Investor Report 1Q 2014

May 29th, 2014

Highlights

- A capital increase of US$ 200 million was approved in a Special Shareholders Meeting held on March 21, 2014, aimed to complete the financing of the seven 9300 TEU container vessels currently under construction at the Samsung Heavy Industries shipyard in Korea, and to fulfill some of the conditions for the closing of the eventual merger with Hapag-Lloyd AG.

- The company signed a binding contract with Hapag-Lloyd AG on April 16, 2014, by which both companies agreed on merging CSAV’s entire container business with Hapag-Lloyd. In return for contributing its container business, CSAV will become a new Hapag-Lloyd core shareholder besides HGV (City of Hamburg) and Kühne Maritime. CSAV will initially hold a 30% stake in the combined entity. The partners have agreed on a capital increase of EUR 370 million once the transaction has been concluded, to which CSAV will contribute EUR 259 million. This will then increase CSAV’s share of Hapag-Lloyd to 34%. A second capital increase of EUR 370 million will be linked to Hapag-Lloyd’s planned stock exchange listing.

- The closing of the transaction is subject to CSAV's appraisal rights exercise condition of less than 5% being met, the approval of the Senate of Hamburg, the approval of competition authorities and fulfillment of some financial conditions. The first two conditions have already been met.

- CSAV’s net profit for the first quarter of 2014 reached a loss of MMUS$ 65.9, which compares to the loss of MMUS$ 60.7 in the fourth quarter of 2013 and the loss of MMUS$ 96.0 in the first quarter of 2013.

- Operating loss reached MMUS$ 63.6 during the first quarter of 2014, which compares positively to the operating loss of MMUS$ 108.4 during the fourth quarter of 2013, mainly driven by higher freight rates and cost reduction. However, it compares negatively to the operating loss of MMUS$ 54.2 achieved during the first quarter of 2013, excluding provision of MMUS$ 40, mainly due to an important decrease of 10.6% in freight rates, partially compensated by lower costs. The impact of lower freight rates is equivalent to MMUS$ 69 of lower revenue, and operating profit decreased only MMUS$ 9, which reflects the company´s more efficient cost structure.

Income Statement Analysis

Figures in US$ Million	1Q 14	4Q 13	1Q 13	QoQ	YoY	YTD 14	YTD 13	YoY
Transported Volume [in Teus]	444,557	481,816	436,499	-7.7%	1.8%	444,557	436,499	1.8%
Operating Revenue	745.2	737.8	877.1	1.0%	-15.0%	745.2	877.1	-15.0%
Cost of Sales	(753.9)	(790.4)	(869.1)	-4.6%	-13.3%	(753.9)	(869.1)	-13.3%
Gross Margin	(8.7)	(52.6)	8.0	-83.5%	n.m.	(8.7)	8.0	n.m.
Administrative Expenses	(54.7)	(58.6)	(62.3)	-6.6%	-12.3%	(54.7)	(62.3)	-12.3%
Operating Profit (Loss)	(63.6)	(108.4)	(94.2)	-41.3%	-32.5%	(63.6)	(94.2)	-32.5%
Profit (Loss) from Continuing Operations	(65.6)	(60.4)	(96.0)	8.6%	-31.6%	(65.6)	(96.0)	-31.6%
Profit (Loss) from Discontinued Operations	0.0	0.0	0.0	n.m.	n.m.	0.0	0.0	n.m.
Profit (Loss) attributable to Owners	(65.9)	(60.7)	(96.0)	8.5%	-31.3%	(65.9)	(96.0)	-31.3%
EBITDA *	(49.9)	(96.1)	(38.0)	-48.1%	31.1%	(49.9)	(38.0)	31.1%

*Calculated as operating profit plus depreciation and amortization (Excluding provision of MM US$ 40 in March 2013 and profit of MM US$ 3 from prepayment of AFLAC in December 2013)

Since IFRS was implemented, operating revenue and cost of sales from shipping services in course are registered according to their degree of completion. For those voyages that cannot be precisely estimated, revenue is registered only if related costs can be recovered, and thus the same amount is registered in revenue and costs, according to a conservative principle. In the case that beforehand it can be estimated that a voyage will present a loss, this loss is provisioned in cost of sales (Net Loss Vessel Provision in Note 23 of the Financial Statements) instead of separately registering revenue and costs. In a stable scenario, the Company should register a steady amount of revenue and costs from services in course, according to their degree of completion. However, important changes in capacity and transition from periods of strong operational losses (when services in course are registered as onerous contracts) to periods of positive operational margins (or opposite direction), produce significant variations in the revenue and cost recognition according to degree of completion, which impacts the comparison of operational activities between both periods.

Operating Revenue

Figures in US$ Million	1Q 14	(1)	4Q 13	(1)	1Q 13	(1)
Container Shipping Services	634.0	88.1%	674.7	91.2%	725.2	85.3%
Operating Revenue	615.4	85.5%	644.5	87.1%	684.2	80.5%
Other Revenue	18.6	2.6%	30.2	4.1%	41.0	4.8%
Other Shipping Services	85.9	11.9%	65.0	8.8%	124.6	14.7%
Revenue from Degree of Completion	25.3		(1.9)		27.3	
Operating Revenue	745.2	100.0%	737.8	100.0%	877.1	100.0%

(1) Share of revenue calculated over operating revenue excluding degree of completion

	1Q 14	4Q 13	1Q 13
Container Rate Index (2)	1,684	1,629	1,884

(2) Index calculated using average container revenue per teu in 2008 as 2000 points

CSAV's operating revenue reached MMUS$ 745.2 during the first quarter of 2014, an increase of 1.0% compared to the fourth quarter of 2013 and a decrease of 15.0% compared to the first quarter of 2013. However, revenue from Container Shipping Services decreased 6.0% compared to the fourth quarter of 2013, which is mainly explained by a decrease in volume, and 12.6% compared to the first quarter of 2013, which is mainly explained by lower freight rates. Meanwhile, revenue from Other Shipping Services increased 32.1% compared to the fourth quarter of 2014 and decreased 31.1% compared to the first quarter of 2013. Furthermore, Revenue from Degree of Completion increased MMUS$ 27.2 compared to the fourth quarter of 2013 and decreased MMUS$ 2.0 compared to the first quarter of 2013.

Figures in Teus	1Q 14		4Q 13		1Q 13	
South America *	324,436	73.0%	370,488	76.9%	317,617	72.8%
Asia-Europe	76,363	17.2%	68,386	14.2%	69,161	15.8%
Intra Asia	25,168	5.7%	25,532	5.3%	25,231	5.8%
Transpacific	0	0.0%	0	0.0%	0	0.0%
Africa & Others	18,590	4.2%	17,410	3.6%	24,490	5.6%
Total	444,557	100.0%	481,816	100.0%	436,499	100.0%

** Includes Mexico and The Caribbean*

Transported volume reached 444,557 TEUs in the first quarter of 2014, a decrease of 7.7% compared to the fourth quarter of 2013 and an increase of 1.8% compared to the first quarter of 2013. The stability in the volume distribution per geographical zone compared to the fourth quarter of 2013 and the first quarter of 2013 is a sign of the restructuring process consolidation, reflected in our services structure. South American's services have 73.0% share of the total volume in the first quarter of 2014, showing focus in relevant markets where CSAV has competitive advantages.

The container rate index of CSAV, which includes freight and other cargo related revenue, showed an increase of 3.4% during the first quarter of 2014 compared to the fourth quarter of 2013 and a decrease of 10.6% compared to the first quarter of 2013.

Cost of Sales

Figures in US$ Million	1Q 14	(1)	4Q 13	(1)	1Q 13	(1)
Container Shipping Services	(647.3)	88.8%	(731.2)	92.3%	(711.1)	84.5%
Cargo, Intermodal and Others	(219.3)	30.1%	(239.7)	30.3%	(224.7)	26.7%
Vessels, Port, Canal and Others	(297.3)	40.8%	(343.4)	43.3%	(331.1)	39.3%
Bunker	(130.7)	17.9%	(148.1)	18.7%	(155.2)	18.4%
Other Shipping Services	(81.3)	11.2%	(61.1)	7.7%	(130.6)	15.5%
Cost from Degree of Completion	(25.3)		1.9		(27.3)	
Cost of Sales	(753.9)	100.0%	(790.4)	100.0%	(869.1)	100.0%

(1) Share of cost calculated over cost of sales excluding degree of completion

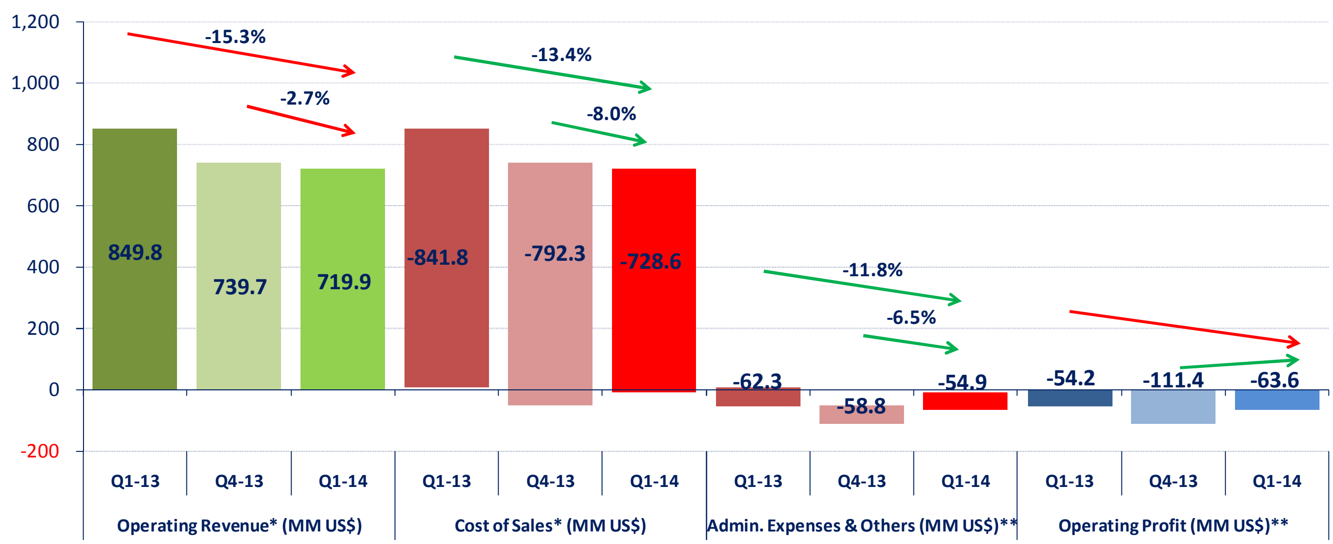
	1Q 14	4Q 13	1Q 13
Bunker Price (US$/ton)	588	600	619

CSAV's cost of sales reached MMUS$ 753.9 during the first quarter of 2014, a decrease of 4.6% compared to the fourth quarter of 2013 and of 13.3% compared to the first quarter of 2013. Container Shipping Cost decreased 11.5% compared to the fourth quarter of 2013 and 9.0% compared to the first quarter of 2013, considering lower volume variations, which reflects continued cost efficiency. Meanwhile, cost from Other Shipping Services increased 33.0% compared to the fourth quarter of 2013 and decreased 37.8% compared to the first quarter of 2013. Furthermore, Cost from Degree of Completion increased MMUS$ 27.2 compared to the fourth quarter of 2013 and decreased MMUS$ 2.0 compared to the first quarter of 2013.

Bunker unitary cost, which is the main single component of CSAV's container shipping services cost of sales, reached an average of US$ 588 per ton during the first quarter of 2014, a decrease of 2.0% compared to the fourth quarter of 2013 and of 5.0% compared to the first quarter of 2013. Bunker cost reflects the effective cost for the vessels included in the result of each quarter and differs from activity bunker prices due to the delay produced by round voyage accounting.

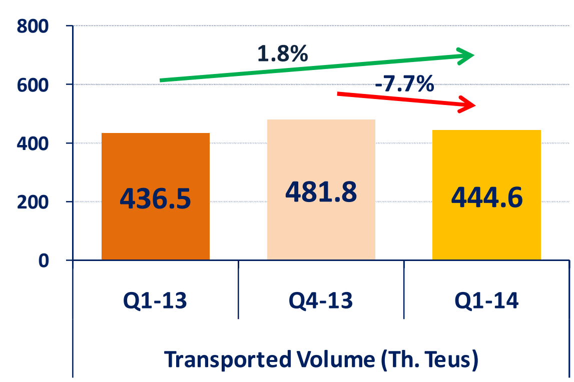
Operating Profit

The following analysis excludes revenue and cost from degree of completion from the total operating revenue and cost of sales, in order to facilitate comparison between quarters. In addition, the provision of MMUS$ 40 connected to the antitrust investigation in the car carrier business and the profit of MMUS$ 3 from cost recovery in the prepayment of AFLAC, recognized during the first and fourth quarters of 2013, respectively, have also been excluded for better comparison.



*Operating Revenue and Cost of Sales exclude degree of completion.

** Admin. Expenses & Others and Operating Profit exclude provision of MMUS$ 40 (Q1-13) and profit from prepayment of AFLAC of MMUS$ 3 (Q4-13).



QoQ Comparison

During the first quarter of 2014, operating revenue (excluding degree of completion) decreased 2.7% compared to the fourth quarter of 2013. Revenue from Container Shipping Services decreased 6.0%, explained by an increase of 3.4% in CSAV's container rate index and a decrease of 7.7% in transported volume, and reduced revenue from vessel charters to third parties. Meanwhile, revenue from Other Shipping Services increased 32.1%, due to seasonal reefer business.

Cost of sales (excluding degree of completion) decreased 8.0% in the first quarter of 2014 compared to the fourth quarter of 2013. Container Shipping Services Cost decreased 11.5%, mainly explained by a decrease of 7.7% in transported volume and slightly lower bunker prices. If bunker prices are maintained constant, Container Shipping Services Cost decreases 11.1% between both quarters, considering a volume decrease of only 7.7%. Other Shipping Services Cost increased 33.0%, due to seasonal reefer business.

Administrative expenses and others showed a decrease of 6.5% between the first quarter of 2014 and the fourth quarter of 2013.

Operating loss reached MMUS$ 63.6 during the first quarter of 2014, which compares positively to the operating loss of MMUS$ 111.4 during the fourth quarter of 2013.

YoY Comparison

During the first quarter of 2014, operating revenue (excluding degree of completion) showed a decrease of 15.3% compared to the first quarter of 2013. Likewise, revenue from Container Shipping Services decreased 12.6%, which is mainly explained by an important decrease of 10.6% in CSAV's container rate index, partially compensated by an increase of 1.8% in transported volume, and reduced revenue from vessel charters to third parties. Meanwhile, revenue from Other Shipping Services decreased 31.1%, due to lower activity in car carrier and reefer business.

Cost of sales (excluding degree of completion) decreased 13.4% in the first quarter of 2014 compared to the first quarter of 2013. Likewise, Container Shipping Services Cost decreased 9.0%, which is mainly explained by lower variable and slot costs per transported TEU. If bunker prices are maintained constant, Container Shipping Services Cost decreases 8.0% between both quarters, while transported volume grew 1.8%. Other Shipping Services Cost decreased 37.8%, due to lower activity in car carrier and reefer business.

Administrative expenses and others showed a significant decrease of 11.8% in the first quarter of 2014 compared to the first quarter of 2013, due to the implementation of saving programs and lower consultancy costs.

Operating loss reached MMUS$ 63.6 during the first quarter of 2014, which compares negatively to the operating loss of MMUS$ 54.2, achieved during the first quarter of 2013. The impact of lower freight rates is equivalent to MMUS$ 69 of lower revenue, and operating profit decreased only MMUS$ 9, which reflects the company´s more efficient cost structure.

Net Profit

CSAV's net profit for the first quarter of 2014 reached a loss of MMUS$ 65.9, which compares to the loss of MMUS$ 60.7 in the fourth quarter of 2013 and the loss of MMUS$ 96.0 in the first quarter of 2013.

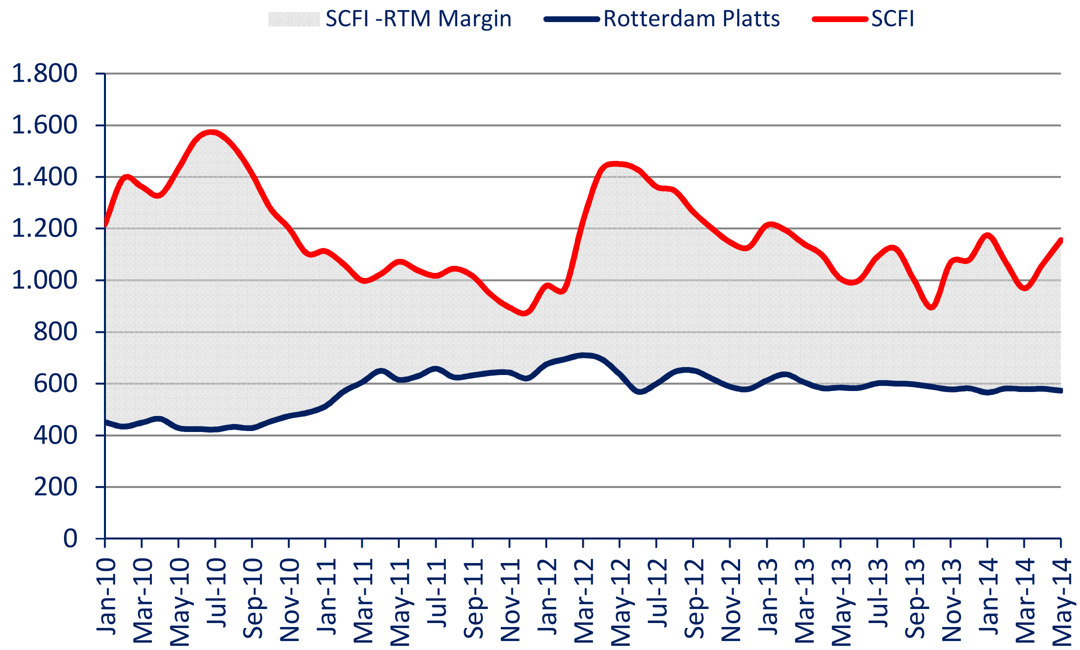
Market Analysis

The shipping industry has been facing an adverse market situation since late 2010, characterized by:

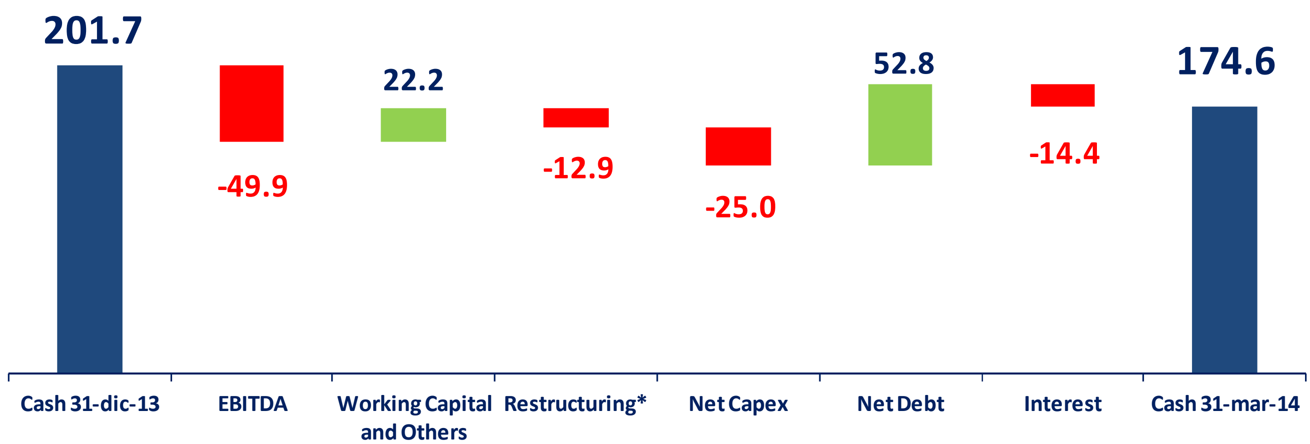
- Difficult global economic conditions that have hampered the growth of demand for transportation.
- An oversupply of space as a result of excess shipbuilding orders in the years prior to the crisis of 2009.
- Oil prices, the industry's main single cost component, have remained high since 2011.

Given this weak industry financial situation, shipping companies have independently taken a series of measures to mitigate the scenario they are facing, such as suspending services, increasing their laid-up fleet, implementing super slow steaming, increasing joint operations and changing the strategic focus of the industry's leading companies from gaining market share to recovering profitability. These efforts have been very significant when it comes to the creation of operational alliances between the different lines, via consortiums. In particular, the three largest container shipping companies in the world (Maersk, MSC and CMA CGM) have announced the set up of the largest consortium in the history of the industry, known as P3. The implementation of this alliance will need several layers of regulators' approval. However, it shows a clear path to the industry in terms of large-scale operational cooperation, as well as the rationality that has been incubating increasingly in the different actors of the business.

Despite all the industry's rationalization efforts, the ex-bunker freight rate continues to be positioned below the historical levels in most trades and below the level that the industry should consider as a sustainable equilibrium. This situation has not allowed the industry to enjoy normal returns, and therefore the normal re-investment process is not taking place, particularly in an industry where the asset structure is outdated and out of the frame of a new technological paradigm in relation to bunker consumption. During the last months, freight rates have shown high volatility, coupled with high fuel cost, therefore presenting a challenging scenario for the Company and the industry.


SCFI -RTM Margin
Rotterdam Platts
SCFI
1.800
1.600
1.400
1.200
1.000
800
600
400
200
0
Jan-10
Mar-10
May-10
Jul-10
Sep-10
Nov-10
Jan-11
Mar-11
May-11
Jul-11
Sep-11
Nov-11
Jan-12
Mar-12
May-12
Jul-12
Sep-12
Nov-12
Jan-13
Mar-13
May-13
Jul-13
Sep-13
Nov-13
Jan-14
Mar-14
May-14

Cash Position



** Restructuring Cash Flow includes all the contracts signed and the provisions recognized in results during 2012.*

As of March 2014, CSAV's cash balance reached MMUS$ 174.6, a decrease of MMUS$ 27.1 or 13.4% compared to MMUS$ 201.7 reached in the previous quarter, mainly due to negative cash flows from negative results, net capex, interest and restructuring, partially compensated by positive cash flows from net debt and working capital.

Financial Debt

Figures in US$ Million	Mar-14	Dec-13	Mar-13
Short Term Financial Debt	179.7	112.4	389.3
Long Term Financial Debt*	558.6	579.7	509.5
Total Financial Debt	**738.3**	**692.1**	**898.8**
Cash and Cash Equivalents	**174.6**	**201.7**	**198.8**
Net Financial Debt	**563.7**	**490.4**	**700.0**

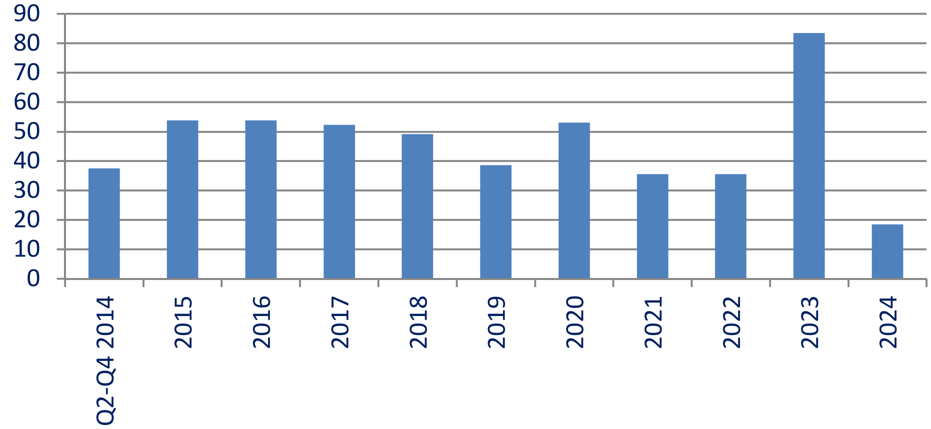
** Financial debt net of financial derivatives.*

CSAV's financial debt as of March 2014 amounted to MMUS$ 738.3, an increase of MMUS$ 46.2 or 6.7% compared to December 2013. This increase is mainly explained by a MMUS$ 72.6 credit line with Santander – Penta drawn during the first quarter, partially compensated with debt repayments of MMUS$ 26.4. Compared to March 2013, financial debt decreased US$ 160.6 million or 17.9%, due to the repayment of AFLAC of MMUS$ 205, debt repayment of vessel financing and bonds of MMUS$ 120, partially compensated by credit line utilization of MMUS$ 57 and new loans of MMUS$ 106.

Net financial debt as of March 2014 increased MMUS$ 73.3 or 14.9% compared to December 2013, and decreased MMUS$ 136.3 or 19.5% compared to March 2013.

The company has secured a total amount of liquidity commitments of MMU$ 422. Out of this amount only MMUS$ 223 were drawn by the end of March 2014 under a structured facility signed with BTG Pactual last August for a period of one year and with Banco Latinoamericano de Comercio Exterior S.A. (Bladex) last November for a period of 3 years, and a revolving credit line with Banco Santander Chile and Banco Penta signed during September 2013 for a period of 3 years. The remaining liquidity comes from revolving credit lines signed with Banco Consorcio, Banco Itaú Chile and Compañía de Seguros de Vida Consorcio Nacional de Seguros S.A. in December 2012 for a period of 3 years, and Tanner Servicios Financieros S.A. signed in June 2013 for a period of 1 year (See Note 5 of Financial Statements). This significant liquidity will allow the company to face the industry´s current volatility in a much stronger position.

Financial Debt Profile
(in US$ Million)



Excludes drawn liquidity facilties and debt facility of MMUS$ 347 to finance the acquisition of 7 vessels of 9300 TEUs, to be drawn at vessels' delivery starting Q4 2014.

Outlook

The operational and commercial activity of the first quarter of 2014, which will explain to an important extent the results of the second quarter, have slightly improved compared to the one impacting the first quarter results, though still far from breakeven levels. The freight rates of the activity were negatively affected by the Chinese New Year during February and this trend continued in March. However, a slight freight rate recovery has started in several relevant trades from April and continues a similar trend in May. Unfortunately, in the East Coast of South America, a significant market for CSAV, the existing imbalance of supply and demand, exacerbated by a weak demand from Brazil, has brought the freight rates to very low levels, as it can be seen in the Shanghai Index. In this complex industry scenario, the company has continued to enhance the cost structure, as it is visible when comparing the first quarter of 2014 to the first quarter of 2013, our cost of sales per TEU has dropped 10%. This positive impact is basically explained by all the initiatives of cost reduction taken by the company, the introduction to our fleet of most of the vessels of 8.000 TEUs which were chartered out to Maersk during last year and also to the better utilization levels of the vessels.

Our long term investment plan to be financed by the US$ 200 million capital increase which will take place during the first half of this year, will allow, after the new vessels arrive, a significant improvement from bunker and charter savings, during the second half of 2015.

In terms of a broader market outlook for 2014, we expect the markets to continue to be very volatile. According to Alphaliner, the delivery of new vessels is expected to reach an increase of 9.4% of the global fleet. However, due to the scrapping activity, which is expected to reach a record level in 2014, as well as some delivery deferrals, net growth in the world fleet is expected to reach levels of 5.6%, which is in our opinion in line with the expected growth in demand. Despite this positive signal, of no additional oversupply to be created during 2014, the existing oversupply at the beginning of the period will remain on similar levels as in 2013.

After all conditions precedent are met, the container activity of CSAV, is moving towards a very important consolidation with Hapag-Lloyd. The combined entity resulting from this transaction, would become the fourth largest player, but also the fourth real player with a global footprint in our industry, enjoying therefore significant economies of scale as well as network efficiencies. The estimated value of the synergies resulting from the combination is calculated at US$ 300 million per year of cost savings. Additionally to that, and using the resources of about US$ 1.000 million capital increases which have been agreed after the merger take place, the new Hapag-Lloyd would have the ability to further invest in more modern and efficient fleet, therefore improving the operating cost in the years to come in a significant manner. This significant and relevant strategic move is of high importance for both companies and might change, independently of the improvement of the market conditions, the capability to deliver positive results.

Relevant Events

- A capital increase of US$ 200 million was approved in a Special Shareholders Meeting held on March 21, 2014, aimed to complete the financing of the seven 9300 TEU container vessels currently under construction at the Samsung Heavy Industries shipyard in Korea, and to fulfill some of the conditions for the closing of the eventual merger with Hapag-Lloyd AG.

- The company signed a binding contract with Hapag-Lloyd AG on April 16, 2014, by which both companies agreed on merging CSAV's entire container business with Hapag-Lloyd. In return for contributing its container business, CSAV will become a new Hapag-Lloyd core shareholder besides HGV (City of Hamburg) and Kühne Maritime. CSAV will initially hold a 30% stake in the combined entity. The partners have agreed on a capital increase of EUR 370 million once the transaction has been concluded, to which CSAV will contribute EUR 259 million. This will then increase CSAV's share of Hapag-Lloyd to 34%. A second capital increase of EUR 370 million will be linked to Hapag-Lloyd's planned stock exchange listing.

  The closing of the transaction is subject to CSAV's appraisal rights exercise condition of less than 5% being met, the approval of the Senate of Hamburg, the approval of competition authorities and fulfillment of some financial conditions.

- Upon the deadline of April 20, 2014, CSAV's dissident shareholders' appraisal right was exercised by 2.7% of all the company's shares, meeting the condition established by the Special Shareholders Meeting held on March 21, 2014.

- The Senate of Hamburg approved the transaction on April 29, 2014, meeting this precedent condition for the success of the operation, and leaving the merger subject only to the outcome of the consultation process to regulatory authorities around the world and fulfillment of some financial conditions, after which both companies will finally be able to complete the transaction.

Fleet and Service Information

		1Q 14	4Q 13	1Q 13
Container Shipping Services				
Operated Fleet	N° Vessels	49	50	51
	Nominal Capacity (Th. Teus)	247	255	249
Chartered Out Fleet	N° Vessels	8	10	22
	Nominal Capacity (Th. Teus)	44	50	117
Laid Up Fleet	N° Vessels	1	2	2
	Nominal Capacity (Th. Teus)	9	15	9
Total Fleet	N° Vessels	58	62	75
	Nominal Capacity (Th. Teus)	299	320	374
Own Fleet	N° Vessels	14	14	16
	Nominal Capacity (Th. Teus)	91	91	104
Other Shipping Services				
Operated Fleet	N° Vessels	12	13	18
Chartered Out Fleet	N° Vessels	5	4	10
Laid Up Fleet	N° Vessels			
Total Fleet	N° Vessels	17	17	28
Own Fleet	N° Vessels	3	3	2
Containers				
Total Fleet (Th. Teus)		406	436	460

	1Q 14	4Q 13	1Q 13
Average Service Round Voyage	63	65	64

Disclaimer

This report provides general information about Compañía Sud Americana de Vapores S.A. ("CSAV"). It consists of summary information and does not purport to be complete. It is not intended to be relied upon as advice to potential investors.

No representations or warranties, express or implied, are made as to, and no reliance should be placed on, the accuracy, fairness or completeness of the information presented or contained in this report. Neither CSAV nor any of its affiliates, advisers or representatives, accepts any responsibility whatsoever for any loss or damage arising from any information presented or contained in this report. The information presented or contained in this report is subject to change without notice and its accuracy is not guaranteed. Neither the Company nor any of its affiliates, advisers or representatives make any undertaking to update any such information subsequent to the date hereof.

Each investor must conduct and rely on its own evaluation in taking an investment decision.

This report does not constitute an offer, or invitation, or solicitation of an offer, to subscribe for or purchase any securities. Neither this report nor anything contained herein shall form the basis of any contract or commitment whatsoever.

Recipients of this report are not to construe the contents of this summary as legal, tax or investment advice and recipients should consult their own advisors in this regard.