



CSAV reports a US\$ 58.5 million loss during the second quarter of 2014

- *Results were influenced by the industry's low freight rates and by the US\$ 18.6 million loss for the sale of the Company's participation in the joint venture with DryLog in the solid bulk business.*
- *Nevertheless, CSAV achieved further improvements in unit operating costs, an essential element in the Company's business model.*

Santiago, August 29, 2013. Compañía Sud Americana de Vapores (CSAV) announced today its financial results for the second quarter of 2014, which account for a US\$ 58.5 million net loss. The result is 11.2% better than the one obtained during the first quarter this year, when the Company recorded a US\$ 65.9 million loss.

The result for the second quarter of the year negatively compares to the US\$ 34.3 million profit obtained during the same term 2013, which included a one-time US\$ 74 million positive impact, mainly explained by the pre-payment by the Company of the debt maintained with the American Family Life Assurance Company (AFLAC) and because of the reorganization of its Brazilian subsidiaries.

The second quarter of 2014 results are mainly due to the complex scenario that the shipping industry continues facing, which shows low rates as compared to the first quarter of the year and particularly compared to the second quarter of 2013. In fact, according to the container rate index published by CSAV, during the second quarter of 2014 freight rates decreased by 9.9% compared to the same period of the previous year.

Another factor that negatively affected the quarter's results was the US\$ 18.6 million loss for the Company's sale of its interest in the joint venture with DryLog in the solid bulk business.

Improvement in the unit operating costs

Nevertheless, and as it has occurred during the last quarters, CSAV obtained further improvement in its unit operating costs, which are an essential element in the business model driven by the Company. Thus, the increase in transported volume –which rose by 13.5% compared to the first quarter of the year and 7.9% compared to the same quarter of 2013– was greater than the increase in shipping costs during both comparative periods.

Oscar Hasbún, CEO of CSAV explained that “the industry continues facing a very complex and unstable freight rate scenario. In spite of the above, CSAV continues showing a significant improvement in its cost structure, which is in line with the strategy of the Company's new operational model” he indicated.