9.406	7.788	20,8%
Domestic market	108.269	103.072	5,0%
Total sales to third parties	120.823	115.853	4,3%
USA Volume (th. liters)	**12M19**	**12M18**	**Var (%)**
Shipments to CyT distr. offices	811	2.370	(65,8%)
Exports to third parties	2.473	2.304	7,4%
Domestic market	35.499	34.950	1,6%
Total sales volume to third parties	38.784	39.624	(2,1%)

1.2. Other Operating Segment

Other operating segment decreased 23.3% in the period, reflecting lower revenues at New Business and services. New Business sales declined 22.7%, due to the end of the distribution agreement with Diageo. Premium beer Miller, Kross, and Estrella Damm exhibited strong growth (+11.0%, +79.1%, and +95.9% in value, respectively).

2. Cost of Sales

The Cost of sales increased 1.5% to Ch$415,584 million, in line with volume growth. In the period, a lower cost of wine was partially offset by the effect of higher f/x on such dry costs and operating costs that are denominated in foreign currency. The ratio Cost of sales to sales was 63.3%, 340bp lower than in 12M18 and 63.2% in adjusted terms (-310bp). In 12M19 and 12M18, the Company recognized extraordinary costs for Ch$57 million and Ch$1,963 million, in each case, mainly consultancies related to the restructuring process carried out during 2017 and 2018.

3. Selling, General and Administrative Expenses (SG&A)

Selling, general and administrative expenses (distribution costs and administrative expenses) were Ch$162,975 million in the period, representing an increase of 9.3%, mainly due to marketing efforts in the USA subsidiary, which is in a process of integration and repositioning of its imported portfolio, higher expenses in foreign subsidiaries, and higher export taxes in Argentina ($3 ARS per dollar, from September 2018).

In 12M19 and 12M18, the Company recognized extraordinary restructuring expenses (consultancy fees and severance payments) for Ch$847 million and Ch$5,192 million. Adjusted by NRI, the SG&A to sales ratio increased 120bp to 24.7%,

4. Other Income and Expense

Other income and expense recorded a loss of Ch$1,345 million in 12M19, which compares to a gain of Ch$4,548 million in 12M18. In 2019, expenses are mainly related to the closure of Lo Espejo bottling plant executed in October 2018. In 2018, Other income recorded a one-off gain for Ch$6,218 million from the revaluation of investments in the context of the integration of Excelsior to the Company's operations in the USA.

Adjusted for non-recurring items, Other income and expense were losses of Ch$407 million in 12M19 and gains for Ch$201 million in 12M18.

5. Operating Profit

Profit from operating activities was Ch$77,077 million, increasing 28.4% from Ch$60,007 million in 12M18, and reflecting mainly higher sales volume of priority brands, positive f/x impact, and a lower cost of wine. The operating margin was 11.7%, versus 9.8% in 12M18 (+200bp). Excluding NRI, the operating profit was Ch$78,919 million in 12M19, and operating margin was 12.0% (+180bp).[5]

[5] In order to facilitate analysis, in page 17 an adjusted Income Statement is provided. Adjustments comprise restructuring costs and expenses, and other non-recurring expenses (NRI).

6. EBITDA

EBITDA (operating profit plus depreciation and amortization expenses) was Ch$105,644 million in 12M19, 22.8% above the figure of 12M18. EBITDA margin was 16.1%, 210bp above the figure in 12M18. Excluding NRI, adjusted EBITDA reached Ch$107,486 million, 21.0% above the adjusted figure in 12M18. Adjusted EBITDA margin was 16.4% in 12M19 (+190bp)[6].

7. Non-Operating Profit

In 12M19, Non-operating profit was a Ch$6,595 million loss, which compares to a gain of Ch$1,488 million in 12M18. This is mainly explained by lower exchange differences, which amounted Ch$2,687 million in 12M19, compared with Ch$10,649 million in 12M18.

Financial costs net of financial income and adjustment units totaled Ch$12,511 million, with an increase of 6.6%. This reflects a higher debt level, which the Company considers temporary, given that in the context of low interest rates, the Company issued bond debt, whose proceeds are being used to pay debt maturities in 2020.

8. Income Tax Expense

In the period, Income tax expense was Ch$17,072 million, 49.8% higher than the figure of Ch$11,394 million in 12M18. This is mainly explained by the impact of exchange rates fluctuations on taxes recorded by foreign subsidiaries, especially Trivento in Argentina.

9. Profit and Earnings per Share (EPS)

Profit attributable to owners was of parent was Ch$52,500 million, with an increase of 6.9% from the Ch$49,111 million reported in 12M18. Excluding extraordinary items Profit was Ch$54,342 million, 4.7% above the profit of 12M18[6]. This is explained by an increase of Ch$17,070 million in the Operating profit, partly offset by a decline of Ch$8,084 million in the Non-operating profit, related to lower exchange differences. Net margin was 8.0% in 12M19, same level of 12M18 and 8.3% in adjusted terms (-20bp).

Based on 747,005,982 weighted average shares, Viña Concha y Toro's earnings per share totaled Ch$70.28, 6.9% above the Ch$65.74 per share recorded in 2018.

[6] In order to facilitate analysis, in page 17 an adjusted Income Statement is provided. Adjustments comprise restructuring costs and expenses, and other non-recurring expenses (NRI).

Statement of Financial Position as of December 31, 2019

1. Assets

As of December 31, 2019, Viña Concha y Toro's assets totaled Ch$1,253,817 million, 9.6% above the figure as of December 31, 2018.

2. Liabilities

As of December 31, 2019, Net financial debt amounted Ch$286,715 million, increasing Ch$29,690 million, 11.6% when compared to the figure as of December 31, 2018. This is explained mainly by the new IFRS 16 criteria on leases, with an impact of Ch$9.500 million, and the appreciation of US dollar denominated debt.

Net Financial Debt is calculated as Other current financial liabilities + Other non-current financial liabilities - Cash and cash equivalents – Derivatives.

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About Viña Concha y Toro

Founded in 1883, Viña Concha y Toro is the leading Latin American wine maker, and a one of the world's largest wine company. It holds around 12,000 hectares of vineyards in Chile, Argentina, and United States, and its wine portfolio includes iconic brands, such as Don Melchor and Almaviva, its flagship brand Casillero del Diablo, Trivento from Argentina, and Fetzer and Bonterra brands from California.

Forward Looking Statements

This press release may contain certain forward-looking statements with respect to the financial condition, results of operations and business of the Company and certain plans and objectives of the Company with respect to these items. Forward-looking statements are declaration of intentions, beliefs or expectations of Viña Concha y Toro and its administration with respect to future results of the Company. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that occur in the future.

Income Statement

(Ch$ thousand)	4Q19	4Q18	Chg (%)	12M19	12M18	Chg (%)
Revenue	196,716,929	184,572,138	6.6%	656,980,447	614,128,905	7.0%
Cost of sales	(120,831,683)	(119,784,184)	0.9%	(415,583,553)	(409,542,596)	1.5%
Gross profit	75,885,246	64,787,954	17.1%	241,396,894	204,586,309	18.0%
Gross margin	38.6%	35.1%	350 bp	36.7%	33.3%	340 bp
Other income	965,347	1,209,226	(20.2%)	1,875,854	8,549,635	(78.1%)
Distribution costs	(42,784,500)	(37,874,180)	13.0%	(131,543,755)	(114,151,288)	15.2%
Administrative expense	(6,411,989)	(7,676,400)	(16.5%)	(31,430,822)	(34,975,242)	(10.1%)
Other expense by function	(1,222,003)	(2,243,913)	(45.5%)	(3,221,155)	(4,002,077)	(19.5%)
Profit (loss) from operating activities	26,432,101	18,202,687	45.2%	77,077,016	60,007,337	28.4%
Operating margin	13.4%	9.9%	360 bp	11.7%	9.8%	200 bp
Financial income	254,401	132,066	92.6%	587,277	924,066	(36.4%)
Financial costs	(3,350,466)	(3,058,882)	9.5%	(12,413,267)	(11,647,790)	6.6%
Share of profit (loss) of associates and joint ventures using equity method	214,770	29,157	636.6%	3,229,468	2,578,197	25.3%
Exchange differences	(1,189,801)	570,083	(308.7%)	2,686,502	10,648,800	(74.8%)
Adjustment units	(164,911)	(241,466)	(31.7%)	(685,477)	(1,015,159)	(32.5%)
Non-operating profit (loss)	(4,236,007)	(2,569,042)	64.9%	(6,595,497)	1,488,114	
Profit (loss) before tax	22,196,094	15,633,645	42.0%	70,481,519	61,495,451	14.6%
Income tax expense	(5,426,012)	(3,499,935)	55.0%	(17,071,544)	(11,394,118)	49.8%
Profit (loss)	16,770,082	12,133,710	38.2%	53,409,975	50,101,333	6.6%
Profit (loss) attributable to noncontrolling interests	592,402	602,550	(1.7%)	910,210	990,215	(8.1%)
Profit attributable to owners of parent	16,177,680	11,531,160	40.3%	52,499,765	49,111,118	6.9%
Net margin	8.2%	6.2%	200 bp	8.0%	8.0%	0 bp
Basic earnings per share	21.66	15.44	40.3%	70.28	65.74	6.9%
Depreciation expense	7,678,787	7,406,532	3.7%	26,802,415	24,911,943	7.6%
Amortization expense	600,141	307,026	95.5%	1,764,400	1,105,381	59.6%
EBITDA*	34,711,029	25,916,244	33.9%	105,643,831	86,024,661	22.8%
EBITDA margin*	17.6%	14.0%	360 bp	16.1%	14.0%	210 bp

* EBITDA = Profit from operating activities + Depreciation & Amortization expenses.

Reported and Adjusted Results[7]

(Ch$ million)	4Q19 Reported	4Q18 Reported	Chg (%)	4Q19 Adjusted	4Q18 Adjusted	Chg (%)
Revenue	196,717	184,572	6.6%	196,717	184,572	6.6%
Cost of sales	(120,832)	(119,784)	0.9%	(120,832)	(119,371)	1.2%
Gross profit	75,885	64,788	17.1%	75,885	65,201	16.4%
Gross margin	38.6%	35.1%	350 bp	38.6%	35.3%	330 bp
SG&A*	(49,196)	(45,551)	8.0%	(48,989)	(43,943)	11.5%
Other op. income, expense	(257)	(1,035)	75.2%	(198)	462	
Profit (loss) from operating activities	26,432	18,203	45.2%	26,698	21,721	22.9%
Operating margin	13.4%	9.9%	360 bp	13.6%	11.8%	180 bp
Non-operating profit (loss)	(4,236)	(2,569)	64.9%	(4,236)	(2,569)	64.9%
Profit (loss) before tax	22,196	15,634	42.0%	22,462	19,152	17.3%
Income tax expense	(5,426)	(3,500)	55.0%	(5,426)	(3,500)	55.0%
Profit (loss) attributable to noncontrolling interests	592	603	(1.7%)	592	603	(1.7%)
Profit attributable to owners of parent	16,178	11,531	40.3%	16,444	15,050	9.3%
Net margin	8.2%	6.2%	200 bp	8.4%	8.2%	20 bp
EBITDA**	34,711	25,916	33.9%	34,977	29,435	18.8%
EBITDA margin	17.6%	14.0%	360 bp	17.8%	15.9%	180 bp

(Ch$ million)	12M19 Reported	12M18 Reported	Chg (%)	12M19 Adjusted	12M18 Adjusted	Chg (%)
Revenue	656,980	614,129	7.0%	656,980	614,129	7.0%
Cost of sales	(415,584)	(409,543)	1.5%	(415,526)	(407,580)	1.9%
Gross profit	241,397	204,586	18.0%	241,454	206,549	16.9%
Gross margin	36.7%	33.3%	340 bp	36.8%	33.6%	310 bp
SG&A*	(162,975)	(149,127)	9.3%	(162,127)	(143,934)	12.6%
Other op. income, expense	(1,345)	4,548		(407)	201	
Profit (loss) from operating activities	77,077	60,007	28.4%	78,919	62,816	25.6%
Operating margin	11.7%	9.8%	200 bp	12.0%	10.2%	180 bp
Non-operating profit (loss)	(6,595)	1,488		(6,595)	1,488	
Profit (loss) before tax	70,482	61,495	14.6%	72,324	64,304	12.5%
Income tax expense	(17,072)	(11,394)	49.8%	(17,072)	(11,394)	49.8%
Profit (loss) attributable to noncontrolling interests	910	990	(8.1%)	910	990	(8.1%)
Profit attributable to owners of parent	52,500	49,111	6.9%	54,342	51,920	4.7%
Net margin	8.0%	8.0%	0 bp	8.3%	8.5%	(20 bp)
EBITDA**	105,644	86,025	22.8%	107,486	88,833	21.0%
EBITDA margin	16.1%	14.0%	210 bp	16.4%	14.5%	190 bp

* SG&A = Distribution costs + Administration expense
** EBITDA= Profit from operating activities + Depreciation + Amortization

[7] Adjusted results are presented with the purpose of facilitating comparison, excluding restructuring costs and such expenses that are considered non-recurring items (NRI).

Statement of Financial Position[8]

(Ch$ thousand)	Dec.31, 2019	Dec. 31, 2018	Chg (%)
Assets			
Cash and cash equivalents	72,037,137	37,486,337	92.2%
Inventories	293,371,556	277,389,786	5.8%
Trade and other current receivables	214,487,355	193,256,718	11.0%
Current biological assets	23,061,507	20,782,597	11.0%
Other current assets	39,530,770	38,858,104	1.7%
Current assets	**642,488,325**	**567,773,542**	**13.2%**
Property, plant and equipment	422,471,464	391,263,749	8.0%
Inv. accounted for using equity method	22,731,211	21,262,939	6.9%
Other noncurrent assets	166,126,127	164,180,023	1.2%
Noncurrent assets	**611,328,802**	**576,706,711**	**6.0%**
Assets	**1,253,817,127**	**1,144,480,253**	**9.6%**
Liabilities			
Other current financial liabilities	147,539,239	129,149,694	14.2%
Other current liabilities	191,408,759	184,045,658	4.0%
Current liabilities	**338,947,998**	**313,195,352**	**8.2%**
Other noncurrent financial liabilities	244,035,418	189,594,090	28.7%
Other noncurrent liabilities	76,799,245	69,537,567	10.4%
Noncurrent liabilities	**320,834,633**	**259,131,657**	**23.8%**
Liabilities	**659,782,661**	**572,327,009**	**15.3%**
Equity			
Issued capital	84,178,790	84,178,790	0.0%
Retained earnings	514,555,498	481,812,864	6.8%
Other reserves	(9,142,958)	2,330,314	
Equity attributable to owners of parent	**589,591,330**	**568,321,968**	**3.7%**
Non-controlling interests	4,443,136	3,831,276	16.0%
Equity	**594,034,466**	**572,153,244**	**3.8%**
Equity and liabilities	**1,253,817,127**	**1,144,480,253**	**9.6%**

[8] In order to facilitate analysis, some accounts have been grouped.